Stock Code: 2543

Hwang Chang General Contractor Co., Ltd.

2024

Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Published on March 31, 2025

Taiwan Stock Exchange Market Observation Post System:
http://newmops.twse.com.tw
Hwang Chang Annual Report is available at: http://www.hcgc.com.tw

I. Information on the Company's Spokesperson System

Name of Spokesperson: Kuan, Hsin-Huei
Title: Vice President
Tel.: (02)2792-2988
Email: pr@hcgc.com.tw

Name of the First Acting Spokesperson: Chu, Hui-Chu
Title: Vice President
Tel.: (02)2792-2988
Email: fina-dept03@hcgc.com.tw

Name of the Second Acting Spokesperson: Chen, Wei-Hung
Title: Vice President
Tel.: (02)2792-2988
Email: wei@hcgc.com.tw

II. Address and Tel. of the Head Office

Address: 23F.,No. 539, Tanmei St., Neihu Dist., Taipei City, Taiwan (R.O.C.)
Tel.: (02)2792-2988

III. Stock Transfer Agency

Name: MasterLink Securities Corporation
Address: B1, No. 35, Lane 11, Guangfu North Road, Taipei City
Tel.: (02)2768-6668
Website: http://www.masterlink.com.tw

IV. Certified Public Accountants of the Financial Report for the Last Year

Name of CPAs: Lin, Yu-Ya and LI, HAN
Name of CPA firm: Benison Associated Certified Public Accountants Firm
Address: Room 306, 3F, No. 129, Section 3, Minsheng East Road, Taipei
Tel.: (02)2718-6659
Website: https://www.benisoncpa.com.tw

V. Name of any exchanges where the Company's securities are traded offshore and the method of inquiry of the information on the offshore securities: None

VI. Company Website: http://www.hcgc.com.tw

Table of Contents

One. Report to the Shareholders---------- 1

Two. Corporate Governance Report

I. Information on Management Team ---------- 3

II. Remuneration Paid to Directors, Supervisors, President, and Vice Presidents in the Last Year---------- 13

III. Operation of Corporate Governance---------- 20

IV. Information on CPAs' Audit Fees---------- 50

V. Information on CPA Replacements---------- 50

VI. Information on the Chairperson, President, or Managers in Charge of Financial or Accounting Affairs---------- 50

VII. Equity Transfer and Changes in Pledged Equity by Directors, Supervisors, Managers, and Shareholders Whose Shareholding Ratio Exceeds 10%- 50

VIII. Relationships Among the Top 10 Shareholders---------- 50

IX. Combined Shareholding Ratio---------- 51

Three. Capital Raising

I. Capital and Shares---------- 52

II. Issue of Corporate Bonds---------- 54

III. Issue of Preferred Stock---------- 54

IV. Issue of Overseas Depositary Receipts---------- 54

V. Issue of Employee Stock Warrants---------- 54

VI. Issue of New Shares for Mergers and Acquisitions or Acquisitions of Other Company's Shares---------- 54

VII. Implementation of the Fund Utilization Plan---------- 54

Four. Overview of Operations

I. Information on Business---------- 55

II. Overview of Market, Production, and Sales---------- 58

III. Employees---------- 65

IV. Information on Environmental Protection Expenditure---------- 65

V. Labor Relations---------- 66

VI. Information and Communication Security Management---------- 67

VII. Important Contracts---------- 68

Five. Analysis and Review of Financial Position and Financial Performance and Risk Issues

I. Financial Position ---------- 71

II. Financial Performance---------- 72

III. Cash Flow---------- 72

IV. Major Capital Expenditure Items---------- 73

V. Investment Policy for the Last Year---------- 73

VI. Risk Issues---------- 73

VII. Other Important Matters---------- 74

Six.. Special Disclosure

I. Relevant Information on Affiliates---------- 75

II. Private Placement of Securities---------- 75

III. The Company's Shares Held or Disposed of by Subsidiaries---------- 75

Seven.. Matters that Have a Significant Impact on Shareholders' Equity or Securities Prices Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the Last Year and As of the Publication Date of the Annual Report---------- 75

One. Report to the Shareholders

I. 2024 Business Report

The new contract works of the Company in 2024 are "Railway Underground Project of Zhonglu Station Section, Tender CJ13 of the Railway Underground Construction Project, Taoyuan Section, Quasi-MRT Railway in Metro by Taiwan Railway," "Turnkey Project, Construction of Parking Lot and New Youth Social Residency, Guang Hua Section, Lu-Zhou District, New Taipei City, (contracting ratio 73.39%)," "Turnkey Project, Zone 1, Shi Bi Tan Social Residency, Neihu District, Taipei City (contracting ratio 72.18%)," and "North Section, Circular Line (from Y25 (included) to Y27 (included)), including Civil, ME, EE&ECS Construction Segment (CF690A)." All of the above projects are the most favorable tenders, with a total contract amount of more than NT$42.64832 billion.

(I) Implementation status of the business plan

The Company's 2024 consolidated net operating revenue was NT$12,431,138 thousand, gross profit was NT$2,985,373 thousand, net profit after tax was NT$2,043,846 thousand, and the earnings after tax per share was NT$5.25.

(II) Budget execution

Per the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company did not need to prepare financial forecasts for 2024.

(III) Analysis of financial revenue and expenditure and profitability

Analysis item		2024
Analysis of financial structure	Debt to assets ratio %	56.76%
	Ratio of long-term funds to property, plant and equipment %	140.52%
Analysis of profitability	Return on assets %	13.35%
	Return on equity %	38.77%
	Ratio of pre-tax income to paid-in capital %	61.59%
	Profit margin %	16.44%
	Earnings per share (TWD)	5.25

II. 2025 business plan overview

(I) Operating guidelines

1. Conduct construction planning and budget preparation carefully and increase risk awareness to ensure cost control.
2. The human-oriented transparent promotion system facilitate the employees to continuously create performance.
3. Continue to promote digitization to improve work efficiency and reduce management costs.
4. Implement talent cultivation, promote industry-academia cooperation, and foster talents for the industry.
5. In-house component manufacturing team and professional fleet of large-size

vessels and machinery as the proper response to the labor shortage.

6. Implement corporate social responsibility to help alleviate daily life problems and facilitate overall social well-being.

(II) Important production and marketing policies

1. Continue to attach importance to construction quality, occupational safety, and environmental protection, and maintain this excellent tradition.
2. Actively participate in construction-related award competitions to establish the Company's brand image.
3. Strengthen the internal audit system to ensure the authenticity and transparency of financial reports.
4. Choose investment cases suitable for participation prudently to achieve the goal of sustainable operations.
5. Purchase exquisite vessels and renew engineering equipment to ensure construction quality.
6. Adopt the master-apprentice system for the implementation of robust skills training and increase the willingness to work.

III. Future development strategy of the Company is affected by the external competitive environment, regulatory environment and the general business environment

Since its establishment, the Company has actively contracted many large-scale public constructions in Taiwan, such as bridges, buildings, tracks, among others. In recent years, its business landscape has expanded from land to sea, and it has also entered the marine engineering market. The Company has complete heavy-duty machines and outstanding vessel equipment, significantly reducing the cost of equipment rental. Meanwhile, the Company's vessels are new, and regular in-house maintenance and repair are possible to ensure construction safety and quality. The Company has a professional team of technicians who can flexibly control the construction timing and complete the projects in a timely and quality manner.

Subsequently, the Company will continue to strengthen construction management, introduce innovative technologies and methods, and move towards the development of automated equipment, in order to reduce the reliance on human resources, for increasing stable revenue and profit development. Leveraging its multiple competitive advantages such as excellent construction quality, full-flanged construction system, and complete sets of equipment, Hwang Chang carefully selects projects suitable for the Company as a contractor, to achieve the goal of business diversification and sustainable development.

Finally, I would like to thank all shareholders for your support and encouragement on behalf of all the colleagues in the Company

We wish you

Good health and all the best

Chiang, Cheng-Chin, Chairperson

Two. Corporate Governance Report

I. Information on President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches

(I) Directors

1. Director Data

Position (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term of office	Date first elected (Note 3)	Shareholding when elected		Current shareholding		Current shareholdings by spouse and minor children		Shareholding by using other people's names		Major experience (educational) background (Note 4)	Current positions held concurrently at the Company and other companies	Spouse or relative within second degree of kinship of other managers, directors, or supervisors			Remark (Note 5)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
		Fengxin Development Investment Co.,		2023.06.19	3 years	1996.06.30	119,035,965	50.12%	210,395,754	46.23%	-	-	-	-	-	-	-	-	-	-
Chairman	R.O.C.	Representative: Chiang, Cheng-Chin	Male 61~70 years old	2023.06.19	3 years	1995.07.21	-	-	-	-	17,674,992	3.88%	-	-	Junior high school	Chairperson, Fengxin Development Investment Co., Ltd.	-	-	-	-
Director	R.O.C.	Representative: Huang, Chung-Lei	Male 71~80 years old	2023.06.19	3 years	1995.07.21	549,049	0.23%	1,057,465	0.23%	2,158,022	0.47%	-	-	Civil Engineering Department, Minghsin University of Science and	President, Hwang Chang General Contractor Co., Ltd.	-	-	-	-
Director	R.O.C.	Representative: Wei-Hung Chen	Male 41~50 years old	2023.06.19	3 years	2023.06.19	660,810	0.28%	1,028,243	0.22%	-	-	-	-	Department of Resource Engineering, National Cheng	Vice President, Hwang Chang	-	-	-	-
Director	R.O.C.	Huang, Shu-Tsung	Male 71~80 years old	2023.06.19	3 years	2008.06.20	678,366	0.29%	1,206,267	0.26%	-	-	-	-	National Chung-Hsing Senior High School Director of	Director, Huandong Investment Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	Ni, Tzu-Hsiu	Male 51~60years old	2023.06.19	3 years	2017.06.28	-	-	-	-	-	-	-	-	Master's Program, College of Law, National Taiwan	Lawyer of Yongjun Law Firm	-	-	-	-
Independent Director	R.O.C.	Wei, Yung-Neng	Male 71~80 years old	2023.06.19	3 years	2014.06.30	-	-	-	-	-	-	-	-	Labor Safety Administer, JON ENGINEERING Co., Ltd.	-	-	-	-	-
Independent Director	R.O.C.	Hsu, Hsiu-Chen	Female 71~80 years old	2023.06.19	3 years	2017.06.28	-	-	-	-	-	-	-	-	Taoyuan Municipal Zhongli Home Economics and Commercial Senior High School Financial Manager, Hou Chang Hallow Metal Door Enterprise Co., Ltd.	-	-	-	-	-

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Table 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

2. Major shareholders of juridical person shareholders

March 31, 2025

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Fengxin Development Investment Co., Ltd.	Huandong Investment Co., Ltd. (30.30%), Fuqian Investment Ltd. (8.08%), Chiang Lu, Hsiu-E (15.15%), Huang, Chung-Lei (11.62%), Chen, Hsien-Chao (7.27%), Huang, Shu-Tsung (7.07%), Chen, Chiung-Ling (6.06%), Chen, Wen-Chang (5.05%), and Yao, Han-Ching (5.05%)

Note 1: If directors, supervisors are representatives for institutional shareholders, then here should filled with the name of the institutional shareholders.

Note 2: Fill in the name and shareholding ratio of the major shareholders (top 10 shareholders in terms of shareholding ratio) for that corporate shareholder. Where the major shareholders are institutional shareholders, following Table 2 shall be filled.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note “deceased.”

March 31, 2025

Name of corporation (Note 1)	Major shareholders of corporation (Note 2)
Huandong Investment Co., Ltd.	Fuqian Investment Co., Ltd. (13.60%), Chiang Lu, Hsiu-E (21.00%), Huang, Chung-Lea (18.00%), Chen, Hsien-Chao (10.10%), Huang, Shu-Tsung (8.00%), Chiang, Mei-Chi (5.43%), Chiang, Chia-Ming (4.57%), Chiang, Chia-Hsin (4.00%), and Chen, Chiung-Ling (4.00%)

Note 1: If any major shareholder in Table 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the name and shareholding ratio of the major shareholders (top ten shareholders in terms of shareholding ratio) for that corporate shareholder.

Note 3: If the institutional shareholder is not company incorporation, the above-disclosed shareholders' name and shareholding ratios are the name of the funder or donor (can refer to the Judicial Yuan announcement) and their funding or donation ratio. For those donors have passed away, please comment with “deceased”.

March 31, 2025

Name of corporation (Note 1)	Major shareholders of corporation (Note 2)
Fuqian Investment Co., Ltd.	Chiang Lu, Hsiu-E (99.00%)

Note 1: If any major shareholder in Table 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the name and shareholding ratio of the major shareholders (top ten shareholders in terms of shareholding ratio) for that corporate shareholder.

Note 3: If the institutional shareholder is not company incorporation, the above-disclosed shareholders' name and shareholding ratios are the name of the funder or donor (can refer to the Judicial Yuan announcement) and their funding or donation ratio. For those donors have passed away, please comment with “deceased”.

3. Director professional qualification and the independence information disclosure for the independent directors

March 31, 2025

Criteria / Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Fengxin Development Investment Co., Ltd. Representative: Chiang, Cheng-Chin	• Commercial, legal, financial, accounting or other work experience required to perform the Company's business • Education: Junior high school • Current Chairperson of the company • Not in line with any of the conditions stated in Article 30 of the Company Act.	(N/A)	None
Fengxin Development Investment Co., Ltd. Representative: Huang, Chung-Lea	• Commercial, legal, financial, accounting or other work experience required to perform the Company's business • Education: Civil Engineering Department, Minghsin University of Science and Technology • Current President of the company • Not in line with any of the conditions stated in Article 30 of the Company Act.	(N/A)	None
Fengxin Development Investment Co., Ltd. Representative: Wei-Hung Chen	• Commercial, legal, financial, accounting or other work experience required to perform the Company's business • Education: Department of Resource Engineering, National Cheng Kung University • Current Vice President of the Company • Not in line with any of the conditions stated in Article 30 of the Company Act.	(N/A)	None

Criteria / Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Huang, Shu-Tsung	• Commercial, legal, financial, accounting or other work experience required to perform the Company's business • Education: National Chung-Hsing Senior High School • Then Vice President of the Company • Not in line with any of the conditions stated in Article 30 of the Company Act.	(N/A)	None
Ni, Tzu-Hsiu	• Commercial, legal, financial, accounting or other work experience required to perform the Company's business • Work experience such as certified judge, attorney, lawyer, accountant or required for the corporate operations • Education: Graduate Institute of Interdisciplinary Legal Studies, College of Law, National Taiwan University • Former: Practitioner Lawyer of TaiYin International Commercial Law Firm • Current: Lawyer of Yongjun Law Firm • Not in line with any of the conditions stated in Article 30 of the Company Act.	• The person, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the company or any of its affiliates; not holding the company shares; and is not a director, supervisor, or employee of the related company of the company. • There has been no compensation for providing business, legal affairs, financial, accounting, and other services to the company or other affiliated companies in the past 2 years.	None

Criteria / Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Wei, Yung-Neng	• Commercial, legal, financial, accounting or other work experience required to perform the Company's business • Expert professional and technical personnel who have passed the national examination and obtained the certificate required by the company's operations • Education: Air Force Institute of Technology • Former Labor Safety Administer, JON ENGINEERING Co., Ltd. • Not in line with any of the conditions stated in Article 30 of the Company Act.	• he person, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the company or any of its affiliates; not holding the company shares; and is not a director, supervisor, or employee of the related company of the company. • There has been no compensation for providing business, legal affairs, financial, accounting, and other services to the company or other affiliated companies in the past 2 years.	None

Criteria / Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Hsu, Hsiu-Chen	• Commercial, legal, financial, accounting or other work experience required to perform the Company's business • Education: Taoyuan Municipal Zhong Li Commercial Senior High School • Former: Financial Manager, Hou Chang Hallow Metal Door Enterprise Co., Ltd. • Not in line with any of the conditions stated in Article 30 of the Company Act.	• The person, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the company or any of its affiliates; not holding the company shares; and is not a director, supervisor, or employee of the related company of the company. • There has been no compensation for providing business, legal affairs, financial, accounting, and other services to the company or other affiliated companies in the past 2 years.	None

Note 1: Professional qualifications and experience: describe individual directors' and supervisors' professional qualifications and experience. Audit committee members with accounting or finance expertise should state their accounting or finance background and work experience. In addition, indicate whether any circumstance set forth in Article 30 of the Company Act applies.

Note 2: Independent directors should state their independence, including but not limited to whether they, their spouses, or relatives within the second degree are the directors, supervisors, or employees of the company or its affiliated companies. Independent directors should also state the number and proportion of the company's shares held by the person, spouse, or relatives within the second degree of relatives (or in the name of others). Independent directors should disclose whether to serve as a director, supervisor, or employee of a company that has a specific relationship with the company (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"). Independent directors should disclose the remuneration received for providing business, legal, financial, accounting, and other services to the company or its affiliates in the last two years.

4. Board of Directors Diversity and Independence

Position	Name	Gender	Age				Board Diversity Background and Core Competencies				
			45 - 55 years old	55 - 65 years old	65 - 75 years old	75 + years old	Leadership and Decision Making	Finance Accounting	Managerial and Business	Legal Affairs Professional	Industry Domain Knowledge
Director	Chiang, Cheng-Chin	Male			V		V		V	V	V
Director	Huang, Chung-Lei	Male			V		V	V	V	V	V
Director	Chen, Wei-Hung	Male	V				V		V	V	V
Director	Huang, Shu-Tsung	Male			V				V		V
Independent Director	Ni, Tzu-Hsiu	Male		V			V			V	V
Independent Director	Wei, Yung-Neng	Male				V	V		V		V
Independent Director	Hsu, Hsiu-Chen	Female			V			V	V		V

Based on the regulation of the Company's "Corporate Governance Best Practice Principles" Article 23 Paragraph 3, the composition of the members of the board of directors should consider diversity, in which not only the directors who are the Company's managers concurrently shall not exceed one-third of the seats of directors, but shall also develop plans on diversification policies based on the nature of business and operations and the need of developments, including but not limited to the following standards in two major areas: 1. Basic attributes and values: gender, age, nationality, culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, industry experiences, etc.

Diversity of the board of directors: The current board of directors of the company consists of 7 directors, including 4 directors and 3 independent directors. The members have rich experience and expertise in the fields of industry, business, management, and law. In addition, the company also pays attention to gender equality among board members. Currently, there are 7 directors, including 1 female directors, making a ratio of about 14%.

Independence of the Board of Directors: There are 7 seats on the board of directors of the Company, including 3 independent directors. The proportion of independent directors is 43%. None of the directors, directors, or independent directors are spouses or relatives within the second degree of kinship, nor do they have any of the conditions specified in Article 26-3 Paragraphs 3 and 4 of the "Securities and Exchange Act". The company has formulated the "Performance Measures of the Board of Directors" and conducts self-assessment of the performance of the board of directors, self-assessment of directors, and self-assessment of the performance of functional committees once a year. The assessment results, after reporting to the board of directors, are disclosed in the Company's annual reports and website and are provided as the basis of reference for the nomination of directors.

(II) Information on President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches March 31, 2025

Position	Nationality	Name	Gender	Date of election (assumption of office)	Shareholding		Shareholdings by spouse and minor children		Shareholding by using other people's names		Major experience (education)	Current positions held concurrently at other companies	Spouse or relative within second degree of kinship of managers			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
President	R.O.C.	Huang, Chung-Lei	Male	1991.01.01	1,057,465	0.23%	2,158,022	0.47%	-	-	Civil Engineering Department, Minghsin University of Science and Technology Yixin Construction Company	Director, Fengxin Development Investment Co., Ltd. Director, Ho Chang International Contractor	-	-	-	-
Chief Executive Officer	R.O.C.	Lin, Ming-Chao	Male	2016.07.01	57,083	0.01%	-	-	-	-	Civil Engineering Graduate School, National Central University	Director, Hong Chang Infrastructure Technology Co., Ltd.	-	-	-	-
Vice President	R.O.C.	Yao, Han-Ching	Male	2017.09.01	1,487,522	0.32%	-	-	-	-	Department of Civil Engineering, National Taipei University of Technology	Director, Huandong Investment Co., Ltd. Supervisor, Ho Chang International Contractor	-	-	-	-
Vice President	R.O.C.	Chu, Hui-Chu	Female	2020.08.14	61,763	0.01%	2,290	0.00%	-	-	Business Administration Department, National Open Commercial College	Director, Hong Chang Infrastructure Technology Co., Ltd.	-	-	-	-
Vice President	R.O.C.	Chen, Wei-Hung	Male	2020.08.14	1,028,243	0.26%	-	-	-	-	Department of Resource Engineering, National Cheng Kung University	-	-	-	-	-
Vice President	R.O.C.	Kuan, Hsin-Huei	Female	2021.05.13	56,083	0.01%	-	-	-	-	Land Administration Department, National Chung Hsin University	Supervisor, Hong Chang Infrastructure Technology Co., Ltd.	-	-	-	-
Vice President	R.O.C.	Lin, Cheng-Chun	Male	2022.03.01	43,118	0.00%	322	0.00%	-	-	Institute of Civil & Disaster Prevention Engineering, National Taipei University of Technology	Director, Hong Chang Infrastructure Technology Co., Ltd.	-	-	-	-
Vice President	R.O.C.	Yang, Ching-Yao	Male	2022.08.11	54,429	0.01%	-	-	-	-	Department of Architecture, Tamkang University	-	-	-	-	-
Vice President	R.O.C.	Hua, Ching-Sheng	Male	2024.05.14	23,910	0.00%	1,298	0.00%	-	-	Business Administration Graduate School, University of Dubuque	-	-	-	-	-
Vice President	R.O.C.	Wang, Wen-Hsien	Male	2024.08.06	71,712	0.01%	-	-	-	-	Department of Architecture, Hwa Hsia University of Technology	-	-	-	-	-
Vice President	R.O.C.	Chang, Chin-Tsai	Male	2025.01.01	77,486	0.01%	-	-	-	-	Civil Engineering Graduate School, National Central University	Director, Hong Chang Infrastructure Technology Co., Ltd.				
Associate Vice President	R.O.C.	Su, Tsung-Chien	Male	2014.08.01	98,727	0.02%	-	-	-	-	Civil Engineering, China University of Technology	-	-	-	-	-
Associate Vice President	R.O.C.	Hsu, Chen-Chi	Male	2016.07.01	98,964	0.02%	19,328	0.00%	-	-	Construction Department, Nanya Institute of Technology	Supervisor, Hong Chang Infrastructure Technology Co., Ltd.	-	-	-	-

Position	Nationality	Name	Gender	Date of election (assumption of office)	Shareholding		Shareholdings by spouse and minor children		Shareholding by using other people's names		Major experience (education)	Current positions held concurrently at other companies	Spouse or relative within second degree of kinship of managers			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
Associate Vice President	R.O.C.	Lin, Shu-Fen	Female	2019.07.05	24,312	0.00%	-	-	-	-	Department of Accounting, Chinese Culture University	-	-	-	-	-
Associate Vice President	R.O.C.	Hung, Kou-Chun	Male	2021.05.13	34,192	0.00%	-	-	-	-	Civil Engineering Department, National Taipei University of Technology	-	-	-	-	-
Associate Vice President	R.O.C.	Lin Kun-Ming	Male	2022.01.01	79,199	0.01%	3,498	0.00%	-	-	Civil Engineering Department, National Taipei University of Technology	-	-	-	-	-
Associate Vice President	R.O.C.	Lin Yu-Ping	Male	2022.01.01	53,493	0.01%	46,336	0.01%	-	-	Department of Civil Engineering, Chung Yuan Christian University	-	-	-	-	-
Associate Vice President	R.O.C.	Chen, Chih Hsin	Male	2023.04.01	35,589	0.00%	1,349	0.00%	-	-	Department of Civil Engineering, University of the Witwatersrand, South Africa	-	-	-	-	-
Associate Vice President	R.O.C.	Sun, Ching-Wen	Male	2023.08.10	42,091	0.00%	537	0.00%	-	-	Department of Architecture, Feng Chia University	-	-	-	-	-
Assistant Vice President	R.O.C.	Li, Ching-Hui	Male	2023.08.10	37,891	0.00%	-	-	-	-	Civil Engineering Graduate School, National Central University	-	-	-	-	-
Assistant Vice President	R.O.C.	Liu, Tsu-Yuan	Male	2024.08.06	27,096	0.00%	31,843	0.00%	-	-	Department of Civil Engineering, National Taipei University of Technology	-	-	-	-	-
Assistant Vice President	R.O.C.	Li, Tsan-Sheng	Male	2024.08.06	5,000	0.00%	-	-	-	-	Kui-Ren Junior High School	-	-	-	-	-
Assistant Vice President	R.O.C.	Chen, Kun-Mu	Male	2024.10.14	-	-	-	-	-	-	Department of Mechanical Engineering, Feng Chia University	-	-	-	-	-
Assistant Vice President	R.O.C.	Hsu, Chih-Chi	Male	2025.01.01	17,000	0.00%	-	-	-	-	Institute of Civil Engineering, National Cheng Kung University	-	-	-	-	-
Assistant Vice President	R.O.C.	Lan, Chia-Chun	Male	2025.02.01	-	-	-	-	-	-	Civil Engineering Graduate School, National Central University	-	-	-	-	-
Assistant Vice President	R.O.C.	Huang, Meng-Lin	Male	2025.03.10	-	-	-	-	-	-	Department of Civil and Construction Engineering at National Taiwan University of Science and Technology	-	-	-	-	-
Chief Auditor	R.O.C.	Su, Chien-Yu	Female	2003.11.11	12,586	0.00%	-	-	-	-	Department of Civil Engineering, National Taipei University of Technology	-	-	-	-	-

II. Remuneration Paid to Directors, Supervisors, President, and Vice Presidents in the most recent year

(I) Remuneration of directors (including independent directors) and supervisors

1. Remuneration of general directors and independent directors

Position	Name	Remuneration of directors								Sum of A, B, C and D and as a percentage of net income after tax (%) (Note 10)		Remuneration for concurrently serving as employee								Sum of A, B, D, E, F and G as a percentage of net income after tax (Note 10)		Remuneration from investees other than subsidiaries or parent company (Note 11)
		Remuneration (A) (Note 2)		Pension upon retirement (B)		Directors' remuneration (C) (Note 3)		Service expenses (D) (Note 4)				Salaries, bonuses, special allowances, etc. (E) (Note 5)		Pension retirement (F)		Employee compensation (G) (Note 6)						
																The Company		All companies included in the financial statements (Note 7)				
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	Cash Amount	Amount of stock	Cash Amount	Stocks Amount	The Company	All companies included in the financial statements	
Chairman	Chiang, Cheng-Chin	5,262	5,262	207	207	17,383	19,059	90	90	22,942 1.14%	24,618 1.22%	-	-	-	-	-	-	-	-	22,942 1.14%	24,618 1.22%	-
Director	Huang, Chung-Lei (Note 1)	-	-	-	-	17,383	18,221	90	90	17,473 0.87%	18,311 0.90%	5,268	5,268	161	161	704	-	704	-	23,606 1.17%	24,444 1.21%	-
Director	Chen, Wei-Hung (Note 1)	-	-	-	-	8,692	8,692	90	90	8,782 0.44%	8,782 0.44%	2,615	2,615	108	108	352	-	352	-	11,857 0.59%	11,857 0.59%	-
Director	Huang, Shu-Tsung	-	-	-	-	8,692	8,692	90	90	8,782 0.44%	8,782 0.44%			-	-	-	-	-	-	8,782 0.44%	8,782 0.44%	-
Independent Director	Ni, Tzu-Hsiu	1,200	1,200	-	-	-	-	200	200	1,400 0.07%	1,400 0.07%	-	-	-	-	-	-	-	-	1,400 0.07%	1,400 0.07%	-
Independent Director	Wei, Yung-Neng	1,200	1,200	-	-	-	-	200	200	1,400 0.07%	1,400 0.07%	-	-	-	-	-	-	-	-	1,400 0.07%	1,400 0.07%	-
Independent Director	Hsu, Hsiu-Chen	1,200	1,200	-	-	-	-	160	160	1,360 0.07%	1,360 0.07%	-	-	-	-	-	-	-	-	1,360 0.07%	1,360 0.07%	-

1. Please specify the policy, system, standard and structure of the remuneration of independent directors, and specify the relation of the amount of remuneration to the responsibilities assumed, risks, time contributed, and other factors:
   (1) The remuneration of the independent directors of the Company is paid in fixed amounts in accordance with the "Regulations Governing the Remuneration of Directors" of the Company. The independent directors do not participate in the distribution of earnings.
   (2) According to Article 21 of the Articles of Incorporation, if the Company makes a profit in a year, the Board of Directors shall resolve to appropriate no more than 3% of the profit as remuneration to directors, and report to the shareholders' meeting. The directors were provided with 2% remuneration, amounting to NT$52,149,326, based on the Remuneration Committee's proposal and the Board of Directors' resolution for 2024.
   (3) The Company's Board of Directors has established the Remuneration Committee. The relevant performance evaluation and the rationality of the remuneration are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is reviewed at any time depending on the actual operation and relevant laws and regulations, striving to achieve sustainability of the Company.
2. In addition to the disclosure in the table above, the remuneration received by the directors of the Company for providing services (to parent company/all companies in the financial statements/investee such as serving as an advisor in a non-employee capacity) in the last year: None

Note 1: The corporate representative of Fengxin Development Investment Co., Ltd.

Note 2: Refers to the director's remuneration in recent years (including director salary, position bonus, severance pay, various bonuses, incentives, etc.).
Note 3: The series indicates the amount of directors' remuneration distributed by the board of directors in the most recent year.
Note 4: Refers to the relevant business expenses of the directors in the most recent year (including travel expenses, special expenses, various allowances, dormitory, provision of vehicles, in-kind etc). When providing houses, cars, and other means of transportation or exclusive personal expenses, the nature and cost of the provided assets, actual or fair market value rents, fuel, and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, even when it is not included in the directors' remuneration.
Note 5: Refers to the salary, post bonus, severance pay, various bonuses, incentives, travel expenses, certain expenses, various subsidies, dormitories, vehicles, etc., are provided in-kind to the directors concurrently serving as employees (including President, Vice President, other managers, and employees) in recent years. When providing houses, cars, and other means of transportation or exclusive personal expenses, the nature and cost of the provided assets, actual or fair market value rents, fuel, and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, even when it is not included in the directors' remuneration. Salary expenses recognized according to IFRS 2 "Share-Based Payments", including obtaining employee stock option certificates, restricting employees' rights to new shares, participating in cash capital increase subscription shares, etc., should also be included in the remuneration.
Note 6: Refer to the directors concurrently serving as employees (including President, Vice President, other managers, and employees) who obtained employee compensation (including stock and cash) shall disclose the amount of employee compensation approved by the board of directors in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated according to the proportion of the previous year's actual distribution amount, and fill in the attached table 1-3.
Note 7: The total amount of remuneration paid to the directors of the company by all companies (including the company) in the consolidated report should be disclosed.
Note 8: The company pays the total amount of remuneration to each director, and discloses the name of the director in the attribution level.
Note 9: The total amount of remuneration paid to the directors of the company by all companies (including the company) in the consolidated report should be disclosed, and discloses the name of the director in the attribution level.
Note 10: Net profit after tax refers to the net profit after tax of the most recent year's entity or individual financial report.
Note 11:
a. This column should clearly indicate the amount of remuneration received by the director of the company from the subsidiary's reinvestment business or the parent company (if there is none, please fill in "None").
b. If the company's director receives remuneration from the subsidiary's reinvestment business or the parent company, the remuneration received by the company director from the subsidiary's reinvestment business or the parent company shall be included in the I column of the remuneration scale table. Change the field name to "Parent Company and All Investees".
c. Remuneration refers to the compensation or remuneration (including employee, director, and supervisor), and business execution expenses received by the company's directors as directors, supervisors, or managers of subsidiaries or parent companies.

* The contents of remuneration disclosed in this table are different from the income concept under the Income Tax Law, so this table is intended for information disclosure and not for taxation purposes.

2. Supervisors' remuneration: The Company has established an Audit Committee to replace supervisors.

(II) Remuneration to President(s) and Vice President(s)

Unit: NTD thousand

Position	Name	Salary (A) (Note 2)		Pension upon retirement (B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee compensation (D) (Note 4)				Sum of A, B, C and D and as a percentage of net income after tax (%) (Note 6)		Remuneration from investees other than subsidiaries or parent company (Note 7)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Amount of cash	Amount of stock	Amount of cash	Amount of stock			
President	Huang, Chung-Lei	22,580	22,580	1,060	1,060	12,625	12,625	3,855	-	3,855	-	40,120 1.99%	40,120 1.99%	-
Chief Executive Officer	Lin, Ming-Chao													
Vice President	Yao, Han-Ching													
Vice President	Chu, Hui-Chu													
Vice President	Chen, Wei-Hung													
Vice President	Kuan, Hsin-Huei													
Vice President	Lin, Cheng-Chun													
Vice President	Yang, Ching-Yao													
Vice President	Hua, Ching-Sheng													
Vice President	Wang, Wen-Hsien													
Vice President	Liu, Chao-Lung													

Remuneration Range Table

Ranges of remuneration paid to each of the Company's President(s) and Vice President(s)	Names of Presidents and Vice Presidents	
	The Company (Note 6)	All consolidated entities (Note 7) E
Less than NT$1,000,000		
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)	Liu Chao-Lun; Wang, Wen-Hsien; Hua, Ching-Sheng;	Liu Chao-Lun; Wang, Wen-Hsien; Hua, Ching-Sheng;
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)	Chu, Hui-Chu; Chen, Wei-Hung; Kuan, Hsin-Huei; Lin, Cheng-Chun;	Chu, Hui-Chu; Chen, Wei-Hung; Kuan, Hsin-Huei; Lin, Cheng-Chun;
NT$3,500,000 (incl.)～NT$5000,000 (excl.)	Lin, Ming-Chao	Lin, Ming-Chao
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)	Huang, Chung-Lea; Yang, Ching-Yao; Yao Han-Ching	Huang, Chung-Lea; Yang, Ching-Yao; Yao Han-Ching
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)		
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)		
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)		
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)		
100,000,000 and more		
Total	11	11

Note 1: Names of the President and Vice Presidents should be listed separately, the remuneration amounts should be disclosed in aggregated manner.

Note 2: This includes salary, duty allowances, and severance pay to the President and Vice Presidents in the most recent fiscal year.

Note 3: Fill in the number of various bonuses, incentives, travel expenses, extraordinary expenses, various subsidies, dormitory, vehicles, and other remuneration provided for the President and Vice Presidents in the most recent year. When providing houses, cars, and other means of transportation or exclusive personal expenses, the nature and cost of the provided assets, actual or fair market value rents, fuel, and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, even when it is not included in the directors' remuneration. Salary expenses recognized according to IFRS 2 "Share-Based Payments", including obtaining employee stock option certificates, restricting employees' rights to new shares, participating in cash capital increase subscription shares, etc., should also be included in the remuneration.

Note 4: Fill in the amount of employee remuneration (including stock and cash) that the board of directors has approved to distribute to Presidents and Vice Presidents in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated based on the proportion of the actual distribution amount of last year and shall complete the appendix table 1-3.

Note 5: Disclose the total amount of remuneration in each category paid to the President and Vice President(s) by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the President(s) and Vice President(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to the President and each Vice President by the Company.

Note 7: Disclose the names of the President and Vice Presidents in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to the President and each Vice President of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net profit after tax refers to the net profit after tax of the most recent year's entity or individual financial report.

Note 9: a. In this column, specifically disclose the amount of remuneration received by the President and Vice President(s)of the Company from investee enterprises other than

subsidiaries or from the parent company (if none, state “None”).

b. If the President and Vice Presidents of the Company have received remuneration from investees other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to “Parent Company and All Investees”.

c Remuneration means remuneration received by the President and Vice President(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites. The contents of remuneration disclosed in this table are different from the income concept under the Income Tax Law, so this table is intended for information disclosure and not for taxation purposes.

(III) Compensation of the President and Vice Presidents (five highest remunerated management personnel) (Note 1)

Unit: NTD thousand

Position	Name	Salary (A) (Note 2)		Pension upon retirement (B)		Bonuses and Allowances (C) (Note 3)		Employee compensation (D) (Note 4)				Ratio of Total Compensation (A+B+C+D) to Net Income (Note 6)		Remuneration from investees other than subsidiaries or parent company (Note 7)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
Vice President	Yang, Ching-Yao	2,100	2,100	108	108	4,210	4,210	294	-	294	-	6,712 0.33%	6,712 0.33%	-
President	Huang, Chung-Lei	4,080	4,080	161	161	1,278	1,278	704	-	704	-	6,223 0.31%	6,223 0.31%	-
Vice President	Yao, Han-Ching	2,100	2,100	108	108	3,117	3,117	294	-	294	-	5,619 0.28%	5,619 0.28%	-
Chief Executive Officer	Lin, Ming-Chao	3,120	3,120	108	108	966	966	548	-	548	-	4,742 0.24%	4,742 0.24%	-
Vice President	Chen, Wei-Hung	1,980	1,980	108	108	725	725	352	-	352	-	3,165 0.16%	3,165 0.16%	-

Note 1: The so-called “Top 5 Remuneration Executives” refer to the managers of the company. The identified criteria for managers shall be followed the scope defined in the letter from the former Securities and Futures Commission of the Ministry of Finance dated March 27, 2003, Tai-Cai-Zheng-San-Zi No. 0920001301. As for the calculation and determination principle of "the top five remunerations", it is based on the company's managers receiving salaries, retirement pensions, bonuses, and certain expenses from all companies in the consolidated financial report, as well as the total amount of employee remuneration (that is, A +B+C+D (the total of four items), and the top five remunerations will be determined after sorting. If the director concurrently serves as the supervisor mentioned above, then the director shall be indicated in both this form and the above form (1-1).

Note 2: Fill in the salary, position bonus, and severance pay of the top five remuneration executives in the most recent year.

Note 3: Fill in the number of various bonuses, incentives, travel expenses, extraordinary expenses, various subsidies, dormitory, vehicles, and other remuneration provided by the top five remuneration executives in the most recent year. When providing houses, cars, and other means of transportation or exclusive personal expenses, the nature and cost of the provided assets, actual or fair market value rents, fuel, and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, even when it is not included in the directors' remuneration. Salary expenses recognized according to IFRS 2 "Share-Based Payments", including obtaining employee stock option certificates, restricting employees' rights to new shares, participating in cash capital increase subscription shares, etc., should also be included in the remuneration.

Note 4: Fill in the amount of employee remuneration (including stock and cash) that the board of directors has approved to distribute to the top five remuneration executives in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated based on the proportion of the actual distribution amount of last year and shall complete the appendix table 1-3.

Note 5: The total amount of remuneration paid to the top 5 remuneration managers of all companies (including the company) in the consolidated report should be disclosed.

Note 6: Net profit after tax refers to the net profit after tax of the most recent year's entity or individual financial report.

Note 7: a. This column should clearly indicate the amounts of remuneration received by the top 5 remuneration managers of the company from the subsidiary's reinvestment business or the parent company (if there is none, please fill in "None").

b. Remuneration refers to the compensation or remuneration (including remuneration for employee, director, and supervisor), and business execution expenses received by the company's top 5 remuneration managers as directors, supervisors, or managers of subsidiaries or parent companies.

＊ The contents of remuneration disclosed in this table are different from the income concept under the Income Tax Law, so this table is intended for information disclosure and not for taxation purposes.

(IV)Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

Unit: NTD thousand

	Position (Note 1)	Name (Note 1)	Amount of stock	Amount of cash	Total	Proportion of the total to net income after tax (%)
Managerial Officer	President	Huang, Chung-Lei	-	7,097	7,097	0.35%
	Chief Executive Officer	Lin, Ming-Chao				
	Vice President	Yao, Han-Ching				
	Vice President	Chu, Hui-Chu				
	Vice President	Chen, Wei-Hung				
	Vice President	Kuan, Hsin-Huei				
	Vice President	Lin, Cheng-Chun				
	Vice President	Yang, Ching-Yao				
	Vice President	Hua, Ching-Sheng				
	Vice President	Wang, Wen-Hsien				
	Assistant Vice President	Su, Tsung-Chien				
	Assistant Vice President	Hsu, Chen-Chi				
	Assistant Vice President	Lin, Shu-Fen				
	Assistant Vice President	Chang, Chin-Tsai				
	Assistant Vice President	Hung, Kou-Chun				
	Assistant Vice President	Lin Kun-Ming				
	Assistant Vice President	Lin Yu-Ping				
	Assistant Vice President	Chen, Chih Hsin				
	Assistant Vice President	Sun, Ching-Wen				
	Assistant Vice President	Li, Ching-Hui				
	Assistant Vice President	Liu, Tsu-Yuan				
	Assistant Vice President	Li, Tsan-Sheng				
	Assistant Vice President	Chen, Kun-Mu				

Note 1: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2: This refers to employee profit-sharing compensation (including stocks and cash) received by managers in the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Net profit after tax refers to the net income earned in the most recent year, after deducting taxes. If IFRSs have been adopted, net profit after tax refers to the net profit after tax of the most recent year's parent-company only or individual financial report.

Note 3: The applicable scope of "managerial officers" is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-Zi-No.0920001301 as persons in the following positions:

(1) President and equivalent level positions
(2) Vice President(s) and equivalent level positions
(3) Associate President(s) and equivalent level positions
(4) Chief officer of the finance division
(5) Chief officer of the accounting division
(6) Other persons who have the power to manage affairs and sign for the Company

Note 4: Assistant Vice President, Chen, Kun-Mun was newly appointed in October14, 2024.

(V) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

Year / Identity	2024		2023	
	Total remuneration (NTD thousand)	Percentage of total amount to the net loss after tax (%)	Total remuneration (NTD thousand)	Proportion of the total to net income after tax (%)
Director Supervisor President and Vice Presidents	102,259	5.07%	50,936	9.99%

The Company has formulated a director remuneration policy, which has been reviewed by the Remuneration Committee and approved by the shareholders' meeting. The president and vice presidents' remuneration payment methods are handled as per the Company's managers' remuneration management policy, its operating performance, and development trends and have been approved by the Remuneration Committee and the Board of Directors. The directors were provided with 2% remuneration based on the proposal of the Remuneration Committee and the resolution of the Board of Directors for 2024.

III. Operation of Corporate Governance

(I) The operation of the Board of Directors: The board held 9 meetings in 2024, and the attendance of directors and supervisors was as follows

Position	Name (Note 1)	Number of actual attendances (in non-voting capacity) B	Number of attendances by proxy	Number of actual attendance (in non-voting capacity) [B/A] (Note 2)	Remarks
Chairman	Fengxin Development Investment Co., Ltd. Representative: Chiang, Cheng-Chin	9	-	100%	-
Director	Fengxin Development Investment Co., Ltd. Representative: Huang, Chung-Lea	9	-	100%	-
Director	Fengxin Development Investment Co., Ltd. Representative: Wei-Hung Chen	9		100%	-
Director	Huang, Shu-Tsung	9	-	100%	-

Independent Director	Ni, Tzu-Hsiu	9	-	100%	-
Independent Director	Wei, Yung-Neng	9	-	100%	-
Independent Director	Hsu, Hsiu-Chen	7	-	77.7%	-

Other additional information:

I. For board meetings that meet any of the following circumstances, specify the date, session, the contents of motions, independent directors' opinions, and the Company's response to such opinions:

(I) Matters in Article 14-3 of the Securities and Exchange Act.

Board of Directors	Content of motion and subsequent response
2024.03.08 2nd meeting in 2024	Proposal description: Proposal for remuneration of CPAs
	Opinions of all independent directors: None
	The Company's response to independent directors' opinions: N/A
2024.03.28 3rd meeting in 2024	Proposal description: Proposal of first capital increase in cash in 2024
	Opinions of all independent directors: None
	The Company's response to independent directors' opinions: N/A
2024.08.23 6th meeting in 2024	Proposal description: Proposal to amend the Operating Procedures for Endorsement/Guarantee
	Opinions of all independent directors: None
	The Company's response to independent directors' opinions: N/A
2024.11.11 8th meeting in 2024	Content of motion: 1. Amendments to the Company's "Statement on Internal Control" and "Statement on Internal Audits" 2. Proposal of second capital increase in cash in 2024
	Opinions of all independent directors: None
	The Company's response to independent directors' opinions: N/A

(II) In addition to aforementioned motions, the resolutions adopted by the board of directors to which independent directors have objections or reserved opinions on record or in written statement: None

II. Disclosure regarding recusals for proposals involving conflicts of interests, including the names of directors concerned, the contents of the proposals, reason for recusal, and the voting process:

1. Board meeting on January 24, 2024: Discussed the proposal for the purchase of real estate by the Company; except that Director Chiang, Cheng-Chin and Director Huang, Chung-Lea recused themselves as required by the law, and the remaining attending directors passed the proposal without objection.
2. Board meeting on May 14, 2024: Discussed the proposal for the directors concurrent the employees and managerial officers participating the employee subscription for the 2024 1st capital increase in cash; except that Director Huang, Chung-Lea and Director Chen, Wei-Hong recused themselves as required by the law, and the remaining attending directors passed the proposal without objection.
3. Board meeting on August 6, 2024: Discussed the proposal to amend the "Regulations Governing the Salaries and Remunerations to Directors and Managerial Officers," proposal to deliberate the salaries of managerial officers, and the proposal to deliberate the amount of 2023 remuneration distributed to employees and directors; except that Director Chiang, Cheng-Chin, Director Huang, Chung-Lei and Director Chen, Wei-Hong recused themselves as required by the law, and the remaining attending directors passed the proposal without objection.
4. Board meeting on October 4, 2024: Discussed the proposal to terminate the lease of investment property to the related party, "Ho Chang International Contractor"; except that Director Chiang, Cheng-Chin and Director Huang, Chung-Lea recused themselves as required by the law, and the remaining attending directors passed the proposal without objection.
5. Board meeting on December 20, 2024: Discussed the proposal to deliberate the number of

months for the 2024 year-end bonus of managerial officers; the proposal to deliberate the salaries of new managerial officers, the proposal to determine the percentage of the directors' remunerations, and the proposal for the directors concurrent the employees and managerial officers participating the employee subscription for the 2024 2nd capital increase in cash; except that Director Chiang, Cheng-Chin, Director Huang, Chung-Lea and Director Chen, Wei-Hong recused themselves as required by the law, and the remaining attending directors passed the proposal without objection.

III. The Company shall disclose the cycle and period, scope, method, and content of the self-evaluation (or peer evaluation) of the performance of the Board of Directors

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Evaluates once a year	2024.1.1~ 2024.12.31	1. Board of Directors 2. Individual directors 3. Functional committees (Remuneration and Audit Committees)	1. Self-assessment of the performance of the Board of Directors 2. Self-assessment of the performance of the Directors 3. Self-assessment of the performance of Functional Committees	Evaluation is conducted in accordance with Article 7 of the Rules of the Performance Evaluation of the Board of Directors formulated by the Company on November 13, 2019

Assessment results of 2024

Assessment of the performance of the Board of Directors	Self-assessment of the board members	Assessment of the performance of functional committees
Scores as result 4.93 points	Scores as result 4.94 points	Scores as result 4.94 points

Note 1: Refers to the Board of Directors Performance Evaluation Execution Cycle, ex: Once per year.

Note 2: Refers to the Board of Directors Performance Evaluation Coverage Duration, ex: Carried out Board of Directors Performance Evaluation for the performance between 2019/1/1 to 2019/12/31.

Note 3: The evaluation scope including the performance for the follows: Board of Directors, individual members of the board, and functional committees.

Note 4: The evaluation approach included: Board internal self-assessment, Board members self-assessment, peer assessment, appointing external professional institution/export or other appropriate agent to conduct performance evaluation.

Note 5: The evaluation content based on evaluation scope at least includes the following:

(1) Board of Directors Performance Evaluation: At least including the participation in the company's operation, decision-making quality of the board, composition and structure of the board, selection and continuous education, internal control, etc.

(2) Individual Directors Performance Evaluation: At least including the mastery of company goals and tasks, directors' awareness of responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuing education, internal control, etc.

(3) Functional Committee Performance Evaluation: At least including participation in the company's operations, awareness of the responsibilities of the committee, decision-making quality of the committee, composition of the committee and selection of members, internal control, etc.

IV. Evaluation of the implementation (such as setting up an audit committee or enhancing information transparency) in the current year and the last year:

1. The Company has set up a Remuneration Committee to make suggestions to the Board of Directors about its directors' and managers' salary policy and structure.
2. The Company arranges board members' continuing education regarding corporate governance and relevant professional courses to enhance their professional capabilities, and discloses relevant information on the Market Observatory Post System (MOPS).

3. The Company has established the Audit Committee to strengthen the Board of Directors. The Company's major proposal (such as investment, acquisition or disposal of assets, etc.) are submitted to the Audit Committee for discussion and resolution before execution. The major proposal approved by the Board of Directors are fully disclosed on the MOPS to achieve the goal of information transparency.

Note 1: Where directors and supervisors are corporate shareholders, they shall disclose the name of the corporate shareholders and their representatives' names.

Note 2: (1) If the director and supervisor resign before the end of the year, the date of resignation should be indicated in the Remarks column, and the actual attendance rate (%) is based on the count number of board meetings and the actual attendance (present) during the term of office.

(2) Before the end of the year, if there is re-election of the director and supervisor, the current and former directors and supervisors shall be identified, and the election status and re-election date of the directors and supervisors shall be indicated in the Remarks column. The actual attendance (present) rate (%) is calculated based on the number of board meetings and the number of actual attendance (present) during the term of office.

(II) The operation of the Audit Committee: The Audit Committee held 8 meetings(A) during the last year, and the attendance of independent directors is as follows

Position	Name	Number of actual attendances (B)	Number of attendances by proxy	Rate of actual attendances (%) (B/A) (Note 1, Note 2)	Remarks
Independent Director	Ni, Tzu-Hsiu	8	-	100%	-
Independent Director	Wei, Yung-Neng	8	-	100%	-
Independent Director	Hsu, Hsiu-Chen	7	-	87.5%	-

Other additional information:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(I) Any matter under Article 14-5 of the Securities and Exchange Act.

Audit Committee	Content of motion and subsequent response
2024.01.24 4th meeting of the 3rd term	Proposal description: Proposal to purchase real estate.
	Audit Committee's resolution result: All attending members passed the proposals as proposed
	The Company's response to the Audit Committee's opinions: N/A
2024.03.08 5th meeting of the 3rd term	Content of motion: 1. Proposal to assess the remuneration and independence of the CPA 2. Proposal of the 2023 Statement on Internal Control
	Audit Committee's resolution result: All attending members passed the proposals as proposed
	The Company's response to the Audit Committee's opinions: N/A
2024.03.28 6th meeting of the 3rd term	Proposal description: Proposal of first capital increase in cash in 2024
	Audit Committee's resolution result: All attending members passed the proposals as proposed
	The Company's response to the Audit Committee's opinions: N/A
2024.08.23 9th meeting of the 3rd term	Proposal description: Proposal to amend the Operating Procedures for Endorsement/Guarantee
	Audit Committee's resolution result: All attending members passed the proposals as proposed

	The Company's response to the Audit Committee's opinions: N/A
2024.11.11 10th meeting of the 3rd term	Content of motion: 1. Proposal of second capital increase in cash in 2024 2. Proposal to purchase land in Beitou 3. Amendments to the Company's "Statement on Internal Control" and "Statement on Internal Audits"
	Audit Committee's resolution result: All attending members passed the proposals as proposed
	The Company's response to the Audit Committee's opinions: N/A
2024.12.20 11th meeting of the 3rd term	Proposal description: Proposal of 2025 audit plan
	Audit Committee's resolution result: All attending members passed the proposals as proposed
	The Company's response to the Audit Committee's opinions: N/A

(II) Except for said issues, other issues that have not been approved by the Audit Committee but have been adopted by at least two-thirds of all directors: None

II. Disclosure regarding recusals for proposals involving conflicts of interests, including the names of independent directors concerned, the contents of the proposals, reason for recusal, and the voting process: None.

III. Communication between independent directors and the internal chief auditor and CPAs:

1. Communication between independent directors and the internal chief auditor: The internal chief auditor submits audit reports and follow-up reports to independent directors for review by the end of the following month, and attends the board meetings and the Audit Committee meetings in a non-voting capacity. Independent directors can fully communicate with the internal chief auditor.
2. Communications in 2024:

Date	Summary
Audit Committee meeting on March 8, 2024	1. Reported on the Audit Office's business 2. Approved the 2023 Internal Control Declaration
Audit Committee meeting on May 14, 2024	Reported on the Audit Office's business
Audit Committee meeting on August 6, 2024	Reported on the Audit Office's business
August 6, 2023 Independent directors and audit officer conference	Internal control and internal audit business
Audit Committee on November 11, 2024	1. Reported on the Audit Office's business 2. Amendments to the Statement on Internal Control and Statement on Internal Audits
Audit Committee meeting on December 20, 2024	1. Reported on the Audit Office's business 2. Proposal of 2025 audit plan
December 20, 2024 Independent directors and CPAs conference	1. Communication regard independence. 2. Communication regarding determining the key audit matters of the annual financial report 3. The annual audit plan by the CPA

3. Key tasks of the Audit Committee in 2024:
   (1) Review financial reports
   (2) Deliberation of the proposal to issue securities
   (3) Review internal control system
   (4) Review acquisition of major assets
   (5) Review the Company's budget, operation plan, and audit plan
   (6) Assess the remuneration and independence of the CPA
   (7) Deliberation of the risk management policy and procedures
   (8) Deliberation of reinvestment plans

Note 1: If the independent director resigns before the end of the year, the date of resignation should be indicated in the

Remarks column, and the actual attendance rate (%) is based on the count number of Audit Committee meetings and the actual attendance during the term of office.

Note 2: Before the end of the year, if there is re-election of the independent directors, the current and former independent directors and shall be identified, and the election status and independent re-election date of the directors shall be indicated in the Remarks column. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings and the number of actual attendance during the term of office.

(III) Corporate governance implementation and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Assessment item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The company has stipulated the Corporate Governance Practice Code of Conduct, and disclosed in the company website	No major deviation
II. The Company's shareholding structure and shareholders' equity				
(I) Has the Company established internal operating procedures to handle shareholders' suggestions, doubts, disputes, and litigation matters, and implemented them in accordance with the procedures?	V		(I) The Company has assigned spokespersons and stock affairs-related units as the communication channel for shareholders' suggestions, and has established a service window for shareholders on its website.	(I) No major deviation
(II) Does the Company keep abreast of the list of major shareholders and the ultimate controlling parties of such shareholders?	V		(II) The Company obtains the latest register of major shareholders from the stock affairs agency regularly.	(II) No major deviation
(III) Has the Company established and implemented a risk control mechanism and firewalls between its affiliates and itself?	V		(III) The Company has established regulations on the supervision and management of subsidiaries and announces relevant information on a monthly basis.	(III) No major deviation
(IV) Has the Company established internal regulations prohibiting insider trading using non-public information?	V		(IV) The Company has formulated the Procedures for Handling Internal Material Information and Insider Trading Prevention Management and announced them on its website.	(IV) No major

Assessment item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
				deviation
III. Composition and responsibilities of the Board of Directors				
(I) Whether the board stipulated a diversified policy, specifically managing the targets, and tracking the execution?		V	(I) The members of the Company's Board of Directors have different expertise in various fields, which has been very helpful to the Company's operations.	(I) Under review
(II) In addition to the remuneration committee and the audit committee set up in accordance with the law, has the Company voluntarily set up other functional committees?		V	(II) The Company has established the Remuneration Committee and the Audit Committee in accordance with the law.	(II) Other functional committees will be established as per needs and laws and regulations in the future.
(III) Has the Company formulated Board of Directors' performance evaluation regulations and methods, and conducted annual and regular performance evaluations while reporting the results of the performance evaluation to the Board of Directors as a reference for individual directors' remuneration and nomination for re-election?	V		(III) The Company has completed the 2024 Board of Directors performance evaluation and reported to the Board of Directors on March 10, 2025.	(III) No major deviation
(IV) Does the Company regularly assess the independence of CPAs?	V		(IV) The Company's Board of Directors has assessed the independence of the followings on March 10, 2025.	(IV) No major deviation

Assessment item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			1. The CPAs have not served as employees, directors, supervisors, or shareholders of the Company or its affiliates. 2. The CPAs have not provided the Company with audit services for seven consecutive years. 3. The CPAs are not involved in other circumstances that undermine their independence.	
IV. Does the public company appoint an appropriate number of suitable corporate governance personnel, and engage a corporate governance officer to be in charge of corporate governance-related matters (including but not limited to providing directors and supervisors with materials required to perform their duties, assisting directors and supervisors with compliance, handling matters related to the meetings of the Board of Directors and shareholders' meetings as per the law, and preparing the minutes of the meetings of the Board of Directors and shareholders' meeting)?	V		1. The company has set up a corporate governance unit as the Board Secretariat, and on May 13, 2021, the Board of Directors approved Deputy General Manager Guan Xinhui as the head of corporate governance. He is the top executive responsible for corporate governance-related matters and is responsible for supervising the company. Governance affairs, safeguarding shareholders' rights and interests and strengthening the functions of the board of directors. 2. The scope of duties of the corporate governance manager includes handling matters related to meetings of the board of directors and shareholders' meetings in accordance with the law, preparing minutes of the board of directors and shareholders' meetings, assisting directors in their appointment and continuing education, providing directors with information needed to perform business, assisting directors in complying with laws, etc. 3. The execution status of corporate governance business in 2024 is as follows: (1) Assist in providing directors with information and relevant laws required to perform business (2) Handle the six-hour continuing education required for directors	No major deviation

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>(3) Handle the legal compliance matters of audit committee, board of directors and shareholders meeting procedures and confirmation of resolutions
(4) Report to the board of directors the results of its review of whether the qualifications of independent directors at the time of nomination, election and during their term of office comply with relevant laws and regulations.
(5) Purchase for directors' liability insurance
(6) Handle performance evaluation of the board of directors and functional committees
(7) Amend relevant measures according to the latest laws and regulations
(8) Arrange the communications between the independent directors and the CPAs

4. The status of continuing education of the corporate governance officer in 2024 is as follows
<table>
<tr><th>Date of class</th><th>Organizer</th><th>Courses Name</th><th>Hours of continuing education</th></tr>
<tr><td>2024.11.11</td><td>Taiwan Corporate Governance Association</td><td>Corporate governance and securities regulations</td><td>3</td></tr>
<tr><td>2024.12.4</td><td>Securities and Futures Institute</td><td>Seminar for Sustainable Development</td><td>3</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Assessment item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td></td><td>Committees and Chief Sustainable Development Officer</td><td></td></tr>
<tr><td>2024.12.14</td><td>Accounting Research and Development Foundation.</td><td>Preparation of enterprises' financial information and regulations of internal control</td><td>3</td></tr>
<tr><td>2024.12.20</td><td>Taiwan Corporate Governance Association</td><td>Corporate governance and transactions with related parties</td><td>3</td></tr>
</table></td><td></td></tr>
<tr><td>V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers), and set up a dedicated area for stakeholders on the Company's website, and does the Company respond appropriately to</td><td>V</td><td></td><td>The Company has set up a spokesperson/acting spokespersons mechanism to be in charge of the Company's communication with external investors, and has also set up a section dedicated to stakeholders on the its website to safeguard stakeholders' rights.</td><td>No major deviation</td></tr>
</table>

Assessment item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
important corporate social responsibility issues that stakeholders are concerned about?				
VI. Does the Company appoint a professional stock affairs agency to handle the affairs of shareholders' meetings?	V		The Company has appointed a professional stock affairs agency to handle the affairs of shareholders' meetings.	No major deviation
VII. Public Disclosure of Information				
(I) Has the Company set up a website to disclose financial business and corporate governance information?	V		(I) The Company has set up a website to disclose relevant information.	(I) No major deviation
(II) Does the Company adopt other means for disclosure (such as setting up an English website, appointing personnel to collect and disclose relevant information, properly implementing a spokesperson system, and placing the process of investor conferences on the website)?	V		(II) The Company has designated dedicated personnel to be responsible for the collection and disclosure of information, and appointed suitable personnel as the spokesperson and acting spokespersons as per laws and regulations.	(II) No major deviation
(III) Does the Company publicly announce and file the annual financial report within two months after the end of each fiscal year and announce and file the financial reports for the first, second, and third quarters and the monthly operation status prior to the specified deadline?		V	(III) The Company currently files financial reports and monthly operating status as per the "Matters Required to Be Handled by Issuers of Listed Securities" while it has not announced and filed financial reports in advance.	(III) Under evaluation

Assessment item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
VIII. Does the Company have other important information to facilitate better understanding of its corporate governance operations (including but not limited to employees' rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	V		1. The Company holds labor-capital meetings on a regular basis or from time to time, communicates with employees fully, and organizes employee health examinations regularly. 2. The Company regularly discloses the information on its financial business and corporate governance on the open information network filing system as per regulations, so that investors and stakeholders can understand the Company's situation while handling matters related to investors and stakeholders through the spokesperson/acting spokespersons mechanism. 3. The Company has established a positive interactive relationship with suppliers and customers through relevant responsible personnel. 4. The Company has disclosed relevant information on directors' continuing education and attendance of the Board of Directors on the MOPS regularly. 5. When the Company convened board meetings, all independent directors were present, and they have indeed played a supervisory and auditing role as required, and recused themselves from proposals with conflicts of interests. 6. Implementation of risk management policies and risk evaluation standards: The Company has established risk management policies and procedures, which are reported to the Board of Directors by the Risk Management Committee on a regular basis or as necessary, to serve as a basis for evaluating the effectiveness of risk management and control improvement. 7. The Company's purchase of liability insurance for directors: The Company has purchased liability insurance for directors.	No major deviation
IX. Please specify the status of improvements as per the corporate governance evaluation report released by the Corporate Governance Center of TWSE in the last year, and the prioritized improvement actions and measures for remaining deficiencies that have not yet been improved: The Company has reviewed and improved the items as per the indicators for which no points were received in said evaluation report and the newly released indicators.				

(IV) Composition and operation status of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

March 31, 2025

Criteria / Identity (Note 1)	Name	Professional qualification and experience (Note 2)	Independence status (Note 3)	Number of other public companies where they serve as member of the remuneration committee concurrently
Independent Director	Ni, Tzu-Hsiu (Convener)	Please refer to page 6 Director professional qualification and the independence information disclosure for the independent directors	Please refer to page 6 Director professional qualification and the independence information disclosure for the independent directors	None
Independent Director	Wei, Yung-Neng			None
Independent Director	Hsu, Hsiu-Chen			None

Note 1: Please specify on the form the relevant working years, professional qualifications and experience, and independence of the members of the Compensation Committee. If they are independent directors, please refer to the related information in Appendix 1 on page 00 for directors and supervisors. Please identify the identity as the independent director or others (if undertaken as convener, please also identify).

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

Note 3: Remuneration Committee members should state their independence, including but not limited to whether they, their spouses, or relatives within the second degree are the directors, supervisors, or employees of the company or its affiliated companies. Remuneration Committee members should also state the number and proportion of the company's shares held by the person, spouse, or relatives within the second degree of relatives (or in the name of others). Remuneration Committee members should disclose whether to serve as a director, supervisor, or employee of a company that has a specific relationship with the company (refer to Article 6, Paragraph 1, Subparagraphs 5 to 8 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange"). Remuneration Committee members should disclose the remuneration received for providing business, legal, financial, accounting, and other services to the company or its affiliates in the last two years.

2. Information on the operations of the Remuneration Committee

(1) The Company's Remuneration Committee is composed of 3 members.

(2) The term of office of the current committee members: From June 19 2023 June 19, 2026. The Remuneration Committee held 3 meetings(A) in 2024. The qualifications and attendance of the members are as follows:

Position	Name	Number of actual attendances (B)	Number of attendances by proxy	Rate of actual attendances (%) (B/A) (Note)	Remarks
Convener	Ni, Tzu-Hsiu	3	-	100%	-
Committee member	Wei, Yung-Neng	3	-	100%	-
Committee member	Hsu, Hsiu-Chen	2	-	66.6%	-

Remuneration Committee	Content of motion and subsequent response
2024.05.14	Content of motion:

	(3rd meeting of the 5th term)	1. Proposal of managerial officers' salaries 2. Proposal for the directors concurrent the employees and managerial officers participating the employee subscription for the 2024 capital increase in cash
		Remuneration Committee's resolution result: All attending members passed the proposals as proposed
		The Company's response to the Remuneration Committee's opinions: N/A
	2024.08.06 4th meeting of the 5th term	Content of motion: 1. Proposal for deliberate the managerial officers' 2024 interim performance 2. Proposal for amendments to the "Directors' and Managerial Officers' Salary and Remuneration Management Regulations" 3. Proposal for review of managers' salary 4. Proposal to deliberate the amount of 2023 remunerations distributed to employees for managerial officers
		Remuneration Committee's resolution result: All attending members passed the proposals as proposed
		The Company's response to the Remuneration Committee's opinions: N/A
	2024.12.20 5th meeting of the 5th term	Content of motion: 1. Proposal for review of managers' 2024 year-end performance 2. Proposal to deliberate the number of months for the 2024 year-end bonus of managerial officers 3. Proposal of new managerial officers' salaries 4. Proposal to determine the percentage of the directors' remunerations 5. Proposal for the directors concurrent the employees and managerial officers participating the second employee subscription for the 2024 capital increase in cash
		Remuneration Committee's resolution result: All attending members passed the proposals as proposed
		The Company's response to the Remuneration Committee's opinions: N/A

Other additional information:

1. Where the Board of Directors declines to adopt or modifies a suggestion of the remuneration committee, it shall specify 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. the remuneration passed by the Board of Directors is better than the suggestion of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
2. Where there were resolutions of the Remuneration Committee to which members expressed objections or reserved opinions on record or in written statement, the date of the meeting, session, content of the motion, all members' opinions, and the response to members' opinion shall be specified: None.

Note (1): If the member of Remuneration Committee resign before the end of the year, the date of resignation should be indicated in the Remarks column, and the actual attendance rate (%) is based on the count number of Remuneration Committee meetings and the actual attendance during the term of office.

(2): Before the end of the year, if there is re-election of the member of Remuneration Committee, the current and former member of Remuneration Committee and shall be identified, and the election status and independent re-election date of the member of Remuneration Committee shall be indicated in the Remarks column. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings and the number of actual attendance during the term of office.

(V) Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for it

Project Implementation	Implementation status: (Note 1)			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for it
	Yes	No	Summary	
I. Does the company have a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is a senior executive authorized by the board and under the supervision of the board?	V		1. The Company's Board of Directors has approved the establishment of the "Sustainability Committee" on August 30, 2022, where the committee members, with approval of the Chairperson, were comprised of 5 of the Company's senior or department managers and the president serves as the Chief Sustainability Officer 2. The corporate governance team, social welfare team, and sustainable environment team, sustainability information disclosure team were established under the committee to ensure the initiatives and implementation of corporate sustainability-related works. 3. The implementation status and results of sustainable development were most recently reported to the Board of Directors on December 20, 2024.	No major deviation
II. Does the Company implement the risk assessment of environmental, social, and corporate governance issues related to corporate operations and establish relevant risk management policies or strategies based on the principle of materiality?	V		The Company has conducted risk assessments based on the related issues, and established risk management policies and procedure, and disclosed them on the Company's website.	No major deviation
III. Environmental issues (I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		(I) The Company has passed the ISO 14001 environmental management system certification to regulate environmental management,	(I) No major deviation

Project Implementation	Implementation status: (Note 1)			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for it
	Yes	No	Summary	
			environmental auditing, and environmental performance evaluation. The environmental considerations are included in the risk assessment for construction projects, and the Company implements comprehensive control, makes good use of passive and active monitoring models to keep abreast of environmental hazards while taking immediate improvement measures to enhance environmental protection.	
(II) Is the Company committed to improving the energy utilization efficiency and using recycled materials with a low impact on the environment?	V		(II) The Company's current construction techniques are based on the use of modular machines as they can be used repeatedly, while they also can be reused through the steel resource recycling system when they are scrapped. Green building materials have also been actively introduced.	(II) No major deviation
(III) Does the Company assess the present and future potential risks and opportunities of climate change in relation to the Company and adopt countermeasures against climate issues?	V		(III) The greenhouse effect causes global warming and extreme climate, resulting in increasingly frequent natural disasters such as high temperatures, heavy rains, and water shortages. In addition to using green building materials as much as possible in our projects, we also obtain green building certification in accordance with regulations, install energy-saving lighting fixtures and water-saving equipment in our offices, and strengthen the promotion and implementation of energy conservation, resource recycling, waste classification and reduction measures to reduce the impact on the environment.	(III) No major deviation

Project Implementation	Implementation status: (Note 1)			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for it
	Yes	No	Summary	
(IV)Has the Company made statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulated policies, greenhouse gas reduction, water reduction, or other waste management?	V		(IV)The Company complies with environmental protection laws and regulations, motivate all employees to participate in environmental protection, and engage in communication with the neighborhood while being committed to continuous improvement. The Company has conducted its own inventory of greenhouse gas emissions, water consumption and waste disposal data, which can be found in the Company's Sustainability Report.	(IV)No major deviation
IV. Social issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V		(I) The Company complies with the Labor Standards Act and other labor laws and regulations, and has formulated various management measures to protect employees' rights and interests and to standardize its internal operations. Additionally, the Company has formulated human rights policies in accordance with international human rights conventions, including the Universal Declaration of Human Rights, the UN Global Compact, and the ILO Convention, and has disclosed such policies on its website.	(I) No major deviation
(II) Has the Company formulated and implemented reasonable employee benefits and measures (including salary, leave, and other benefits), and properly connected its operating performance or results to employee remuneration?	V		(II) The Company provides paid leave in accordance with the Labor Standards Act, and has set up a Welfare Committee to handle employee benefits while issuing year-end bonuses based on the Company's performance. Also, to incentivize the employees to share the operating results, the	(II) No major deviation

Project Implementation	Implementation status: (Note 1)			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for it
	Yes	No	Summary	
			remuneration is distributed to employees and incumbent employees are eligible for share subscription.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide employees with regular safety and health education?	V		(III) 1. The Company provides regular employee health examinations, organizes annual health promotion activities, and sends employees to participate in occupational safety and health education and various corporate training courses to enhance employees' professional capabilities and to protect their safety. 2. The Company has obtained the ISO45001:2018 and CNS 45001 occupational health and safety management standards certifications. The scope of activities covered includes: expressways, roads, sports facilities, bridges, buildings, rapid transit, and construction services for sewage and drainage. 3. The Company experienced 2 employee occupational accidents in 2024. 4. The Company experienced no fire incidents in 2024.	(III) No major deviation
(IV) Does the Company establish an effective career development and training program for employees?	V		(IV) The Company prepares a budget every year for pre-employment seminars and on-the-job training for employees, to enhance the employees' professional skills, leadership, and career development while arranging professional courses as per the needs of functional units and providing	(IV) No major deviation

Project Implementation	Implementation status: (Note 1)			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for it
	Yes	No	Summary	
			incentives to employees who obtain certificates and licenses.	
(V) Does the Company comply with relevant laws and international standards with regard to customers' health, safety and privacy, marketing, and labeling for its products and services and has the Company established relevant policies and complaint procedures to protect customers' rights?	V		(V) The Company provides warranty for a certain period of time, and has a dedicated hotline during the construction period for the public to supervise the safety and quality of construction work. The Company has passed ISO 14001 environmental certification, ISO 9001 quality certification, ISO 45001 international standard occupational safety and health management certification, CNS45001 Republic of China national standard occupational safety and health management system certification.	(V) No major deviation
(VI) Has the Company established supplier management policy to require suppliers to comply with relevant regulations on issues of environmental protection, occupational safety and health, or labor rights, and what is the status of implementation?	V		(VI) The Company's ISO 9001 clearly requires suppliers to fill out the supplier qualification review registration form.	(VI) No major deviation
V. Does the Company take reference from the international standards or guidelines for report preparation to prepare sustainability reports and other reports that disclose its non-financial information?	V		The Company has prepared a sustainability report in compliance with GRI Standards and SASB Standards.	The Company has disclosed the Chinese and English versions of the 2023 Sustainability Report in August and December 2024, respectively.
Have the aforementioned reports been assured or certified by a third-party verification agency?		V	The information in the report is based on the Company's own inventory and has not been certified or assured by a third-party verification agency.	The 2023 Sustainability Report has not obtained the assurance or guarantee

Project Implementation	Implementation status: (Note 1)			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for it
	Yes	No	Summary	
				from any third-party verification agency.
VI. Where the Company has established its own Sustainability Report Best Practice Principles in accordance with the "Sustainability Report Best Practice Principles for TWSE/GTSM Listed Companies", please specify the difference between its operations and the principles formulated: no deviance				
VII. Other important information to facilitate better understanding of the Company's implementation of sustainability: For details on the Company's implementation of sustainable development, please refer to the Company's Corporate Sustainability Development page.https://www.hcgc.com.tw/company/display/society。				

(VI) Climate-related information of the Company

1. Implementation of Climate-Related Information

Item	Implementation status:
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1. On August 30, 2022, the Board of Directors approved the formation of the Sustainable Development Committee. The committee consists of five senior executives or department heads. It holds meetings twice a year, chaired by the Chief Sustainability Officer (President), and reports on corporate sustainability. The implementation progress and results of the development, the relevant strategies and goals, implementation and effectiveness are reported to the Board of Directors to strengthen the Company's response to climate change and international development trends, thus implementing sustainable development.
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the enterprise (short-term, mid-term, and long-term).	2. We identify and prioritize climate-related risks/opportunities according to the TCFD framework, assess climate change risks and countermeasures with relevant teams, identify potential risks and possible opportunities, and set short-, medium-, and

Item	Implementation status:
	long-term targets, such as heavy rains or flooding events caused by extreme weather. It may lead to the risk of short-term business interruptions. It is necessary to strengthen disaster prevention drills to reduce the impact of damage. For the medium and long-term targets, it is necessary to continue energy-saving methods to reduce energy consumption and adopt local procurement to maximize the efficiency of resource utilization and co-exist and co-prosper with the environment.
3. Describe the financial impact of extreme weather events and transformative actions.	3. Extreme weather events, such as heavy rain or flooding, have the potential to damage the Company's equipment or even cause a complete shutdown, resulting in higher operational costs. Furthermore, factors like the implementation of carbon taxes can also affect the Company's financial profitability.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4. Depending on the industry requirements and an evaluation of the potential impacts of climate risks, the Company formulates practical projects, then regularly executes and consistently assesses, monitors, and refines them for enhancement. These measures are being integrated into the Company's general work practices, enabling the Company to effectively mitigate diverse risks, minimize losses, and strengthen the resilience and sustainability of business operations.
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.	5. Under evaluation.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	6. Under evaluation and planning
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	7. Internal carbon pricing is not used as a planning tool.
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	8. Establishment of climate-related goals is under evaluation and planning.

Item	Implementation status:
energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. 9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	9. The Company's greenhouse gas inventory and assurance status in the past 2 years should be described in 1-1, and the Company's greenhouse gas reduction goals, strategies, and specific action plans should be described in 1-2.

2. Greenhouse Gas Inventory and Assurance Status
   (1) Greenhouse gas inventory information: Information regarding greenhouse gas inventory shall be disclosed in 2026.
   (2) Greenhouse gas assurance information: The complete assurance information shall be disclosed in 2028.
3. Greenhouse gas reduction goals, strategies, and specific action plans: Under evaluation and planning.

(VII) Fulfillment of the Ethical Corporate Management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof

Assessment item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof
	Yes	No	Summary	
I. Enactment of ethical management policy and program				
(I) Has the Company formulated an ethical management policy approved by the Board of Directors and clearly indicated the ethical management policy and practice in rules and external documents? Are the Board of Directors and the senior management committed to implementing said policy actively?	V		(I) The Company has formulated its own Ethical Corporate Management Best Practice Principles to stipulate its ethical corporate management policy.	(I) No major deviation
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are	V		(II) The Company's Ethical Corporate Management Best Practice Principles stipulate that directors, managers, employees, appointees and persons with de facto control	(II) No major deviation

Assessment item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof
	Yes	No	Summary	
at a higher risk of being involved in unethical conduct, and established a prevention program accordingly with the inclusion of the preventive measures against each behavior specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?			shall not directly or indirectly provide, promise, request, or accept any improper benefits, or engage in other unethical acts that violate integrity, laws, or fiduciary duty to obtain or maintain benefits in the course of doing business.	
(III) Has the Company specified the operating procedures, behavior guidelines, disciplinary actions for violation, and complaint system in the prevention program for unethical conduct, and implemented the program accordingly? Does the Company review and modify the program mentioned above regularly?	V		(III) The Company has set out relevant management measures and a whistleblowing system to prevent the occurrence of unethical conduct.	(III) No major deviation
II. Implementation of ethical corporate management	V		(I) The Company has established an evaluation mechanism for its clients and suppliers, and clearly stipulates both parties' rights and obligations in the contract.	(I) No major deviation
(I) Does the Company assess its counterparties' records of ethical conduct and specify ethical conduct clauses in the contracts that it signs with its counterparties?	V		(II) The Company has not yet set up a dedicated (concurrent) unit for ethical corporate management; instead, the Management Department is in charge of this.	(II) No major deviation
(II) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management and to report on the ethical management policy, prevention program of unethical conduct, and status of supervision to Board of Directors regularly (at least once a year)?	V		(III) The Company has established the Codes of	(III) No major deviation

Assessment item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof
	Yes	No	Summary	
(III) Has the Company formulated policies to prevent conflicts of interests, provided appropriate channels for opinions, and implemented them accordingly?	V		Ethical Conduct and the Work Rules with relevant regulations formulated.	
(IV) Has the Company established an effective accounting system and internal control system to implement ethical management and draft relevant audit plans by the internal audit unit based on the risk assessment results of unethical conduct? Is compliance with the prevention program for unethical conduct audited accordingly by the internal audit unit or CPAs appointed?	V		(IV) The Company has established an effective accounting system and an internal control system, and inspects the compliance with the various systems through internal auditors or external auditors regularly or from time to time.	(IV) No major deviation
(V) Does the Company organize internal and external education and training on ethical corporate management regularly?			(V) The Company increases employees' awareness on this front at monthly meetings.	(V) No major deviation
III. Operation of the whistleblowing system (I) Has the Company formulated a specific whistleblowing and reward system, and established an accessible whistleblowing channel, while designating personnel to be responsible for investigating accused parties?	V V		The Company has formulated the "Regulations on Whistleblowing Illegal and Unethical or Dishonest Conduct", which clearly stipulates relevant regulations.	No major deviation
(II) Has the Company formulated standard operating procedures for the investigation of the matters reported, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V			

Assessment item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons thereof
	Yes	No	Summary	
(III) Does the Company take measures to protect whistleblowers from being improperly treated due to whistleblowing?				
IV. Enhanced information disclosure Does the Company disclose on its website and MOPS the content and effectiveness of implementation of its Ethical Corporate Management Best Practice Principles?	V		Relevant regulations are disclosed on the Company's website.	No major deviation
V. Where the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please specify the difference between its operations and the principles formulated: No difference. VI. Other important information to facilitate better understanding of the Company's implementation of ethical corporate management: None				

(VIII) Other important information to facilitate better understanding of the operation of corporate governance: None.

(IX) Implementation status of the internal control system:

1. Statement on Internal Control: for the Company's 2024 Statement on Internal Control, please visit the Market Observation Posting System under Taiwan Stock Exchange to inquire. https://mopsov.twse.com.tw/mops/web/t06sg20
2. CPAs' ad-hoc review report of the internal control system: None.

(X) Important resolutions of the shareholders' meeting and board meetings in the last year and as of the date of the publication of the annual report:

Date	Board Meeting/ Shareholders' Meeting	Important issues
2024.01.24	1st meeting in 2024 Board of Directors	1. Proposal to purchase real estate. 2. Proposal for purchase of fixed assets 3. Proposal to amend the Company's "Rules of Procedure for Board of Directors Meetings" and "Audit Committee Charter" 4. Proposal to convene the Company's 2024 shareholders' meeting
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
2024.03.08	2nd meeting in 2024 Board of Directors	1. Proposal of 2023 financial report 2. Proposal of 2023 Earnings Distribution. 3. Proposal to amend the Articles of Incorporation 4. Proposal to issue new share for earnings capitalization 5. Proposal to assess the remuneration and independence of the CPA 6. Proposal for the Company's 2023 Statement on Internal Control 7. Proposal for purchase of fixed assets 8. Proposal to report the 2023 Distribution of Employees' and Directors' Remuneration of the Company. 9. Proposal to add more proposal to the Company's 2024 shareholders' meeting
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
2024.03.28	3rd meeting in 2024 Board of Directors	1. Proposal to issue new share for capital increase in cash 2. Proposal for purchase of fixed assets
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
2024.04.30	Shareholders' Meeting	1. Proposal to ratify the 2023 final accounts and books 2. Proposal to ratify the 2023 Earnings Distribution. 3. Proposal to amend the Articles of Incorporation 4. Proposal to issue new share for earnings capitalization 5. Proposal to amend the "Operating Procedures for Loaning of Funds to Others" 6. Proposal to amend the Operating Procedures for Endorsement/Guarantee

Date	Board Meeting/ Shareholders' Meeting	Important issues
		Implementation status: 1. Date of payment of cash dividend: July 3, 2024 2. Date of MOEA's approval for change registration: June 19, 2024 3. The amended procedures have been announced on the Company's website and handled as per the amended versions
2024.05.14	4th Meeting in 2024 Board of Directors	1. Proposal of the Q1 2024 financial statements 2. Proposal for purchase of fixed assets 3. Proposal to determine the issue price for the 2024 capital increase in cash and other related matters 4. Proposal to determine the base dates of share-dividends and dividend, and other related matters 5. Proposal to amend the "Charter of Corporate Sustainability Development Committee" 6. Proposal for review of managers' salary 7. Proposal for the directors concurrent the employees and managerial officers participating the employee subscription for the 2024 capital increase in cash
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
2024.08.06	5th meeting in 2024 Board of Directors	1. Proposal of the Q2 2024 financial statements 2. Proposal to amend the Articles of Incorporation 3. Proposal to convene the Company's first special shareholders' meeting in 2024 4. Amendments to the Company's "directors' and managers' remuneration management policy" 5. Proposal for review of managers' salary 6. Proposal to deliberate the amount of 2023 remunerations distributed to employees
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
2024.08.23	6th meeting in 2024 Board of Directors	1. Proposal of the Earnings Distribution Table for the first half of 2024 2. Proposal to issue new share for earnings capitalization 3. Proposal to amend the Operating Procedures for Endorsement/Guarantee 4. Proposal to invest and establish the subsidiary, "Hong Chang Infrastructure Technology Co., Ltd." 5. Proposal for purchase of fixed assets 6. Proposal to add the Company's first special shareholders' meeting in 2024 7. Proposal of the 2023 Sustainability Report 8. Director, Chen, Wei-Hong joined the "Corporate Sustainability Development Committee" for supervision 9. Proposal to replace the member in charge of the sustainable environment team under the "Corporate Sustainability Development Committee"

Date	Board Meeting/ Shareholders' Meeting	Important issues
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
2024.09.23	Shareholders' Meeting	1. Proposal to ratify the final accounts and books of the 1st half of 2024 2. Proposal to ratify the Earnings Distribution of the 1st half of 2024 3. Proposal to amend the Articles of Incorporation 4. Proposal to issue new share for earnings capitalization 5. Proposal to amend the Operating Procedures for Endorsement/Guarantee
		Implementation status: 1. Date of payment of cash dividend: November 15, 2024 2. Date of MOEA's approval for change registration: November 14, 2024 3. The amended procedures have been announced on the Company's website and handled as per the amended versions
2024.10.04	7th meeting in 2024 Board of Directors	1. Proposal to determine the base dates of share-dividends and dividend of the 1st half of 2024, and other related matters 2. Proposal to commission Mega International Commercial Bank to lead a syndicate credit 3. Proposal to release managerial officers from the non-compete restriction when serving as directors of Hong Chang Infrastructure Technology Co., Ltd. 4. Proposal to terminate the lease of investment property to the related party, Ho Chang International Contractor, and purchase its related office equipment.
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
2024.11.11	8th meeting in 2024 Board of Directors	1. Proposal of the Q3 2024 financial statements 2. Proposal of the 2025 business plan 3. Proposal to issue common share for capital increase in cash 4. Proposal to purchase land in Beitou 5. Proposal to amend the "Operating Procedures for Preparing and Verifying Corporate Sustainability Reports" 6. Proposal to amend the "Risk Management Policies and Procedures" 7. Amendments to the Company's "Statement on Internal Control" and "Statement on Internal Audits" 8. Proposal for modify of the Company's organizational structure 9. Proposal to amend the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conducts," and the "Regulations on Whistleblowing Unlawful, Unethical, Dishonest Conduct"

Date	Board Meeting/ Shareholders' Meeting	Important issues
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
2024.12.20	9th meeting in 2024 Board of Directors	1. Proposal of the 2025 audit plan 2. Proposal of the 2025 financial budget 3. Proposal to determine the issue price for the 2024 second capital increase in cash and other related matters 4. Proposal to commission a bank to lead a syndicate credit 5. Proposal to deliberate the number of months for the 2024 year-end bonus of managerial officers 6. Proposal to deliberate the salaries of new managerial officers 7. Proposal to determine the percentage of the directors' remunerations 8. Proposal for the directors concurrent the employees and managerial officers participating the second employee subscription for the 2024 capital increase in cash
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously
114.03.10	1st meeting in 2025 Board of Directors	1. Proposal of 2024 financial report 2. Proposal of 2024 Earnings Distribution. 3. Proposal to amend the Articles of Incorporation 4. Proposal to issue new share for earnings capitalization 5. The proposal for appointment and remuneration of CPAs 6. Proposal for the Company to participate the capital increase in cash by Hong Chang Infrastructure Technology Co., Ltd. 7. Proposal for the Company's 2024 Statement on Internal Control 8. Proposal to purchase real estate. 9. Proposal to convene the Company's 2025 shareholders' meeting 10. Proposal to report the 2024 Distribution of Employees' and Directors' Remuneration of the Company. 11. Proposal to define the "non-executive employees" and the scope thereof 12. Amendments to the Company's "directors' and managers' remuneration management policy" 13. Proposal to deliberate the salaries of new managerial officers
		Independent directors' opinions: None/Resolution result: All attending directors approved said proposals unanimously

(XI) In the last year and up to the publication date of the annual report, directors or supervisors

who have different opinions on important resolutions passed by the Board of Directors on record or in written statement: None.

IV. Information on CPAs' professional fees

Unit: NTD thousand

CPA firm	Name of CPA	Audit period	Audit fees	Non-audit fees				Remark
				Tax Compliance Audit	Assurance	Others	Subtotal	
Benison Associated Certified Public Accountants Firm	Lin, Yu-Ya Li Han	2024.1.1~ 2024.12.31	2,237	800		445	1,245	Others; service fee for secondary review of annual report、business registration and consultancy

(I) Where the CPA firm is replaced and the audit fees in the year in which the replacement occurs are less than those in the prior year, shall disclose reduced audit fees: amounts, , percentages, and reasons: N/A.

(II) Where the audit fees decreased by at least 10% as compared with the prior year: N/A.

V. Information on CPA Replacements:

(I) Regarding the former CPA: N/A

(II) Regarding the CPA who took over: N/A

(III) The former CPA's reply to matters under Article 10, Subparagraph 5, Item 1 and Item 2-3 of the Standards: N/A

VI. Where the Company's chairperson, president or managers in charge of financial or accounting affairs have worked in the CPA firm at which the CPAs appointed work or its affiliates within the last year: None.

VII. Equity transfer and changes in pledged equity by directors, supervisors, managers, and shareholders whose shareholding ratio exceeds 10% in the last year and up to the publication date of the annual report

1. For the changes in the equity held by directors, supervisors, managerial officers, and major shareholders, please visit the Market Observation Posting System under Taiwan Stock Exchange to inquire. https://mopsov.twse.com.tw/mops/web/stapap1
2. Information on transfers of shares: N/A.
3. Information on shares pledged:

VIII. Information on the Relationship Between the Top Ten Shareholders with the Highest Shareholding Ratios

Date: March 31, 2025

	NAME (Note 1)	SHAREHOLDING IN OWN NAME		SHAREHOLDINGS BY SPOUSE AND MINOR CHILDREN		TOTAL SHAREHOLDING BY NOMINEE ARRANGEMENT		NAME AND RELATIONSHIP OF THE TOP TEN SHAREHOLDERS WHO ARE SPOUSES OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP OF EACH OTHER (Note 3)		REMARKS
		Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	-
1	Fengxin Development Investment Co., Ltd.	210,395,754	46.23%	-	-	-	-	Hwang Chang General Contractor Co., Ltd.	Same Chairperson	-
	Representative: Chiang, Cheng-Chin	-	-	17,674,992	3.88%	-	-	Chiang Lu, Hsiu-E	Spouse	-
2	Shun Jia Co., Ltd.	19,985,427	4.39%	-	-	-	-	-	-	
3	Chiang Lu, Hsiu-E	17,674,992	3.88%	-	-	-	-	Chiang, Cheng-Chin	Spouse	-
4	Huandong Investment Co., Ltd.	11,321,969	2.48%	-	-	-	-	Hwang Chang General Contractor Co., Ltd.	Same Chairperson	-
	Representative: Chiang, Cheng-Chin	-	-	17,674,992	3.88%	-	-	Chiang Lu, Hsiu-E	Spouse	-
5	Ho, Hsiang-Yin	10,000.000	2.19%	-	-	-	-	-	-	-
6	Fuqian Investment Co., Ltd.	4,852,273	1.06%	-	-	-	-	Hwang Chang General Contractor Co., Ltd.	Same Chairperson	-
7	Li, Chin-Kuei	4,467,290	0.98%	-	-	-	-	-	-	-
8	Tung, Tzu-Chuan	4,080,000	0.89%	-	-	-	-	-	-	-
9	Tung, Ren-Kuo	3,410,000	0.74%	-	-	-	-	-	-	-
10	Liu, Tzu-Hao	3,180,921	0.69%	-	-	-	-	-	-	-

Note 1: All the top ten shareholders should be listed, and if they are corporate shareholders, the name of the corporate shareholder and the name of the representative should be listed separately.

Note 2: The calculation of shareholding ratio refers to the total of shareholding ratio in their name, spouse, minor children, or in the name of others.

Note 3: Shareholders listed in the previous disclosure include institutional entities and natural persons, and their relationships should be disclosed per the issuer's financial reporting standards.

IX. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same investee, and the combined calculation of the comprehensive shareholding ratio

Date: March 31, 2025

Unit: Shares; %

Investee (Note)	Investment by the Company		Investment by directors, supervisors, managers, and businesses directly or indirectly controlled		Combined investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Ho Chang International Contractor	22,648,708	49.00%	1,132,281	2.45%	23,780,989	51.45%
Hong Chang Infrastructure Technology Co., Ltd	18,000,000	90.00%	2,000,000	10.00%	20,000,000	100.00%

Note: Long-term investment made by the Company using the equity method.

Three. Capital Raising

I. Capital and Shares

(I) Source of share capital

Date: March 31, 2025

Year/Month	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Assets other than cash adopted as share payment	Others
2021/09	10	300,000,000	3,000,000,000	237,483,788	2,374,837,880	Capital reduction through cancellation of treasury shares by TWD 45,000,000	None	
2024/06	10	500,000,000	5,000,000,000	270,731,518	2,707,315,180	Earning capitalization NT$332,477,300	None	Note 6
2024/07	10	500,000,000	5,000,000,000	330,731,518	3,307,315,180	Capital increase in cash NT$600,000,000	None	Note 7
2024/09	10	500,000,000	5,000,000,000	420,029,027	4,200,290,270	Earning capitalization NT$892,975,090	None	Note 8
2025/03	10	500,000,000	5,000,000,000	455,029,027	4,550,290,270	Capital increase in cash NT$ 350,000,000	None	Note 9

Note 1: Information for the current year up to the date of publication of the annual report should be filled in.
Note 2: The capital increase part should be indicated with the effective (approval) date and document number.
Note 3: If the shares are issued at a value lower than the par value, they should be highlighted significantly.
Note 4: If currency creditor's rights and technology are used to offset shares, it should be stated, and the type and amount of offset should be added to the remark.
Note 5: If it is a private placement, it should be highlighted significantly.
Note 6: Effective on May 6, 2024.
Note 7: Approved with Letter Jing-Guan-Fa-Zheng-Zi No.1130340025 on April 29, 2024 for reference
Note 8: Effective on September 26, 2024.
Note 9: Approved with Letter Jing-Guan-Fa-Zheng-Zi No.1130365889 on December 17, 2024 for reference

Date: March 31, 2025

Type of share	Authorized share capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Registered ordinary shares	455,029,027	44,970,973	500,000,000	-

Note: The Company's stock is a listed stock.

(II) List of major shareholders

Shares / Name of major shareholder	Number of shares held	Shareholding ratio
Fengxin Development Investment Co., Ltd.	210,395,754	46.23%
Shun Jia Co., Ltd.	19,985,427	4.39%
Chiang Lu, Hsiu-E	17,674,992	3.88%
Huandong Investment Co., Ltd.	11,321,969	2.48%
Ho, Hsiang-Yin	10,000,000	2.19%
Fuqian Investment Co., Ltd.	4,852,273	1.06%
Li, Chin-Kuei	4,467,290	0.98%
Tung, Tzu-Chuan	4,080,000	0.89%
Tung, Ren-Kuo	3,410,000	0.74%
Liu, Tzu-Hao	3,180,921	0.69%

(III) The Company's dividend policy and implementation status

1. Dividend policy stipulated in the Company's Articles of Incorporation: Per Article 22 of the Company's Articles of Incorporation: If the Company made a profit in a fiscal year, it shall pay taxes pursuant to law and compensate cumulative deficit first, and then appropriate 10% of the remaining balance as legal reserve unless the legal reserve has reached the amount of the Company's paid-in capital before setting aside or reversing a special reserve in accordance with the laws and regulations. If there is still any remaining profit, together with any accumulated undistributed earnings, the Company's Board of Directors shall put forth an earnings distribution proposal and submit it to the shareholders' meeting for resolution before distribution of dividends and bonuses to shareholders.

   The Company is in a well-developed and stable business environment and industry. The dividend policy shall be set out based on the needs for investment funds, financial structure, and earnings. The proportion of cash dividends shall not be less than 10% of the total dividends planned to be distributed for the year.

2. Proposed earning distribution to this shareholders' meeting

Unit: NTD

	1st half of 2024	2nd half of 2024
Date of resolution adopted by the board of directors	August 23, 2024	March 10, 2025
Dividend per share	0.3	0.3
Cash dividend per share	2.7	1.7
Remarks		Pending for approval of the shareholders' meeting

(IV) The impact of the proposed share dividend at this shareholders' meeting on the Company's operating performance: The Company has not announced its financial forecast for 2024 and is not required to disclose this information.

(V) Employee dividends and remuneration of directors and supervisors

1. The percentage or scope of the remuneration of employees, directors, and supervisors as specified in the Company's Articles of Incorporation: Per Article 21 of the Company's Articles of Incorporation:

   If the Company records a profit in a year, it shall set aside 3% of the profit for employee remuneration, which shall be distributed in stock or cash after resolution by the Board of Directors, and its recipients shall include employees of the Company's affiliates who meet certain criteria. The Company may, by resolution of a board meeting, set aside no more than 3% of the said profit for director remuneration. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages.

2. The basis for estimation of remuneration of employees, directors, and supervisors, the calculation basis for the number of shares for employee remuneration, and the accounting treatment applied if the actual amount distributed differs from the estimated amount in the current period: The Company's basis for estimation of remuneration of employees and directors is based on the net income before tax for the current period, compensated for the loss in the past, to set a proper estimation per the Articles of Incorporation and past experiences. If the actual remuneration amount differs from the estimation amount, it will be handled according to the changes in accounting estimates and recognized as a profit or loss in 2025.

3. Remuneration to be distributed as approved by the Board of Directors:
   (1) The amount of remuneration of employees distributed in cash or stock and remuneration of directors and supervisors. If the estimated annual expense is different from the recognized expense, the difference amount, reason and treatment should be disclosed:

Item	Board of Directors' approved the 2025 distribution	Estimated amount in 2024	Difference
Remuneration of Employees	78,223,988	78,223,988	-
Remuneration of Directors and Supervisors	52,149,326	52,149,326	-

   (2) The proportion of the amount of employees' remuneration distributed in shares and the total amount of employees' remuneration after tax in the current individual financial report: N/A.
4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and share price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employees' and directors' profit-sharing compensation, additionally the discrepancy, cause, and how it is treated: no discrepancy.

(VI) Status of a company repurchasing its own shares: none

II. Issue of Corporate Bonds: None

III. Issue of Preferred Stock: None

IV. Issue of Overseas Depositary Receipts: None

V. Issue of Employee Stock Warrants: None

VI. Issue of New Shares for Mergers and Acquisitions or Acquisitions of Other Company's Shares: None

VII. Implementation of the fund utilization plan: None

For the Company's plan and implementation of new share issuance for capital increase in cash in 2024, please visit the Market Observation Posting System under Taiwan Stock Exchange to inquire. https://mopsov.twse.com.tw/mops/web/bfhtm_q2

Four. Overview of Operations

I. Information on Business

(I) Scope of business

1. The main content of the Company's business: Civil engineering contracting business.
2. Proportion of each business item

Main products	Proportion of business	
	2024	2023
Construction business	91.73%	89.52%
Sales of concrete	8.16%	10.44%
Lease revenue	0.11%	0.04%
Total	100.00%	100.00%

3. The Company's current products

(1) Construction projects: Wanda–Zhonghe–Shulin Line (Phase I Project) CQ860 Section tender project; commissioned reconstruction project for the main part of the publicly-owned Huannan market under the Taipei City Market Administration Office; new port and embankment construction project for the third liquefied natural gas (LNG) receiving station of CPC; new youth social housing turnkey project in the Anbang section in Zhonghe; additional system project for the interchange connecting National Highway No. 3 and Provincial Highway 66 (tender No. 336); new youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia; expropriation project in the Zhongli Sports Park Section, Taoyuan City; new construction project for the breakwater of the Guantang Terminal expansion solution; north-facing entry and exit ramps improvement project for the National Highway No.1 Wugu interchange (tender No. I103S); civil and hydroelectric control section tender project of the Circular Line north section stations Y20(excluded)~Y23(included); Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y23 (excluded)~Y25 (excluded); Railway Underground Project of Zhonglu Station Section, Tender CJ13 of the Railway Underground Construction Project, Taoyuan Section, Quasi-MRT Railway in Metro by Taiwan Railway; Turnkey Project, Construction of Parking Lot and New Youth Social Residency, Guang Hua Section, Lu-Zhou District, New Taipei City; Turnkey Project, Zone 1, Shi Bi Tan Social Residency, Neihu District, Taipei City; North Section, Circular Line (from Y25 (included) to Y27 (included), including Civil, ME, EE&ECS Construction Segment

(2) Cement sales: Pan Asia Construction - new construction project for the breakwater of the Guantang Terminal expansion solution; Pan Asia-Hwang Chang: new port and embankment construction project for the third liquefied natural gas (LNG) receiving station of CPC; Continental Engineering - North Section of Taipei Metropolitan MRT CF680C Section construction project; Futsu: Gasification facilities construction project for the third liquefied natural gas receiving station for CPC: construction and engineering works for gasification areas B-02, CTP, BH-03, and BP; Sheng De Fu: new construction project of collective residence, Luxury Forest; Fu-Chu: new construction project of Ren'ai Medical Building, National Taiwan University; Hongji: new construction project for SRF renewable energy power generation plant of Cleanaway Energy; Sheng De Fu: new construction project for residential/commercial building, the Skyhill; Shende - Yungfeng: new construction project for residential building "Yung Feng Shang Yu;" Fu-Chu - Taiwan Obayashi - turnkey project for the gasification facilities construction project for the third liquefied natural gas receiving station for CPC; Ta-Chen - turnkey project of Chunghwa Telecom Nangang new data

center and commercial building construction; Top Construction - new construction project for Bailing Waterbank Social Residence, Shilin District, Taipei City; Formosa Builder - turnkey project of new construction of deputy dormitory in Fuxinggang Camp

4. New products planned to be developed

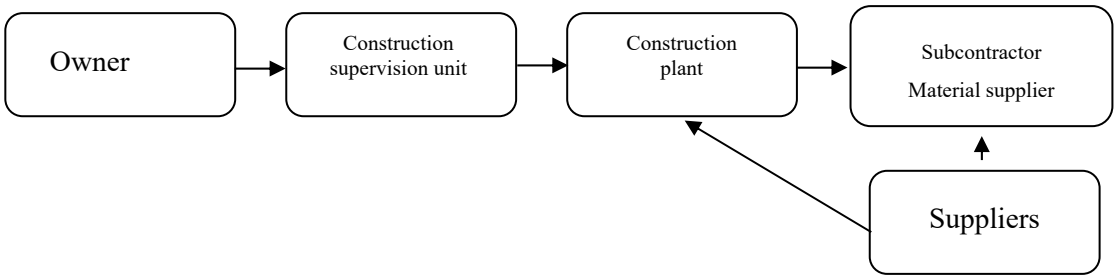
Continue to develop development projects with high returns on investment and actively participate in domestic public work projects while increasing the proportion of construction contracting projects in line with the government's overall housing policy, forward-looking infrastructure program, and the Company's goal of business diversification and short-, mid-, and long-term development plans; increase the proportion of ready-mixed concrete for external sales. Tap into existing machinery and equipment, professionals, and experience to participate in turnkey projects and carefully select tenders to create profits in a highly competitive market.

(II) Industry overview

1. Current status of the industry

At present, due to the government's forward-looking infrastructure program and the COVID-19 pandemic, overseas businesses in the technology industry have returned to Taiwan to set up factories, and the number of construction projects has surged, leading to rising prices and labor shortages, and the number of domestic construction contractors' projects received reached a record high, almost reaching full capacity. To this end, all companies are actively improving their professional skills and developing automated equipment to save manpower. They have also cooperated with universities and colleges for many years to launch "off-campus practical learning projects" for students in integrating with the school curriculum, and planned professional practical training to cultivate entry-level engineering technicians. In 2024, there were a total of 9 schools participating in the semester internship, with a total of 46 students. On the other hand, the Company enhance the trainings against the its own deficiencies, replenish talents, and integrate the in-house resources, to improve its capabilities of managerial skills and financial planning, with stringent profit control to maintain the market competitiveness.

2. The relationship between the upstream, midstream, and downstream sections of the industry



3. Various development trends of products

The Special Act for Forward-Looking Infrastructure has been promulgated and implemented, and is expected to drive the overall economic growth. The new government actively implements a procurement review system, in which the most advantageous bid policy is adopted for public procurement projects for each project, to prudently select high-quality contractors with the ability to perform contracts, create a fair and reasonable environment for public work bidding, and improve the government procurement regulations. This will greatly alleviate the vicious cycle of low-price bidding among competitors, which will in turn greatly enhance the quality of public work projects in the future.

4. Competition

The Company has won many awards from government agencies and

engineering societies over the years (such as the Public Works Gold Award, the Public Works Golden Safety Award, the Taipei City Government Construction Excellence Award, the New Taipei City Government Construction Quality Award, the New Taipei City Government Construction Safety Award, and the National Golden Award For Architecture, the Engineering Excellence Award of the Chinese Institute of Engineers, Excellent Concrete Award, etc.), which have facilitated the Company's overall corporate image and given it an advantage when bidding for turnkey projects based on the most advantageous bid policy. The Company is also equipped with much large-scale machinery, equipment, and other assets to reduce construction costs. The subsidiary Ho Chang International Contractor supplies ready-mixed concrete to the Company to maintain the quality of each project and increase its competitiveness.

(III) Overview of technology and R&D

1. Internal information system
   (1) Used the public works management information system effectively to strengthen control and reduce costs.
   (2) Improved the efficiency of communication between the owner, supervisory, and construction units through a data exchange and sharing platform for NAS cloud-based system.
   (3) The Enterprise Information Portal (EIP) was widely used. Employees can thus obtain various services and information provided by the Company, and employees' work contents can be integrated. This system will continue to be promoted, and new functions will be enhanced and developed for various departments.
   (4) Continued to promote the government-to-business (G2B) electronic official document exchange system launched by the Executive Yuan to improve the efficiency of the Company's communication with government agencies and shorten times needed.
   (5) The Company witnessed some results in its digitization effort, and various departments are actively discussing relevant work with the Information Office and continuing to develop it so as to reduce manpower with a management system to achieve the goal of "doing the most with the least manpower".
   (6) Ho Chang International Contractor's automatic control of incoming and outgoing materials, quality control, and monitoring system has improved efficiency and reduced labor costs.
   (7) Ho Chang International and Hwang Chang's Vessel and Machinery Fleet have upgraded the GPS system to control vehicle information.
2. Construction system
   (1) Updated and upgraded the pre-planning of occupational safety and health work and equipment to prevent construction disasters.
   (2) Adopted the diagramming system and practical experience to properly plan the construction schedule and equipment to increase profit.
   (3) Set up a project website during each construction project period to provide construction overview and surveillance video services to facilitate the public's understanding and supervision of the project.
   (4) Planned system templates to improve construction efficiency.
   (5) Introduced a BIM system to strengthen integration, reduce costs, and improve construction quality.

(IV) Long-term and short-term business development plans

1. Short-term business

   Most domestic construction plants have reached a record high in terms of contracting projects received. As for the recent shortage of manpower in the

construction industry, the Company will prudently select profitable projects in line with its business scope based on the government's most advantageous bid policy while making good use of the Company's resources, enhancing systems management and technical innovations, and establishing planning and design integration capabilities to reduce the contracting costs and enhance its competitive niche to create more profit and achieve business goals.

2. Long-term business
   (1) To achieve its policy and goal of business diversification, the Company will actively participate in the government's public work construction and development projects in line with the government's policy, and carefully select suitable projects in line with the Company's scope of business to achieve diversified operations and the goal of sustainable development.
   (2) The Company will develop towards private construction projects to gradually expand the contracting of various projects, improve the quality, safety, and hygiene for each project so as to establish a brand image, and continue to enhance its competitiveness so as to achieve the goal of sustainable development.

II. Overview of Market, Production, and Sales

(I) Market analysis

1. Sales customers and areas of the Company's main products

(1) Main sales customers in the last two years

Unit: NTD thousand

Year / Sales customer	2024		2023	
	Amount	%	Amount	%
Government agencies	4,766,595	38.34%	5,235,567	46.43%
Private organizations	7,664,543	61.66%	6,039,517	53.57%
Total	12,431,138	100.00%	11,275,084	100.00%

(2) Areas of the Company's construction projects in the last two years

Unit: NTD thousand

Year / Sales area	2024		2023	
	Amount	%	Amount	%
Northern Taiwan	12,431,138	100.00%	11,275,084	100.00%
Total	12,431,138	100.00%	11,275,084	100.00%

2. Market share

Unit: NTD hundred million

Year	The Company's revenue	Revenue from the construction business	
		Amount	Market share
2024	124.31	6,073	2.05%
2023	112.75	5,381	2.10%

Data source: Finance statistics Database from Ministry of Finance

3. The market's future supply and demand and growth

The government continues to promote the "Forward-Looking Infrastructure" that is expected to drive overall economic growth while actively implementing a procurement review system in which the most advantageous bid policy is adopted for public procurement projects for each project, to prudently select high-quality

contractors with the ability to fulfill the contracts, create a fair and reasonable environment for public work bidding, and improve the government procurement regulations. This will significantly alleviate the vicious cycle of low-price bidding among competitors, which will also greatly enhance the quality of public work projects in the future.

The relevant market information in the 2025 policy proposed by the Executive Yuan is summarized as follows:

(1) Optimize the public transportation system, improve the ring road network around the Taiwan and optimize the ring railway network around the Taiwan; connect the highway-expressway network and optimize the eastern road transportation network; build the railway network around the island and strengthen forward-looking track construction: manage the railways to match MRT and 3D systems and build an MRT network in the metropolitan area; improve the construction of transportation network, seeking to create the convenient transportation environment in Taiwan.

(2) Develop the construction of airport with two pillars, intelligence and sustainability; and continue to implement the construction of Taoyuan Aviation City; actively expand international aviation rights, expand the aviation network to provide convenient passenger and cargo services, optimize flight services, and deepen flight safety and security supervision; strengthen merchant recruitment and the construction of new cargo parks and free port areas, and improve the efficiency of logistics value-added transshipment.

(3) Promote port construction upgrades, strengthen international connections; promote the diversified development of the marine transportation business, and cultivate marine personnel; expand the hinterland for development of logistics, and create a base for the wind power industry; improve the service quality of marine transportation services to rural places, implement yacht management and facility preparation; and build an Asian hub for cruise trips to shape the smart logistic center in Asia Pacific

(4) Implement energy saving and carbon reduction in public construction projects and increase the green coverage ratio by plants; promote the expansion of overseas markets by the construction industry; refine the government procurement system, by improving the government procurement regulations; and adopt a life cycle procurement strategy to improve procurement efficiency and quality.

According to the information above, projects planned by the government continue to be promoted. It is expected that major domestic construction projects will be launched one after another. In the spirit of serving the public, the Company will actively devote itself to the construction business to enhance the quality of life for the public while continuing to focus on quality and labor safety management to build up a positive corporate image so as to achieve market segmentation.

4. Competitive niche

(1) The Company has won many awards from government agencies and engineering societies over the years (such as the Public Works Gold Award, the Public Works Golden Safety Award, the Taipei City Government Construction Excellence Award, the New Taipei City Government Construction Quality Award, the New Taipei City Government Construction Safety Award, and the National Golden Award For Architecture, the Engineering Excellence Award of the Chinese Institute of Engineers, Excellent Concrete Award, etc.), which have facilitated the Company's overall corporate image and given it an advantage when bidding for turnkey projects based on the most advantageous bid policy.

(2) The Company's Vessel and Machinery Fleet is equipped with much large-scale

machinery, equipment, and other assets to reduce construction costs. The subsidiary Ho Chang International Contractor supplies ready-mixed concrete to the Company to maintain the quality of each project and increase its competitiveness.

(3) The Company's digitization effort has been effective, which is eco-friendly but also reduces management costs and improves personnel competitiveness

5. Favorable and unfavorable factors of development prospects and countermeasures

(1) Favorable factors

A. The quality of the Company's public work projects has been well-received, and the Company won many awards and has an excellent corporate image.

B. Strengthening occupational safety and health education and training, enhancing the concept of occupational safety and health, implementing a voluntary inspection system, and having passed the ISO 45001 international occupational safety and health management system certification and the certification of Taiwan occupational safety and health management System (TOSHMS) CNS45001.

C. Attaching great importance to quality management and winning many public works gold awards, construction excellence awards, and construction quality awards.

D. Having a vessel and machinery fleet with complete construction machinery and equipment, allowing independent operation.

E. Actively promoting e-construction, enhancing interface integration, and reducing management costs.

F. Introducing 3D building information modeling system to strengthen planning and integration capabilities and increase competitiveness.

(2) Unfavorable factors

A. Low price competition from construction plants

Countermeasures: Select the relevant turnkey projects and the most advantageous bids in line with the Company's equipment and machinery to enhance competitiveness and reduce costs.

B. Fluctuations in raw material prices

Countermeasures: Adjust the procurement policy, manage to balance the unit price, and adopt the same conditions with subcontractors as in the owner contract to reduce risks.

C. Increase in occupational safety costs due to attaching importance to occupational safety and health

Countermeasures: Strengthen education and training, reduce relevant expenses, and strive to quantify safety and health expenses in contracts with owners.

D. Frequent public protests during construction periods due to improved living standards over the years

Countermeasures: Actively engage and communicate with the people in the community, and maintain a positive relationship with the community.

E. Improved education level, causing a shortage of domestic labor

Countermeasures: Seek high-quality subcontractors to participate in the construction together.

(II) Important functions and production processes of main products

1. Functions of main products

(1) Construction: For the commissioned reconstruction project for the main part of the publicly-owned Huannan market under the Taipei City Market

Administration Office, since the launch of Huannan market in 1978, the total number of vendors has reached 1,323 with active daily transactions, supplying 30% of the fresh food in the greater Taipei area as one of the major markets for the supply of daily supplies and resources, with a large number of people entering and exiting the market. Due to the excessive load of the main structure of the market building and the obsolete equipment after more than 30 years of use, it no longer meets the needs of the modern environment; thus, it is necessary to carry out the reconstruction project for the Huannan market. The Company also confirms the needs of vendors and has developed reasonable reconstruction designs to improve the structure of the market building and the old hardware and software while providing a modern business environment in line with their needs as per the requirements for environmental renovation in nearby areas so as to improve market functions and operational quality while increasing market opportunities.

In the new youth social housing turnkey project in the Anbang section in Zhonghe, the Company promotes diverse lifestyles, affordable housing burdens, and a quality living environment as featured in the social housing policy, and adopts the "rent only, not for sale" approach to build social housing projects for more diverse and public welfare purposes so as to mitigate the pressure of high housing prices and to protect the living rights of disadvantaged groups in the metropolitan area. This will help to achieve the social housing policy goal of "high-quality and affordable housing for all".

In the new youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia, the Company builds the social housing project on state-owned land and incorporates a universal design. After completion, it will be open for renting for people of different ages or people with physical and psychological disabilities to take care of young people and disadvantaged groups as they work, settle, and live in the metropolis with peace of mind, allowing New Taipei to become a place they call home.

The "Turnkey Project, Construction of Parking Lot and New Youth Social Residency, Guang Hua Section, Lu-Zhou District, New Taipei City" adopts the approach of "lease only, no sale" pursuant to the Housing Act and Urban Planning Law, to construct the social residence and parking lot, for a more diversified and public welfare oriented purpose, to relieve the pressure of elevated house price and insufficient parking spaces, so that the rights of disadvantages' domicile in the metro area and the parking by the citizens are protected. Revitalize the idle and underutilized public lands within the planning zones and improve land utilization efficiency.

The "Turnkey Project, Zone 1, Shi Bi Tan Social Residency, Neihu District, Taipei City" is the first social residence in Taipei City incorporating the concept of E-Oriented Development (EOD) by Taipei City Government. It is sought to improve the environment quality jointly by leading the industrial evolution of the lands with old factories in the surrounding with this development project. The goal of EOD is to give priority to meeting the needs of school development and teaching, and to re-evaluate the remaining space as public welfare facilities, integrating various public service needs required by the community, including baby care, child care, elderly care, social housing and resident activity centers.

(2) Civil engineering: The additional system project for the interchange connecting National Highway No. 3 and Provincial Highway 66 (Tender No. 336) aims to divert the traffic flow between National Highway No. 3 and Provincial Highway 66, improve the congestion at the end of Provincial Highway 66 and the entry of County Highway 112 A, and improve the quality of traffic service of County

Highway 112 A to effectively alleviate the traffic congestion in the area.

"Taoyuan city expropriation project in the Zhongli Sports Park Section" - to cooperate with the development of Zhongli Sports Park, it will provide sports and leisure space, improve the quality of life in the region, provide a developing hinterland to relieve the pressure of urban development, and cooperate with the MRT plan to improve regional traffic, improve the overall development efficiency, and create a healthy and happy Taoziyuan.

The "North-facing entry and exit ramps improvement project for the National Highway No.1 Wugu interchange (tender No. I103S)" aims to resolve the traffic congestion around the Wugu interchange, setting up an additional north-facing entry and exit ramps on the south side of the National Highway No.1 Wugu interchange (including Xin 5th road broadening construction) to increase the service of entry and exit ramps, with the two-lane ramp improvement construction for the Wugu interchange north-facing exit connecting to Provincial Highway 64 and connection improvement construction for the Taishan connection connecting to Wugu interchange, hoping to alleviate the traffic in the area effectively.

(3) Railway project: In the Wanda–Zhonghe–Shulin Line (Phase I Project) CQ860 Section tender project, the Company plans to use urban and non-urban land reasonably and effectively, improve traffic accessibility in metropolitan areas, and shorten commuting time between the city center and the suburbs through the planning and construction of an MRT system transportation network in line with urban and rural industrial development strategies.

The "Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y20(excluded)~Y23(included)" was a part of the north section project of the circular line, where the line passes through areas such as Luzhou and Sanchong to meet the transportation demand in the popular areas, and can split passengers' interconnections between the Xinlu line and the Circular Line during rush hours in the future, as well as expanding the service area of the Taipei Mass Transit System and exhibit the benefits of the overall transportation.

The "Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y23 (excluded)~Y25 (excluded)" goes through Tamsui River and Keelung River, and passing Shezi, to provide the transportation and travel needs in Shezi area. This construction is vital for the connection between Sanchong/Luzhou and Shilin/Dachi, and extension to Neihu area, by connecting the transit between the Shezi LRT and Red Line of MRT, while expanding the service extent of MTR of Taipei Metro Area, to exert the overall transportation benefits.

The "Railway Underground Project of Zhonglu Station Section, Tender CJ13 of the Railway Underground Construction Project, Taoyuan Section, Quasi-MRT Railway in Metro by Taiwan Railway" project accommodate the construction to move Taiwan Railway underground, and adjust the purpose of empty corridors and the urban functions at the both sides of the railways, enhance the land utilization effectiveness around stations, to foster the urban revitalization and improve the environmental landscape. Eliminate the disarray view at the both sides of the railway, and improve the quality of environment and life for the residents along the railway.

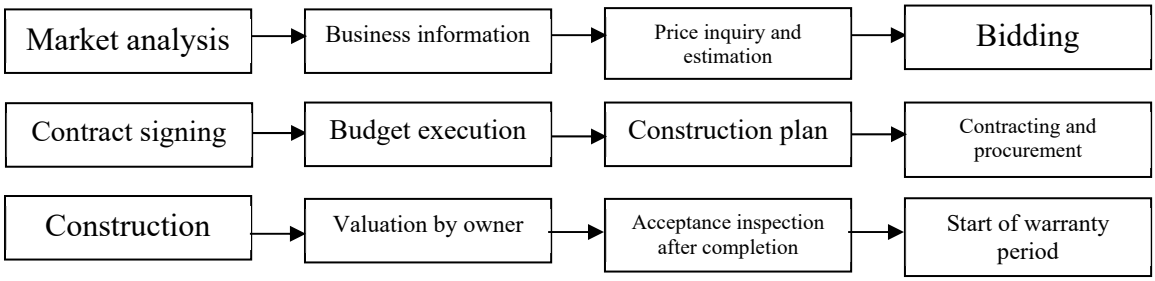
The "North Section, Circular Line (from Y25 (included) to Y27 (included)), including Civil, ME, EE&ECS Construction Segment" is an integral part of the North Section, Circular Line. The route starts from the east side of Bailing Bridge, goes along Zhongzheng Road from Chengde Road, and finally ends at Fulin Road. The route goes through the core area with the most intensive population in Shilin.

The project is a key that connects Shezi and Dachi, and extends to Neihu area, by connecting the transit between the Shezi LRT and Red Line of MRT, while expanding the service extent of MTR of Taipei Metro Area, to exert the overall transportation benefits.

(4) Maritime engineering: As for the new port and embankment construction project for the third liquefied natural gas receiving station, the Company plans an energy transition roadmap based on its long-term and short-term strategies to respond to the rapid changes in the energy environment at home and abroad. Per the Forward-looking Infrastructure Development Program, environmentally sustainable green energy construction shall be promoted, the proportion of power generated from renewable energy increased to 20%, the proportion of power generated from natural gas increased to 50%, and the proportion of coal-fired power generated shall be reduced to 30%. The Company will lead the industry and the public to move toward a nuclear-free homeland by 2025. The carbon emissions of LNG power generated are about 609 grams per kWh, which are the lowest among all petrochemical raw materials, and only H2O and COx are emitted in the power generation process. Therefore, it plays a critical role for flexible allocation in the energy conservation and carbon reduction policies of various countries. After the completion of this project, a complete domestic natural gas supply system will be established to ensure stable gas supply so as to achieve the national energy policy for a nuclear-free homeland and environmental energy, and to achieve power generation from natural gas early in cooperation with the expansion plan of the Datan Power Plant to supply electricity to the public and industries in northern Taiwan, to make up for the shortage of power supply in the northern Taiwan.

The "New construction project for the breakwater of the Guantang Terminal expansion solution" extends the originally developed areas that cover 232 hectares of Datan Algal Reef to 23 hectares away to elude the Algal Reed. Other than that, regarding the controversial underwater structures of the reef, the Guantang industrial harbor's breakwater and the pier borders were expanded outward, extending the port from the original area with above 10 meters of water depth to that with above 15 meters of water depth. The industrial area (harbor) remains in an open plan, and the connecting bridge for the industrial harbor and industrial area was extended by additional 455 meters from the original 742 meters, which required no dredging and no damage to the reed structures; the original harbor had no land reclamation, shortening the breakwater with a more wide open sea area; the industrial harbor was distanced 1.2 kilometers away from the shore with a lower influence to the sea sides.

2. Production processes of main products



(III) Supply status of main raw materials

To meet the Company's goal of sustainable business, the Company obtains the latest international market information and development trends through market information and other channels for the purchase of bulk raw materials, such as steel. Also, the Company considers investment risks and responds in advance in the planning for bidding. Per the

actual situation, the Company introduces large and long-term cooperating partners to participate in the planning in a timely manner, while developing new suppliers actively to ensure stable supplies and reasonable prices so as to achieve the goals of cost control and expected profit.

(IV)List of major suppliers and sales customers in the last two years

1. Information on major suppliers in the last two years

Unit: NTD thousand

	2023				2024			
Item	Name	Amount	Proportion to total annual net purchase (%)	Relationship with the issuer	Name	Amount	Proportion to total annual net purchase (%)	Relationship with the issuer
1	Others	7,880,790	100.00%	None	Others	6,177,744	100.00%	None
	Net purchase	7,880,790	100.00%		Net purchase	6,177,744	100.00%	

2. Information on major sales customers in the last two years

Unit: NTD thousand

	2023				2024			
Item	Name	Amount	Proportion to total annual net sales (%)	Relationship with the issuer	Name	Amount	Proportion to total annual net sales (%)	Relationship with the issuer
1	CPC	4,799,318	42.57%	None	CPC	6,636,541	53.39%	None
2	Taipei City Government	1,553,999	13.78%	None	Taipei City Government	1,827,800	14.70%	None
3	New Taipei City Government	1,550,743	13.75%	None	Freeway Bureau	1,533,020	12.33%	None
4	Freeway Bureau	1,423,527	12.63%	None	New Taipei City Government	662,860	5.33%	None
5	Others	1,947,497	17.27%	None	Others	1,770,917	14.25%	None
	Net sales	11,275,084	100.00%		Net sales	12,431,138	100.00%	

Reason for the changes: The Company mainly engages in contracting governmental public works, where the sales and customer base changes with the contracted project.

III. The number of employees, average length of service, average age, and distribution of education in the last two years

Year		2023	2024	The year up to January 31, 2025
Number of employees	Direct labor (including foreign workers)	1,163	1,437	1,425
	Indirect labor	608	712	718
	Total	1,771	2149	2,143
Average age		42.93	42.52	42.51
Average years of service (excluding foreign workers)		6.82	6.40	6.44
Distribution of education	Doctoral degree	-	1	1
	Master's degree	45	59	57
	Junior college	518	621	629
	Senior high school	180	202	205
	Below senior high school (including foreign workers)	1,028	1,266	1,251

IV. Information on Environmental Protection Expenditure

(I) Details of loss and fines due to environmental pollution in the most recent year as of the printing date of this annual report:

Date of disposition	Fine No.	Law Violated	Details of Violation	Details of Fine
2024.01.12	Waste Disposal No. 40-113-010034	Waste Disposal Act Article 27	The road surface was polluted by waste or soil residue	$2,400
2024.04.03	Waste Disposal No. 40-113-040014	Waste Disposal Act Article 27	The road surface was polluted by waste or soil residue	$4,800
2024.06.05	Noise Control No. 22-113-060035	Noise Control Act Article 8	Machinery noise pollution	$3,000
2024.06.25	New Taipei City Environmental Protection Inspection No. 22-113-061092	Noise Control Act Article 8	Machinery noise pollution	$6,000

(II) Countermeasures

1. Proposed improvement measures

(1) Improvement plan: Increase employees' awareness of environmental protection, strengthen the 6S principles (sort, set in order, shine, standardize, sustain, safety) through environmental protection education and training, and create a comfortable and harmonious environment, thereby improving construction efficiency and providing a high-quality construction environment.

(2) Environmental capital expenditure budget for the next three years

	2025	2026	2027
Pollution prevention equipment to be purchased or expenditures	(1) Dust-proof cloths and dust-proof nets to cover all dust-emitting construction materials, sand, gravel, earthwork, or waste during the construction period. (2) Steel-plate concrete and coarse graded materials to effectively suppress dust on the vehicle path at construction sites. (3) An auto-sensing car wash station and pressure washers are installed at the entrance and exit of each construction site to prevent vehicles entering and exiting the construction area from polluting the road. (4) Waste resource recycling equipment to alleviate environmental pollution. (5) Green fences to increase the green landscape in the concrete jungle in response to the government's policy of green environment and environmental protection, and plants added to improve the air quality of the surrounding environment of each construction site through the photosynthesis of plants. (6) Maintaining the cleanliness of the roads adopted, dispatching workers on time to clean drainage pipes, and communicating with neighbors properly. (7) Real-time noise monitoring system to prevent construction from affecting the residents in the neighborhood. (8) Fences and overflow protection bases are set up as required in the construction area to prevent runoff wastewater with muddy water from polluting the ground. (9) Dust-proof and sound-proof cloth above fences to achieve noise reduction and pollution alleviation. (10) Low-pollution certified equipment for new items to be purchased procurement projects to achieve pollution alleviation and noise reduction.		
Planned improvements	The Company will conduct inspections and investigations of air, noise, water quality, and roads, and record and prevent the impact on the surrounding environment of each construction site, so as to minimize polluting the environment.		

(3) Impact of improvements on net profit: The improvements reduce the Company's expenditure on environmental fines, help recycle recyclable parts for reuse after waste sorting, and reduce the secondary financial loss caused by improper environmental maintenance.

(4) Impact on the Company's position in competition: The Company's image is enhanced.

V. Labor Relations

(I) The Company's employee benefits and measures, continuing education, training, and pension system and the implementation thereof, as well as agreements between labor and management and the assurance measures of employee rights and benefits:

1. The Company's welfare system

(1) In addition to labor insurance as per laws and regulations, the Company purchases group accident insurance and accident medical insurance for employees, so they enjoy multiple levels of protection, and they are provided with uniforms.

(2) The Company has established the Employee Welfare Committee to provide employees with allowances for weddings, childbirths, funerals, hospitalization, injuries and disabilities, and emergency relief, regular health examinations, major holiday cash gifts, birthday cash gifts, employee travel subsidies, and events held from time to time.

2. Employee development and training

(1) The Company prepares a budget every year for pre-employment seminars and education training for employees, to enhance their professional skills and leadership while arranging professional courses as per the needs of units and employees' career development, encouraging employees to obtain professional licenses and providing allowances and incentives to employees who obtain certificates and licenses so as to improve their overall capabilities.

(2) In 2024, the average hours of employee education and training per person was 5.42 hours.

3. Pension system
   (1) Labor Pension Fund (old system): The Company has established a Labor Pension Reserve Fund Supervisory Committee, and contributes 8% of the total salary on a monthly basis to a special account for pension fund reserve at the Trust Department of the Bank of Taiwan for employees who were employed before June 30, 2005, as per the Labor Standards Act.
   (2) Labor pension (new system): The Company contributes 6% of employees' monthly salaries to the individual labor pension accounts of the Bureau of Labor Insurance for employees who were employed after July 2005 or those who elected to adopt the system under the Labor Pension Act.
4. The Company's labor-capital policy is based on the principle of honest communication while creating a win-win situation for the Company and employees through the actions below:
   (1) Comply with the Labor Standards Act and relevant laws and regulations, and formulate work rules that have been approved by the competent authority.
   (2) Hold quarterly labor-capital conferences as per the Regulations for Implementing Labor-Capital Meetings.

(II) Losses incurred due to labor disputes in the last year and up to the publication date of the annual report, and the estimated amount that may be incurred at present and in the future and countermeasures: None. None

VI. Information and Communication Security Management

(I) IT security risk management framework, IT security policy, specific management solutions and resources invested in IT security management, etc.:
1. IT security risk management framework:
   (1) The information security responsible unit is the Information Office, which is responsible for formulating information security policies, and regularly reviewing and revising operating specifications to comply with information security standards.
2. IT security policy:
   (1) System specification: formulate an information security management system to standardize the work behavior of employees.
   (2) Process management: Follow the information processing operation cycle of internal control and implement information security process management.
   (3) Information security monitoring: The firewall blocks malicious attacks on the network, monitors internal and external abnormal activities, and establishes a strict information security barrier.
   (4) Personnel training: Information security education and propaganda will be posted on the Enterprise Employee Portal (EIP)) electronic bulletin board from time to time, and information security education will be strengthened in the education and training of new personnel.
3. Specific management programs:
   Firewall protection, user Internet control, antivirus software, application system authority management, email security management, website protection mechanism, server backup mechanism, computer room equipment control, necessary file upload and storage mechanism, information security self-checklist, and IT security risks assessment and improvement.
4. Resources invested in the IT security management:
   (1) Replace obsolete firewalls and email servers to optimize security protection.
   (2) Upload important files to the NAS server for storage to avoid losses caused by file loss.
   (3) Apply to become a member of the TWCERT cybersecurity information exchange organization to get information on cybersecurity alerts.

(4) Change the Company's websites to https protocols and apply SSL/TLS encryption throughout the communication processes.
(5) Update antivirus software periodically and install cloud-based antivirus software for newly purchased computers.
(6) Implement drills for social engineering attacks by email to increase employee awareness toward email protection.
(7) Introduce off-site backup to prevent loss of important data due to disasters, theft, etc.

(II) List the losses, possible impacts, and countermeasures of significant information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: the company has no reason for losses due to significant information security incidents.

VII. Important Contracts

Nature of contract	Party involved	Start and end dates of contract	Main content	Restrictive clause
Construction contract	East District Engineering Office, Department of Rapid Transit Systems, Taipei City Government	2015.10.15~ 2027.08.02	Wanda–Zhonghe–Shulin Line (Phase I Project) CQ860 Section tender project	None
Construction contract	Hydraulic Engineering Office, Public Works Department, Taipei City Government	2016.11.06~ 2025.03.19	Commissioned reconstruction project for the main part of the publicly-owned Huannan market under the Taipei City Market Administration Office	None
Construction contract	CPC	2018.12.31~ 2025.12.31	New port and embankment construction project for the third liquefied natural gas receiving station	None
Construction contract	Department of Urban and Rural Development, New Taipei City Government	2019.06.28~ 2024.05.30	New youth social housing turnkey project in the Anbang section in Zhonghe	None
Construction contract	Freeway Bureau, Ministry of Transportation and Communications	2019.12.30~ 2025.03.30	Additional system project for the interchange connecting National Highway No. 3 and Provincial Highway 66 (Tender No. 336)	None
Construction contract	Department of Urban and Rural Development, New Taipei City Government	2020.04.23~ 2025.03.09	New youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia	None
Construction contract	Office of Public Construction, Taoyuan City Government	2021.05.25~ 2024.12.26	Expropriation project in the Zhongli Sports Park Section, Taoyuan City	None
Construction contract	CPC	2022.08.12~ 2028.12.31	New construction project for the breakwater of the Guantang Terminal expansion solution	None

Nature of contract	Party involved	Start and end dates of contract	Main content	Restrictive clause
Construction contract	Freeway Bureau, Ministry of Transportation and Communications	2023.04.20~ 2027.10.02	North-facing entry and exit ramps improvement project for the National Highway No.1 Wugu interchange (tender No. I103S)	None
Construction contract	First District Engineering Office, Department of Rapid Transit Systems, Taipei City Government	2023.04.10~ 2031.07.10	Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y20(excluded)~Y23(included)	None
Construction contract	First District Engineering Office, Department of Rapid Transit Systems, Taipei City Government	2024.03.11~ 2032.09.07	Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y23(excluded)~Y25(excluded)	None
Construction contract	Railway Bureau, MOTC	2024.07.01~ 2030.12.29	Railway Underground Project of Zhonglu Station Section, Tender CJ13 of the Railway Underground Construction Project, Taoyuan Section, Quasi-MRT Railway in Metro by Taiwan Railway	None
Construction contract	Department of Urban and Rural Development, New Taipei City Government	2024.03.21~ 2029.06.02	Turnkey Project, Construction of Parking Lot and New Youth Social Residency, Guang Hua Section, Lu-Zhou District, New Taipei City	None
Construction contract	Department of Urban Development, Taipei City Government	2024.10.19~ 2029.09.22	Turnkey Project, Zone 1, Shi Bi Tan Social Residency, Neihu District, Taipei City	None
Construction contract	First District Engineering Office, Department of Rapid Transit Systems, Taipei City Government	2025.03.07~ 2034.08.31	Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y25(included)~Y27(included)	None
Sales contract of concrete	Pan Asia Corp.	2022.11.15~ 2028.12.31	New construction project for the breakwater of the Guantang Terminal expansion solution	None
Sales contract of concrete	Continental Engineering Corporation	2022.05.03~ 2029.12	CF680C Section tender project of the North Section of the Taipei metropolitan Mass Rapid Transit	None
Sales contract of concrete	FORMOSA BUILDERS Inc.	2022.12.01~ 2027.12	Fuxinggang barrack new staff dormitory turnkey construction project	None
Sales contract of concrete	Continental Engineering Corporation	2023.07.~ 2026.12	New construction project of Master Landmark by BHland	None

Nature of contract	Party involved	Start and end dates of contract	Main content	Restrictive clause
Sales contract of concrete	Continental Engineering Corporation	2023.06.13~ 2032.04.10	CF670A Section tender project of the South Section of the Taipei metropolitan Mass Rapid Transit	None
Sales contract of concrete	KUNG SING ENGINEERING CORPORATION	2023.12~ 2032.12.05	Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y19 (excluded)~Y20 (included) for CF680A Section	None
Sales contract of concrete	YUNG CHING CONSTRUCTION CO., LTD.	2024.07~ 2030.01	Chisan Peace of Mind Residence new social housing turnkey project in Zhonghe District, New Taipei City	None
Sales contract of concrete	Continental Engineering Corporation	2024.07~ 2027.12	New construction project of the multi-purpose of MRT Jian-Tan Station	None
Contract of syndicate loan	Mega International Commercial Bank	2020.04.24~ 2026.09.30	Working capital	Maintain specific financial ratios
Contract of syndicate loan	Mega International Commercial Bank	2023.04.12~ 2029.12.31	Working capital	Maintain specific financial ratios
Contract of syndicate loan	Mega International Commercial Bank	2024.12.05 2031.3.31	Working capital	Maintain specific financial ratios
Contract of syndicate loan	Chang Hwa Commercial Bank	2023.12.28~ 2031.11.12	Working capital	Maintain specific financial ratios

Five. Analysis and Review of Financial Position and Financial Performance and Risk Issues

I. Financial Position

Unit: NTD thousand

Item \ Year	2024	2023	Discrepant amount	
			Amount	%
Current assets	8,839,458	9,275,870	(436,412)	-4.70%
Non-current assets	7,842,002	5,429,796	2,412,206	44.43%
Total assets	16,681,460	14,705,666	1,975,794	13.44%
Current liabilities	8,029,948	10,683,374	(2,653,426)	-24.84%
Non-current liabilities	1,437,748	692,401	745,347	107.65%
Total liabilities	9,467,696	11,375,775	(1,908,079)	-16.77%
Share capital	4,200,290	2,374,837	1,825,453	76.87%
Capital surplus	1,481,041	37,701	1,443,340	3828.39%
Retained earnings	1,218,437	622,238	596,199	95.82%
Non-controlling interests	313,996	295,115	18,881	6.40%
Total shareholders' equity	7,213,764	3,329,891	3,883,873	116.64%

Non-current assets: the purchase of lands and equipment such as ships and machines required for Hwang Chang's construction projects in 2024 has resulted in an increase of around NT$2,146,829 thousand in property, plant and equipment from 2023, resulting in a change of 44.43% in non-current assets.

Current liabilities: mainly due to the advance construction payments collected from customers that have been deducted as the constructions have been proceeded, resulting in a decrease inf contract liabilities by about NT$2,812,317 thousand from 2023, with a change in current liabilities for -24.84%.

Non-current liabilities: mainly due to the financing from banks to purchase lands in need by operations, resulting in an increase in long-term borrowings for NT$658,470 thousand in 2023 and thus the change in non-current liabilities of 107.65%.

Share Capital: mainly due to the capital increase in cash and earning capitalization engaged in by Hwang Chang in 2024.

Legal reserve: mainly due to the issue premium from the capital increase in cash engaged in by Hwang Chang in 2024.

Retained earnings: due to the increase in the comprehensive income for NT$2,015,865 thousand and the sum of cash and share dividend paid for NT$1,419,666 thousand in total in 2024.

II. Financial Performance

(I) Comparative analysis of financial performance

Unit: NTD thousand

Item \ Year	2024	2023	Increase/Decrease	Percentage of change
Operating revenue	12,431,138	11,275,084	1,156,054	10.25%
Operating cost	(9,445,765)	(10,266,477)	820,712	-7.99%
Gross profit	2,985,373	1,008,607	1,976,766	195.99%
Operating expenses	(401,482)	(265,788)	(135,694)	51.05%
Net operating profit	2,583,891	742,819	1,841,072	247.85%
Non-operating income and expenditure	3,123	(40,192)	43,315	-107.77%
Net profit before tax	2,587,014	702,627	1,884,387	268.19%
Income tax expense	(543,168)	(117,351)	(425,817)	362.86%
Net profit for the current period	2,043,846	585,276	1,458,570	249.21%
Other comprehensive income for the current period	(1,695)	(8,470)	6,775	-79.99%
Total comprehensive income for the current period	2,042,151	576,806	1,465,345	254.04%

Analysis and description of the percentage of increase/decrease:

1. In 2024, due to the peak period of some construction projects, the operating revenue increased by 10.25%. In addition, the marine engineering projects were implemented in-house by switching to the vessels and machines bought by the Company to reduce the cost, and resulting in a change of 195.99% in the gross profit.
2. In 2024, due to the increase in the number of employees and the adjustment of the overall salary structure in fiscal year 2024, the personnel-related costs increased by approximately NTD49,522 thousand compared to fiscal year 2023. In addition, the increase in profits in fiscal year 2024 resulted in an increase in employee/director remuneration of approximately NTD45,798 thousand compared to fiscal year 2023, resulting in a change in operating expenses of 51.05%.

(II) Analysis of changes in gross profit

Unit: NTD thousand

	Increase (decrease) in the prior and current periods	Reasons for difference			
		Price difference	Cost price difference	Sales mix difference	Quantity difference
Gross profit	1,976,766	-	-	-	-
Description	The Company is in the construction industry. Due to the characteristics of the industry, the analysis of prices and quantity does not apply.				

III. Cash Flow

(I) Analysis and description of changes in cash flow in the last year

Item \ Year	2024	2023	Percentage of increase/decrease
Cash flow ratio	3.50	35.40	-90.11%
Cash flow adequacy ratio	81.81	122.64	-33.29%
Cash flow reinvestment ratio	0.84	65.48	-98.72%

Analysis and description of the percentage of increase/decrease: mainly due to the advance construction payments collected from customers that have been deducted as the constructions have been proceeded, the net cash inflow from operating activities in 2024 declined from that in 2023.

(II) Analysis of cash liquidity in the coming year

Unit: NTD thousand

Opening cash balance (1)	Annual net cash flow from operating activities (2)	Annual cash outflow (3)	Amount of cash surplus (deficit) (1)+(2)-(3)	Remedial measures for expected cash deficit	
				Investment plan	Financial plan
806,965	263,455	(550,624)	519,796	-	-
Analysis of changes in cash flow in the current year: (1) Operating activities: Mainly due to the increased profit, resulting in net cash inflows from operating activities. (2) Investing and financing activities: Mainly due to an increase in the purchase of fixed assets and the investments in investees, resulting in net cash outflow from expected investing activities.					

IV. Impact of Material Capital Expenditures on Financial Operations in the Last Year:

1. The Company plans to purchase equipment such as ships and machines for building, transporting, positioning, and riprap leveling for the new construction project for the breakwater of the Guantang Terminal expansion solution; this will ensure tracking of work progress and save construction costs, and can benefit the Company in the long term by increasing the economies of scale for maritime or similar contracts in the future, if any.
2. For the sustainable development of the Company, it is planned to purchase lands for the permanent office of the fleet of vessels and machinery, workshop, and storage of the ship and machinery brigade.

V. Investment Policy for the Last Year, the Main Reasons for Profit or Loss, Improvement Plan, and Investment Plan for the Coming Year

(I) The main reason for the losses of investees:The investee of the Company, Hong Chang Infrastructure Technology Co., Ltd., was established in September 2024. It is mainly engaged in infrastructure construction such as continuous wall and safety support. In 2024, the Company recognized its investment loss of NT$2,493 thousand(Including other comprehensive income) mainly because "Hong Chang" was in its early stages of business and its main business activities had not yet begun.

(II) Investment plan in the coming year:In order to purchase construction equipment for the operation, Hong Chang Infrastructure Technology Co., Ltd. increased its capital by NT$500 million. Taking the future profitability and development potential of the company into account, the Company participated in its capital increase by NT$450 million pro rata to the original shareholding, 90%.

VI. Risk Issues

(I) The impact of interest rate, exchange rate changes, and inflation on the Company's profits or losses and countermeasures in the future

1. Interest rate changes: As the pandemic subsides, the drastic rate hiking cycle is suspended. In the future, the Company will maintain close relationships with banks to obtain more preferential interest rates depending on the interest rate level to actively reduce interest expenses.
2. Exchange rate changes: The Company's construction projects contracted are mainly domestic public work projects, and the raw materials are also mainly acquired from the domestic market. Thus, exchange rate changes have little effect on the Company.
3. Inflation: The Company pays close attention to the overall international raw material trends to control the timing and cost of contracting so as to reduce relevant risks.

(II) Policies for engaging in high-risk and high-leverage investments, loans to others, provision of endorsements/guarantees, and derivatives trading, the main reasons for

profit or loss thereof, and future countermeasures: The Company is committed to the development of its core business without engaging in high-risk, high-leverage investment, loaning to others, providing endorsements/guarantees to others, and trading of derivatives.

(III) Future R&D plans and estimated R&D costs: Most of the Company's public work projects are commissioned by the government. The Company is responsible for the construction as per the drawings in the contracts. The future R&D plan is the same as usual, and the Company will try to reduce costs and shorten construction periods, and actively study and improve construction techniques to greatly improve the Company's competitiveness. The Company's employees from the Engineering Department and the Construction Section will work with professional contractors to conduct R&D work, so there will be no R&D expenditure.

(IV) The impact of important domestic and international policy and legal changes on the Company's financial business and countermeasures: The Company pays close attention to and responds to domestic and international political and economic development and legal changes in real time.

(V) The influence of technological changes (including cybersecurity risks) and industry changes on the Company's financial operations and countermeasures: The high-tech industry has developed rapidly in recent years while construction in the traditional industry has been relatively stable. However, as the prevalence of internet applications has escalated the importance of cybersecurity, to prevent financial systems from being compromised, we will conduct information security risk assessments and countermeasures regularly. Looking forward, the Company has continued introducing new mindsets, new craftsmanship, and new technology in response to the challenges of technology and industry changes. Therefore, technological changes and industry changes haven't created a significant impact on the Company's financials.

(VI) The impact of change in the corporate image on corporate crisis management and countermeasures: N/A.

(VII) Estimated benefits and potential risks arising from mergers and acquisitions and countermeasures: N/A.

(VIII) Estimated benefits and potential risks arising from plant expansion and countermeasures: N/A.

(IX) Risks arising from customer or supplier concentration and countermeasures: The Company mainly engages in the government's public work projects, and the credit risk is relatively low.

(X) The impact and risks arising from the Company's massive transfer or replacement of equity by directors, supervisors, or major shareholders holding more than 10% of the shares and countermeasures: N/A.

(XI) The impact and risks arising from changes of the Company's management rights: N/A.

(XII) For major litigation and non-litigious proceedings, any major litigation, non-litigious, or administrative disputes finalized or pending in court, in which the Company and its directors, supervisors, president, de facto persons in charge, major shareholders holding more than 10% of the shares, and affiliates have been involved, shall be specified. Where the outcome thereof may have a significant impact on shareholders' equity or securities prices, the facts in dispute, the amount of the matter concerned, the start date of the litigation, the major parties involved, and the handling situation as of the publication date of the annual report shall be disclosed: None.

(XIII) Other important risks and countermeasures: None.

VII. Other Important Matters: None.

Six. Special Disclosure

I. Information on affiliates: for the Company's information on affiliates in 2024, please visit the Market Observation Posting System under Taiwan Stock Exchange to inquire. https://mopsov.twse.com.tw/mops/web/t57sb01_q10
II. In the last year and as of the publication date of the annual report, private placement of securities: None
III. Other Necessary Supplementary Disclosure: None.

Seven. Matters that Have a Significant Impact on Shareholders' Equity or Securities Prices Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the Last Year and As of the Publication Date of the Annual Report: None.

Hwang Chang General Contractor Co., Ltd.

Chairperson: Chiang, Cheng-Chin