Stock Code: 2545

Huang Hsiang Construction Co., Ltd.

2024 Annual Report

Printed on April 30, 2025

Enquiry website and URL: Market Observation Post System

http://mops.twse.com.tw/

Corporate Website http://www.hhe.com.tw/

Notices to Readers：

This English version annual report is a translation of the Chinese version and is not an official document of the shareholder’s meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

I. Company Spokesman, Acting Spokesman:

Name: Yuh-Hwa, Yu, Ji-Hua, Wang

Title: Deputy general manager of finance and accounting, finance senior manager

Tel.: (02) 2388-2898＃109, 108

Email: eva@hhe.com.tw; anniewang@hhe.com.tw

II. Company Address and Telephone Number:

Address: 8F., No.38, Bo'ai Rd., Zhongzheng Dist., Taipei City100, Taiwan (R.O.C.)

Tel.: (02) 2388-2898

III. The Stock Transfer Agency:

Name: Yuanta Securities Co., Ltd. Stock Agency Department

Address: B1, No. 67, Sec. 2, Dunhua S. Rd., Datong Dist., Taipei City 103, Taiwan (R.O.C.)

Website: www.yuanta.com.tw

Tel.: (02) 2586-5859

IV. CPAs for the Most Recent Financial Report:

Name of Accountion Firm: KPMG Taiwan

Name of CPAs: Yi-Yun, Tsou, Zong-Zhe, Chen

Address: 68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)

Website: www.kpmg.com.tw

Tel.: (02) 8101-6666

V. Information on Overseas Securities: None.

VI. Company Website: www.hhe.com.tw

Huang Hsiang Construction Co., Ltd.
Table of Contents

One. Letter to Shareholders:

Ladies and Gentlemen of the Shareholders:

I. 2024 business report

(I) Implementation overview and results

In 2024, the Company's consolidated revenue amounted to NT$12,392,167,000, representing an increase of 161% compared to NT$4,746,091,000 in 2023. The consolidated comprehensive income for the period was a profit of NT$2,967,310,000.

(II) Budget implementation-Consolidated Statement

Unit: Thousands of New Taiwan Dollars

Item	Budget Number of 2024	Actual Number of 2024	Achievement Percentage
Operating Revenue	Unbudgeted	12,392,167	Inapplicable
Operating Costs		7,030,817	
Gross Profit from Operations		5,361,350	
Operating Expenses		1,295,771	
Net Operating Income		4,065,579	
Non-operating Income and Expenses		(735,108)	
Profit before Tax		3,330,471	
Net Income		2,966,834	
Other Comprehensive Income		476	
Total Comprehensive Income		2,967,310	

(III) Financial Revenue and Expenditure and Analysis of Profitability- Consolidated statements

Item		2024
Financial structure	Ratio of liabilities to assets (%)	75.23
	Ratio of long term funds to property, plant and equipment (%)	1,766.57
Solvency	Current ratio (%)	160.20
	Quick ratio(%)	22.02
	Interest coverage multiple (Times)	4.26
Profitability	Return on assets (%)	6.59
	Return on equity (%)	23.57
	Net profit ratio (%)	23.94
	Earnings per share (NT$)	9.05

(IV) Research and development status

1. In the aspect of architectural layout design: carefully evaluated in accordance with the needs of the market and consumers, and selected a n excellent construction team and applications of related construction regulations to meet increasingly innovative market needs.
2. In the aspect of construction engineering and management: constantly discuss about various construction methods, and introduced the most suitable method and technology

and engineering management, and strictly controlled the quality, costs and progress to increase the competitiveness of products.

3. In the aspect of the Company’s computers: introduced a construction integrated management system, including the engineering budget system, the engineering contracting system, the business system and the accounting system, etc., and promptly controlled and enhanced working efficiency by means of on-line operation between the inside of the Company and the construction site.
4. In the aspect of market research and development: certainly control the real estate market, actively collect various information of lands and the house market, and discussed and analyzed, and make a correct product positioning and an excellent marketing strategy to achieve the target of high sales rate. In addition, and the related discussions about urban renewal and commercial real estate, etc., were regarded as the reactions to the future sustained developments of the Company.

II. 2025 Operation Plan

(I) Business policy

The Company’s operation has kept steadfast, and always upholds the concept of integrity — honest and faithful and efficiency — effective implementation and quality — professional service to continue developments and sustainably operate. We believe that recruiting and cultivating excellent talents from various domains to strengthen the management team can certainly control and encounter the variation of the overall real estate market, and then we can make a proper strategic plan and decide a correct direction. Regarding the raise of construction quality, created excellent products, enhanced after-sales service, and established the brand image.

(II) Expected sales volume and basis

Currently, with the government's policy of reducing property speculation, the inclination of owner-occupiers and investors towards property acquisition may decline. Recent domestic adjustments in the implementation of carbon credits have led to price increases, causing concerns about inflationary pressure among the public. Purchasing real estate continues to be considered the traditional and most effective hedge against inflation. The real estate market is expected to remain vibrant. This year, the Company has launched pre-sell individual cases of new projects, like Huangxiang Bohueh, Huangxiang Bochin, etc., and furthermore, we continue to sell pre-sell individual cases, such as Aster One and existing properties like Huangxiang Xinhui and Huangxiang MRT, etc. Assessing the current market sales conditions, we estimate that this year we can sell 20 units of Huangxiang Xinghui, 30 units of Huangxiang MRT and 20 remaining units of other projects; we also can sell pre-sell houses: 40 units of Huangxiang Bohueh, 90 units of Huangxiang Cochin and 20 units of Aster One.

(III) Major production and marketing policies

1. Development of well-located and marketable land.
2. To create products that meet market needs and have high added value through excellent planning and design.
3. To participate in the reconstruction of the urban renewal of the prime area to create a good living quality in the future society.
4. In line with product planning and regional environment, adopting superior marketing strategies to obtain reasonable profits.
5. To value consumers and strengthen after-sales services to win the trust of customers.
6. To enhance the corporate image and build a reputation for sustainable management.

III. Future company development strategy

Given the challenges of acquiring land in urban areas and the rising expectations of homebuyers, our future development strategy will focus on actively participating in government-led urban renewal projects. Additionally, we will incorporate green energy and smart building technologies to deliver superior quality products.

IV. The influence of regulatory environment and overall business environment

(I) External competition

To address external competition, Company will enhance our team's professional skills, develop products that meet future market trends, manage quality to boost product competitiveness, and improve after-sales service to earn customer trust and satisfaction.

(II) Regulatory environment

The Central Bank's selective credit controls have led financial institutions to impose restrictions on land financing and mortgage ratios. Additionally, the recent introduction of carbon fees in Taiwan is expected to increase construction costs.

(III) Overall business environment

As the global economy starts to recover, the construction industry faces rising costs. Nevertheless, the government's "New Perferential Mortgage Program for Young Adults" initiative and the increased public awareness of urban renewal and hazardous building policies, spurred by recent strong earthquakes in Taiwan, are positive factors that help maintain confidence in the real estate market in the short term. Moreover, with inflation still a concern, well-located and well-designed properties continue to attract consumer interest. Under the current circumstances, real estate remains the best option for value preservation.

Finally, I would like to thank all shareholders for their love and support. The Company will continue to build good houses, create good sales, and continue to create maximum profits for all shareholders based on the consistent philosophy of "integrity".

Sincerely, all shareholders

We wish you good health and all the best!

Yours sincerely, Chairman Lien-Chi, Liao

Two. Corporate Governance Report

I. Directors, Supervisors, General Manager, Deputy General Manager, Associates, Departments and Branches Off icer Information

(I) Director and Supervisors's Information

1. Director's Information

December 31, 2024

Title	Nationality or Place of Incorporation	Name	Gender / Age	Election (Inauguration) Date	Termof office	Date of Initial Appointment	Shareholding at the Time of Election		Shareholding Now		Shareholdings of the Spouse and Minor Children Now		Shareholding in Other People's Names		Major Experience(Education)	Current positions in the Company and OtherCompanies	Officer, Director, or Supervisor is a Spouse or Kinship within Two Degrees			Remarks
							Shares	Sharehol ding %	Shares	Sharehol ding %	Shares	Sharehol ding %	Shares	Sharehol ding %			Title	Name	Relation	
Chairman	Republic of China	Representative of Huang Ming Construction Corp.: Lien-Chi, Liao	Male Above 70	2024/06/07	3	1996/12/18	134,609,348 11,694,501	41.07% 3.57%	134,609,348 11,655,019	41.07% 3.56%	- 10,632,095	- 3.24%	- -	- -	Primary school graduate Head of Cheng Chang Ceramics Head of King Sart Advertising	Chairman of Huang Ji Investments Chairman of Fu Enterprise Chairman of Polis International Director of Huang Ming Director of Fu Zhen Investment	Director Director	Shu-Hua, Liao Lin Yu-Hsiang, Liao	Couple Father and son	Due to operational needs, The chairman and general manager are the first relatives. Although there is no increase in the number of independent directors, no more than half of the directors are not
Director	Republic of China	Representative of Huang Ming Construction Corp.: Shu- Hua, Liao Lin (Note)	Female Above 70	2024/06/07	3	1996/12/18	134,609,348 10,671,577	41.07% 3.26	134,609,348 10,632,095	41.07% 3.24%	- 11,655,019	- 3.56%	- -	- -	Primary School graduate General Manager of Huang Hsiang Construction Co., Ltd	Chairman of Huang Jun Investment Chairman of Huang Ming Industrial Chairman of Fu Hsiang Assets Chairman of Fu Zhen Investment Director of Huang Ji Investment Director of Northlight Construction Director of Fu Enterprise Director of Ching Lung Development	Chairman Director	Lien-Chi, Liao Yu- Hsiang, Liao	Couple Mother and son	
Director	Republic of China	Ping- Huang, Chang	Male Above 70	2024/06/07	3	1999/03/03	85,446	0.03%	85,446	0.03%	118,436	0.04%	-	-	College graduate Awarded the Zhongxing Literary and Art Calligraphy Award and other medals	—	—	—	—	—
Director	Republic of China	Chia-Ken, Chen	Male Above 70	2024/06/07	3	1996/12/18	438,319	0.13%	438,319	0.13%	-	-	-	-	Industrial High School graduate Works Manager of Huang Hsiang Construction Co., Ltd	Chairman of Northlight Construction Ltd.	—	—	—	—
Director	Republic of China	Yu-Hsiang, Liao	Male Below 60	2024/06/07	3	2012/05/29	6,201,305	1.89%	6,201,305	1.89%	-	-	-	-	University graduate Special Assistant of Northlight Construction Ltd.	General Manager of Huang Hsiang Construction Corporation Director's Rep. of Northlight Director of Huang Jun Investment Director of Huang Ming Industria Director of Huang Ji Investment Supervisor of Fu Hsiang Assets Supervisor of Fu Zhen Investments	Chairman Director	Lien-Chi, Liao Shu-Hua, Liao Lin	Father and son Mother and son	—

Title	Nationality or Place of Incorporation	Name	Gender	Election (Inauguration) Date	Term of office	Date of Initial Appointment	Shareholding at the Time of Election		Shareholding Now		Shareholdings of the Spouse and Minor Children Now		Shareholding in Other People's Names		Major Experience (Education)	Current positions in the Company and Other Companies	Officer, Director, or Supervisor is a Spouse or Kinship within Two Degrees			Remarks
							Shares	Sharehol ding%	Shares	Sharehol ding %	Shares	Sharehol ding %	Shares	Sharehol ding %			Title	Name	Relation	
Director	Republic of China	Che-Hsiung, Tsai	Male Above 70	2024/06/07	3	2012/05/29	-	-	-	-	-	-	-	-	University graduate General Manager, First Financial Holdings Chairman of Land Bank Chairman, Bank of Taiwan	Juridical person of Kuo Yang Industrials Representative of director	–	–	–	–
Director	Republic of China	Hui-Chiu, Cheng	Female 61-70	2024/06/07	3	1997/08/15	1,235,357	0.38%	1,235,357	0.38%	-	-	-	-	Graduated from graduate school Accountant of Chien Yeh Associates Firm partner accountant	Accountant Zheng, Hui-Qiu Firm accountant	–	–	–	–
Independent Director	Republic of China	Shun-Tien, Chen	Male 61-70	2024/06/07	3	2015/06/12	-	-	-	-	-	-	-	-	University graduate Deputy General Manager of Land Bank	Independent Director of Han-Lai Foods Independent Director of Dingzing Company Independent Director of Golden Long Teng Company	–	–	–	–
Independent Director	Republic of China	Su-Chiao, Hung	Female 61-70	2024/06/07	3	2018/06/12	-	-	-	-	-	-	-	-	University graduate Lee and Li, Attorneys-at-Law Chroma Ate Inc. Star Electronics Co., Ltd.	–	–	–	–	–
Independent Director	Republic of China	Fang-Chi, Lin	Male 61-70	2024/06/07	3	2023/06/06	-	-	-	-	-	-	-	-	Graduate School Graduate Head Office Manager, Land Bank of Taiwan General manager of Insurance Brokers of Land Bank of Taiwan Vice general manager of Bank of Panhsin	Independent director of Taiwan Life Insurance Co., Ltd.	–	–	–	–
Independent Director	Republic of China	Hsueh-Chih, Tseng	Male 61-70	2024/06/07	3	2024/06/07	-	-	-	-	-	-	-	-	College Graduate Manager, Headquarters, Land Bank of Taiwan Deputy General Manager, Land Bank of Taiwan Supervisor, China Construction Management Corporation Director, Taiwan Financial Urban Renewal Services Co., Ltd.	–	–	–	–	Appointed Jun. 2024

2. Supervisor Information: The Company has established an Audit Committee, thus this section does not apply.

3. Major shareholders of corporate shareholders

Table 1: Major shareholders of corporate shareholders December 31, 2024		Table 2: Substantial shareholders of Table 1 where the principal shareholder is a corporation December 31, 2024	
Name of Corporate Shareholder	Major shareholders of corporate shareholders	Corporate Name	Principal shareholders of the corporate
Huang Ming Industrial Co. Ltd.	Huang Ji Investment Co.（100%）	Huang Ji Investment Co.	Lien-Chi, Liao（62.50%）, Shu-Hua, Liao Lin（37.50%）

4. The professional expertise and independence of the board members:

Conditions / Name	Professional Qualifications and Experience (Note 1)	Independent Directors' Independence Status (Note 2)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
(Chairman) Lien-Chi, Liao (Note 3)	(1) Experience in business, legal, finance, accounting or corporate business. (2) None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Not Applicable	0
(Director) Shu-Hua, Liao Lin (Note 3)	(1) Experience in business, legal, finance, accounting or corporate business. (2) None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Not Applicable	0
(Director) Ping-Huang, Chang	(1) Experience in business, legal, finance, accounting or corporate business. (2) Professor at Tamkang University. (3) None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Not Applicable	0
(Director) Chia-Ken, Chen	(1) Experience in business, legal, finance, accounting or corporate business. (2) Chairman and General Manager of subsidiary NORTHLIGHT CONSTRUCTION LTD. (3) None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Not Applicable	0
(Director) Yu-Hsiang, Liao	(1) Experience in business, legal, finance, accounting or corporate business. (2) The general manager of the company. (3) None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Not Applicable	0
(Director) Che-Hsiung, Tsai	(1) Experience in business, legal, finance, accounting or corporate business. (2) None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Not Applicable	0

(Director) Hui-Chiu, Cheng	(1) Experience in business, legal, finance, accounting or corporate business. (2) Qualified and practicing accountant. (3) None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	Not Applicable	0
(Independent Director) Shun-Tien, Chen	(1) Experience in business, legal, finance, accounting or corporate business. (2) None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	(1) All independent directors of the Company meet the requirements for independence. (2) The independent director, his/her spouse, or any relative within the second degree of kinship shall not serve as a director, supervisor, or employee of the company or its affiliated companies. (3) No shares of the Company are held. (4) Not serving as a director, supervisor or employee of any company with a specific relationship with the Company. (5) None of the Independent Directors have received compensation or benefits for providing to the Company or its affiliates: (1) any audit service; or (2) commercial, legal, financial, accounting services or other services within the recent two years	3
(Independent Director) Su-Chiao, Hung			0
(Independent Director) Fang-Chi, Lin			1
(Independent Director) Hsueh-Chih, Tseng			0

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 3: Legal representative of Huang Ming Construction Corp.

5. Diversity and independence of the board

The composition of the Company's board of directors should reflect diversity. Directors who also serve as company managers should not exceed one-third of the board seats. The Company should develop appropriate diversity policies based on its operations, business model, and development needs, focusing on the following key areas:

(1) Basic Qualifications and Values: Gender, age, nationality, and cultural background.

(2) Professional Knowledge and Skills: Professional backgrounds such as law, accounting, industry, finance, marketing, or technology; professional skills; and industry experience. Board members should collectively possess the necessary knowledge, skills, and qualities to fulfill their duties. To achieve optimal corporate governance, the board as a whole should have the following capabilities:

A. Operational judgment.

B. Accounting and financial analysis.

C. Management skills (including subsidiary management).

D. Crisis management.

E. Industry knowledge.

F. International market perspective.

G. Leadership.

H. Decision-making.

I. Risk management.

Name	Nationality	Gender	Operational Judgment	Accounting and Financial Analysis	Management Skills	Crisis Management	Industry Knowledge	International Market Perspective	Leadership	Decision-Making	Risk Management
Lien-Chi, Liao	Republic of China	Male	V	V	V	V	V	V	V	V	V
Shu-Hua, Liao Lin	Republic of China	Female	V	V	V	V	V	V	V	V	V
Ping-Huang, Chang	Republic of China	Male	V		V	V		V	V	V	V
Chia-Ken, Chen	Republic of China	Male	V		V	V	V	V	V	V	V
Yu-Hsiang, Liao	Republic of China	Male	V	V	V	V	V	V	V	V	V
Che-Hsiung, Tsai	Republic of China	Male	V	V	V	V		V	V	V	V
Hui-Chiu, Cheng	Republic of China	Female	V	V	V	V		V	V	V	V
Shun-Tien, Chen	Republic of China	Male	V	V	V	V		V	V	V	V
Su-Chiao, Hung	Republic of China	Female	V		V	V	V	V			V
Fang-Chi, Lin	Republic of China	Male	V	V	V	V	V	V	V	V	V
Hsueh-Chih, Tseng	Republic of China	Male	V	V	V	V	V	V	V	V	V

Diversification Goals (More than)	3	10	7	8	8	5	8	8	8	8
Status of Diversification Policy Achievement	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance	Compliance

Upon assessment, the 11 members of the Company's board of directors (including 4 independent directors) collectively meet the Company's objectives for nine major competencies.

(3) Board Independence

The Company's board continuously assesses the independence of its directors, taking into account all relevant factors, including whether directors consistently raise constructive questions to management or other board members, whether their viewpoints remain independent of management or other directors, and whether their behavior both inside and outside the boardroom is appropriate.

The Company has 4 independent directors, constituting 36% of the total 11 directors. There are no situations involving independent directors and the Company or other board members that fall under the provisions of Article 26-3, paragraphs 3 and 4, of the Securities Exchange Act. Although there are 3 directors (including the chairman) with familial relationships up to the second degree of consanguinity or affinity, and 2 directors are company executives, when the board discusses matters in which directors have conflicts of interest, those individuals are required to recuse themselves from the discussion and voting. The matter is then deliberated and voted upon by independent directors and non-conflicted directors to uphold the independence of the Company's board of directors.

(4) Board Diversity

The current board of directors of the Company comprises 11 members, including 4 independent directors and 7 non-independent directors. All directors possess extensive experience and expertise in fields such as civil engineering, finance, accounting, business, and management, drawn from academia and industry. They also have an international market perspective and are good at leadership, operational judgment, business management, crisis management and other professional capabilities. Independent directors have a term of less than 3 years for 50% (2 members), a term of 3 to 9 years for 25% (1 member), more than half of the independent directors may not serve for more than three consecutive terms.

1 director is under 60 years old, 5 directors are between 61 and 70 years old, and 5 directors are over 71 years old.

The Company places importance on gender equality within the board of directors and aims to increase the representation of female directors to over one-third (33%). Presently, male directors constitute 73% (8 members) while female directors constitute 27% (3 members).

Measures to be taken: In the future, female candidates will be given priority in the nomination process for directors. We will consult with multiple channels for talent recommendations and actively seek female professionals with industry experience to join. We may also establish an internal female talent training program to strengthen the career development of senior female management to increase the source of future director candidates, strive to increase the number of female directors, improve corporate governance effectiveness and implement a policy of diversity of board members to achieve our goals.

The fundamental composition of the board of directors is as follows:

Name	Simultaneous Employment with the Company	Age			Tenure of Independent Directors		
		Below 60	60 to 70	Above 71	Less than 3 years	3 to 9 years	More than 9 years
Lien-Chi, Liao				V			
Shu-Hua, Liao Lin				V			
Ping-Huang, Chang				V			
Chia-Ken, Chen	V			V			
Yu-Hsiang, Liao	V	V					
Che-Hsiung, Tsai				V			
Hui-Chiu, Cheng			V				
Shun-Tien, Chen			V				V
Su-Chiao, Hung			V			V	
Fang-Chi, Lin			V		V		
Hsueh-Chih, Tseng			V		V		

(II) General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information

December 31, 2024

Title	Nationality	Name	Gender	Date of Initial Appointment	Shareholding		Shareholdings of the Spouse and Minor Children		Shareholding in Other People's Names		Major Experience (Education)	Current Positions in Other Companies	A Manager Who is Related to a Spouse or Kinship within Two Degrees			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	Republic of China	Yu-Hsiang, Liao	Male	2014.05	6,201,305	1.89%	–	–	–	–	Burnmouth & Poole College (Study Structure) Lubin Schoolof Business (Study Business Administration) Special Assistant of Northlight Construction Ltd. Director ofof Huang Hsiang Construction	Corporate Director's Rep. of Northlight Director of Huang Ming Industrial Director of Huang Jun Investments Director of Huang Ji Investments Supervisor of Fu Zhen Investments Supervisor of Fu Hsiang Assets	–	–	–	In response to operational requirements, where the Chairman and the General Manager are first-degree relatives, additional independent director positions have been established, aligning with regulatory requirements.
Finance Dep. Deputy General Manager	Republic of China	Yuh-Hwa, Yu	Female	1996.09	21,500	0.01%	–	–	–	–	University graduate Accountant of Chien Yeh Associates Associate of aduit dep. of firm	–	–	–	–	–

II. Remuneration of Directors, Supervisor, General Managers and Deputy General Managers paid in the latest year

(I) Remuneration of Director

December 31,2024

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name</th><th colspan="8">Remuneration of Director</th><th colspan="2" rowspan="2">Sum of A+B+C+D and ratio to net income after Tax</th><th colspan="8">Part-time employees receive relevant remuneration</th><th colspan="2" rowspan="2">Sum of A+B+C+D+E+F+G and ratio to net income after Tax</th><th rowspan="4">Whether to receive remune ration from re-invested businesses other than subsidiaries</th></tr>
<tr><th colspan="2">Remuneration (A)</th><th colspan="2">Pension(B)</th><th colspan="2">Remuneration of Director (C)</th><th colspan="2">Business Execution Costs (D)</th><th colspan="2">Remuneration, Bonuses and Special Expenses, etc.(E)</th><th colspan="2">Pension(F)</th><th colspan="4">Employee Bonus Stock(G)</th></tr>
<tr><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial report</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial report</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial report</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial report</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial report</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial report</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial report</th><th colspan="2">The company</th><th colspan="2">Companies in the consolidated financial report</th><th rowspan="2">The company</th><th rowspan="2">Companies in the consolidated financial report</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>Chairman</td><td>Lien-Chi, Liao (Note 1)</td><td rowspan="14">NT$4,800 thousand</td><td rowspan="14">NT$4,800 thousand</td><td rowspan="14">–</td><td rowspan="14">–</td><td rowspan="14">NT$33,952 thousand</td><td rowspan="14">NT$33,952 thousand</td><td rowspan="14">NT$1,030 thousand</td><td rowspan="14">NT$1,030 thousand</td><td rowspan="14">NT$39,782 thousand
1.34%</td><td rowspan="14">NT$39,782 thousand
1.34%</td><td rowspan="14">NT$3,870 thousand</td><td rowspan="14">NT$5,880 thousand</td><td rowspan="14">–</td><td rowspan="14">–</td><td rowspan="14">NT$2,640 thousand</td><td rowspan="14">–</td><td rowspan="14">NT$2,660 thousand</td><td rowspan="14">–</td><td rowspan="14">NT$46,292 thousand
1.56%</td><td rowspan="14">NT$48,322 thousand
1.63%</td><td rowspan="14">–</td></tr>
<tr><td>Director</td><td>Shu-Hua, Liao Lin (Note 1)</td></tr>
<tr><td>Director</td><td>Ping-Huang, Chang</td></tr>
<tr><td>Director</td><td>Chia-Ken, Chen</td></tr>
<tr><td>Director</td><td>Yu-Hsiang, Liao</td></tr>
<tr><td>Director</td><td>Che-Hsiung, Tsai</td></tr>
<tr><td>Director</td><td>Hui-Chiu, Cheng</td></tr>
<tr><td>Director</td><td>Pei-Ju, Liao</td></tr>
<tr><td>Independent Director</td><td>Shun-Tien, Chen</td></tr>
<tr><td>Independent Director</td><td>Chen-Lung, Lu (Note 2)</td></tr>
<tr><td>Independent Director</td><td>Su-Chiao, Hung</td></tr>
<tr><td>Independent Director</td><td>Fang-Chi, Lin</td></tr>
<tr><td>Independ ent Director</td><td>Hsueh-Chih, Tseng (Note 3)</td></tr>
<tr><td>Director</td><td>Huang Ming Industrial Co. Ltd.</td></tr>
</table>

Note 1: Legal Representative of Huang Ming Industrial Co. Ltd.

Note 2: Dismissed in June, 2024.

Note 3: Appointed in June, 2024.

Range of Remuneration Paid to the Company's Directors	Name of Directors			
	Total Amount of Remuneration for the First Four Items (A+B+C+D)		Total Amount of Remuneration for the First Seven Items (A+B+C+D+E+F+G)	
	The Company	Companies in the Consolidated Financial Report(I)	The Company	Companies in the Consolidated Financial Report(J)
Under NT$1,000,000	Lien-Chi, Liao; Shu-Hua, Liao Lin; Chen-Lung, Lu; Hsueh-Chih, Tseng	Lien-Chi, Liao; Shu-Hua, Liao Lin; Chen-Lung, Lu; Hsueh-Chih, Tseng	Shu-Hua, Liao Lin; Chen-Lung, Lu; Hsueh-Chih, Tseng	Shu-Hua, Liao Lin; Chen-Lung, Lu; Hsueh-Chih, Tseng
NT$1,000,000(include)～NT$2,000,000（not include）	Shun-Tien, Chen; Chen-Lung, Lu; Su-Chiao, Hung	Shun-Tien, Chen; Chen-Lung, Lu; Su-Chiao, Hung	Shun-Tien, Chen; Chen-Lung, Lu; Su-Chiao, Hung	Shun-Tien, Chen; Chen-Lung, Lu; Su-Chiao, Hung
NT$2,000,000(include)～NT$3,500,000（not include）			Lien-Chi, Liao	Lien-Chi, Liao
NT$3,500,000(include)～NT$5,000,000（not include）	Chia-Ken,Chen; Ping- Huang, Chang; Yu-Hsiang, Liao; Che-Hsiung, Tsai; Hui-Chiu, Cheng	Chia-Ken,Chen; Ping- Huang, Chang; Yu-Hsiang, Liao; Che-Hsiung, Tsai; Hui-Chiu, Cheng	Chia-Ken,Chen; Ping- Huang, Chang; Che-Hsiung, Tsai; Hui-Chiu, Cheng	Ping- Huang, Chang; Che-Hsiung, Tsai; Hui-Chiu, Cheng
NT$5,000,000(include)～NT$10,000,000（not include）			Yu-Hsiang, Liao	Chia-Ken,Chen; Yu-Hsiang, Liao
NT$10,000,000(include)～NT$15,000,000（not include）	Huang Ming Industrial Co. Ltd.	Huang Ming Industrial Co. Ltd.	Huang Ming Industrial Co. Ltd.	Huang Ming Industrial Co. Ltd.
NT$15,000,000(include)～NT$30,000,000（not include）				
NT$30,000,000(include)～NT$50,000,000（not include）				
NT$50,000,000(include)～NT$100,000,000（not include）				
Over NT$100,000,000				
Total	13	13	13	13

(II) Compensation of Supervisors: Not applicable since the company has established an audit committee.

(III) Remuneration of General Managers and Deputy General Managers

December 31, 2024

Title	Name	Remuneration (A)		Pension(B)		Bonuses and Special Expenses,etc (C)		Amount of Employee Bonus Stock(D)				Ratio of Total Remuneration (A+B+C+D) to Net Profit (%) after Tax		Whether to Receive Remuneration from re-invested businesses other than subsidiaries
		The company	Companies in the consolidated financial report	The company	Companies in the consolidated financial report	The company	Companies in the consolidated financial report	The company		Companies in the consolidated financial report		The company	Companies in the consolidated financial report	
								Cash	Stock	Cash	Stock			
General manager	Yu-Hsiang, Liao	NT$1,860 thousand	NT$1,860 thousand	–	–	–	–	NT$1,280 thousand	–	NT$1,280 thousand	–	NT$3,140 thousand (0.11%)	NT$3,140 thousand (0.11%)	–
Deputy General Manager	Yuh-Hwa, Yu	NT$1,890 thousand	NT$1,890 thousand	–	–	–	–	NT$1,280 thousand	–	NT$1,280 thousand	–	NT$3,170 thousand (0.11%)	NT$3,170 thousand (0.11%)	–

(IV) Compensation of the company's top five highest paid executives

Title	Name	Remuneration (A)		Pension(B)		Bonuses and Special Expenses,etc (C)		Amount of Employee Bonus Stock(D)				Ratio of Total Remuneration (A+B+C+D) to Net Profit (%) after Tax		Whether to Receive Remuneration from re-invested businesses other than subsidiaries
		The company	Companies in the consolidated financial report	The company	Companies in the consolidated financial report	The company	Companies in the consolidated financial report	The company		Companies in the consolidated financial report		The company	Companies in the consolidated financial report	
								Cash	Stock	Cash	Stock			
General manager	Yu-Hsiang, Liao	NT$1,860 thousand	NT$1,860 thousand	–	–	–	–	NT$1,280 thousand	–	NT$1,280 thousand	–	NT$3,140 thousand (0.11%)	NT$3,140 thousand (0.11%)	–
Deputy General Manager	Yuh-Hwa, Yu	NT$1,890 thousand	NT$1,890 thousand	–	–	–	–	NT$1,280 thousand	–	NT$1,280 thousand	–	NT$3,170 thousand (0.11%)	NT$3,170 thousand (0.11%)	–
Senior Manager of Audit department	Qiao-Yi, Xue	NT$1,530 thousand	NT$1,530 thousand	–	–	–	–	NT$1,040 thousand	–	NT$1,040 thousand	–	NT$2,570 thousand (0.09%)	NT$2,570 thousand (0.09%)	–
Senior Manager of Finance department	Chi-Hua, Wang	NT$1,410 thousand	NT$1,410 thousand	–	–	–	–	NT$960 thousand	–	NT$960 thousand	–	NT$2,370 thousand (0.8%)	NT$2,370 thousand (0.8%)	–
Senior Manager of Sales department	Ling-Hun, Liao	NT$1,290 thousand	NT$1,290 thousand	–	–	–	–	NT$880 thousand	–	NT$880 thousand	–	NT$2,170 thousand (0.7%)	NT$2,170 thousand (0.7%)	–

(V) Name of the Manager Who Distributed the Employee's Remuneration and the Distribution Situation

December 31, 2024

<table>
<tr><td rowspan="6">Manager</td><td>Title</td><td>Name</td><td>Stock</td><td>Cash</td><td>Total</td><td>Ratio of Total Remuneration to Net Profit after Tax (%)</td></tr>
<tr><td>General manager</td><td>Yu-Hsiang, Liao</td><td rowspan="5">—</td><td rowspan="5">NT$5,440 thousand</td><td rowspan="5">NT$5,440 thousand</td><td rowspan="5">0.18%</td></tr>
<tr><td>Deputy General Manager</td><td>Yuh-Hwa, Yu</td></tr>
<tr><td>Senior Manager of Audit department</td><td>Qiao-Yi, Xue</td></tr>
<tr><td>Senior Manager of Finance department</td><td>Chi-Hua, Wang</td></tr>
<tr><td>Senior Manager of Sales department</td><td>Ling-Hun, Liao</td></tr>
</table>

Note: The employee remuneration amounts listed in Tables (III), (IV) and (V) above are estimates.

(VI) Respectively to compare the analysis of the total remuneration paid to the Company's directors, general managers, and deputy general managers in the most recent two years by the company and all companies in the consolidated financial statements as a percentage of the net profit after tax of individual or individual financial reports, and explain relevance of the policies, standards and combinations of remuneration, the process for setting remuneration, the relevance of operational performance and future risks:

Unit：Thousand；%

Creteria / Title	The Company			
	2023		2024	
	Amount	Percentage of After-Tax Profit	Amount	Percentage of After-Tax Profit
Director	18,666	2.45%	46,292	1.56
Supervisor	－	－	－	－
General Manager and Deputy General Manager	4,421	0.58	6,310	0.21
Total Compensation of All Companies in the Consolidated Financial Statements	26,991	3.54	56,662	1.91
After-Tax Net Profit of the Entity	761,770	－	2,966,834	－

1. Analysis of the Proportion of After-Tax Net Profit Paid as Remuneration to the Company's Directors, Supervisors, General Manager, and Deputy General Manager in the Last Two Fiscal Years

   The remuneration for the Company's directors, general manager, and deputy general manager is allocated in accordance with the provisions of the Company's Articles of Incorporation. In fiscal year 2024, the total remuneration for directors increased compared to fiscal year 2023. However, because after-tax net profit increased in fiscal year 2024, the proportion of profit allocated to directors decreased. Similarly, the total remuneration for the general manager and deputy general manager in fiscal year 2024 also increased compared to fiscal year 2023, but the proportion of profit allocated to their remuneration decreased due to the higher after-tax net profit in fiscal year 2024.

2. Policy, Standards, and Structure for Paying Remuneration, Procedures for Setting Remuneration, and the Link to Business Performance and Future Risks

   (1) The remuneration of the Company's directors, as stipulated in Article 23 of the Company's Articles of Incorporation, includes travel and business expenses incurred in the execution of the Company's business, which must be paid regardless of the Company's profitability. The remuneration for independent directors is determined by the Board of Directors, based on industry standards. However, independent directors are excluded from participating in the distribution of remuneration under Article 28. According to Article 28 of the Articles of Incorporation, if the Company is profitable in a given fiscal year, at least 1% of the profits should be allocated to employee remuneration, and no more than 5% to director remuneration. If the Company has accumulated losses, amounts must be reserved in advance to offset those losses. The Company evaluates director remuneration through its "Board Performance Evaluation Measures," taking into account performance evaluations and the overall reasonableness of the compensation.

(2) The remuneration for the Company's executives is outlined in the salary management policies and various bonus schemes. These include job allowances and bonuses, which are awarded based on the Company's annual business performance, financial condition, operational status, and individual performance. Additionally, if the Company is profitable in the given fiscal year, in accordance with Article 28 of the Articles of Incorporation, 1-10% of the pre-tax profits (before deducting employee and director remuneration) will be allocated for employee remuneration.

(3) The Company's remuneration structure includes cash compensation, stock options, dividend reinvestment in shares, retirement benefits or severance pay, allowances, and other forms of substantial incentives.

(4) The remuneration setting process involves the Company's Board of Directors and executive management conducting an annual review of the performance evaluations and fairness of compensation through the Compensation and Remuneration Committee and the Board of Directors. In addition to evaluating individual performance and contributions to the Company, this process also considers the overall business performance of the Company, industry-specific risks, future trends, and development outlooks. The remuneration policy is also regularly reviewed and adjusted based on actual business conditions and relevant laws. For fiscal year 2024, the remuneration for directors and executives was reviewed by the Compensation Committee and approved by the Board of Directors.

III. Corporate Governance Status

(I) Governance Status of the Board of Directors

1. There have been 10 meetings of the board of directors in the most recent year, and the attendance of directors is as follows:

Title	Name	Actual No. of Meetings Attended	No. of Meetings with Entrusted Attendance	Actual Ratio（%） of Meetings Attended	Remarks
Chairman	Lien-Chi, Liao （Note 1）	10	0	100%	
Director	Shu-Hua, Liao Lin （Note 1）	10	0	100%	
Director	Ping-Huang, Chang	9	0	90%	
Director	Chia-Ken, Chen	10	0	100%	
Director	Yu-Hsiang, Liao	10	0	100%	
Director	Che-Hsiung, Tsai	9	1	90%	
Director	Hui-Chiu, Cheng	7	0	70%	
Independent Director	Shun-Tien, Chen	10	0	100%	
Independent Director	Chen-Lung, Lu	3	0	75%	Dismissed in June, 2024
Independent Director	Su-Chiao, Hung	9	0	90%	
Independent Director	Fang-Chi, Lin	10	0	100%	
Independent Director	Hsueh-Chih, Tseng	6	0	100%	Appointed on June, 2024

Othr matters to be recorded: 1. If the operation of the board of directors is under any of the following circumstances, the date of the board of directors, period, content of the proposal, all independent directors' opinions and the company's handling of independent directors' opinions shall be stated: 1.1 Items stipulated in Paragraph 3 Article 14 of the Securities Exchange Act: None. 1.2 Apart from the foregoing matters, other matters decided by the board of directors which are opposed or reserved by the independent directors and which have been recorded or declared in a written Statement: None.
2. The status of implementation of directors' avoidance of the stakeholder proposal: September 5, 2024: a proposal to sell real estate to related parties was tabled. Director Shu-Hua Liao, who serves as the responsible person of Huang Ming Industrial Co., Ltd., abstained from voting due to conflict of interest. All other attending directors voted in favor of the proposal. 3.TWSE/TPEx Listed Companies shall disclose information on the evaluation cycle and period, evaluation scope, method and evaluation content of the self (or peer) evaluation of the board of directors, and fill in the implementation status of the evaluation of the board of directors. The Company has conducted the evaluation of the board of directors in 2024 and disclose of implementation of the evaluation of the board of directors in 2025. 4. The objective of strengthening the functions of the board of directors in the current year and the most recent year (such as establishing an audit committee, enhancing information transparency, etc.) and evaluation of the implementation situation: (1) Goal of Enhancing Board Functionality: The Company has established an Audit Committee and diligently adheres to the practice of informing directors about agenda items before board meetings, ensuring comprehensive consideration of directors' opinions during deliberations. Following board meetings, minutes of proceedings are promptly provided to all directors within the prescribed timeframe, indicating a well-functioning operation. (2) Assessment of Board Function Execution: In accordance with the " Rules for Performance Evaluation of Board of Directors " adopted by the Company's board of directors, an annual evaluation of the overall functioning of the board, performance of individual directors, and the effectiveness of functional committees is conducted. (3) All meetings of the company's board of directors are fully recorded, and board activities are carried out in compliance with applicable laws and regulations.

Note 1: He/She is the legal representative of Huang Ming Industrial Co., Ltd.

2. Implementation of the evaluation of the board of directors:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a year	January 1, 2024 to December 31, 2024	Performance evaluation of the board of directors, individual board members, and functional committees.	Include internal self-evaluation of the board of directors, self-evaluation of the board members, and internal self-evaluation of the functional committees	Evaluation has been done in accordance with the Company's "Rules for Performance Evaluation of Board of Directors".

(II) Operation of the Audit Committee:

The audit committee has held 5 meetings in recent years, and the attendance of the independent directors is as follows:

Title	Name	Actual No. of Meetings Attended	No. of Meetings with Entrusted Attendance	Actual Ratio of Meetings Attended（%）	Remarks
Independent Director	Shun-Tien, Chen	9	0	100%	
Independent Director	Chen-Lung, Lu	3	0	75%	Dismissed Jun. 2024
Independent Director	Su-Chiao, Hung	8	0	89%	
Independent Director	Fang-Chi, Lin	9	0	100%	
Independent Director	Hsueh-Chih, Tseng	5	0	100%	Appointed Jun. 2024

Other matters to be recorded:

1. The date and duration of the board meeting, the content of the proposals, the result of the resolutions of the audit committee and the handling of the opinions of the audit committee by the company shall be stated in any of the following circumstances in operation of the audit committee:

1.1 Items stipulated in Paragraph 5 Article 14 of the Securities Exchange Act: None.

1.2 Apart from the foregoing matters, other matters that have not been approved by the audit committee but have been agreed by more than two-thirds of all the directors: None.

2. The status of implementation of independent directors' avoidance of the stakeholder proposal: None.

3. The communication status between independent directors and internal audit supervisors and accountants (should include major matters, methods and results, etc of communication on the company's financial and business conditions.)

3.1 When independent directors have doubts about the company's financial report and business status, they will require the audit supervisor to attend the board of directors' report or directly contact the accountant by telephone to communicate with them; so far, independent directors have no objection.

3.2 The internal audit supervisors shall attend the audit committee and report on the implementation of the internal control system. If a major violation is found or the company is in danger of major damage, the internal audit supervisor will immediately make a report and notify the independent directors.

3.3 The accountant shall report to the audit committee in writing at least once a year on the financial status, overall operation status and internal control audit of the company and its subsidiaries, and fully communicate whether there are major adjustment entries or legal amendments that affect the accounting situation. The auditors also make regular communication reports on the corporate governance unit. The audit committee and the accountants may communicate with each other in person or by telephone when necessary for the purpose of adequate communication.

(III) Corporate Governance Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"and Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1.Does the company formulate and disclose the corporate governance best practice principles in accordance with the "Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies"?	✓		No principle has been established, but it is handled in accordance with laws and regulations.	There are no significant differences.
2.Company shareholding structure and shareholders' equity 2.1 Whether the company has established and implemented internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters in accordance with the procedures? 2.2 Does the company have a list of the major shareholders who effectively control the company and the ultimate controllers of the major shareholders? 2.3 Does the company establish and implement risk management and firewall mechanisms with related enterprises? 2.4 Does the company have an internal practice that prohibits its insiders from trading securities using undisclosed information in the market?	✓ ✓ ✓ ✓		1. The Company's spokesperson handles shareholders' suggestions, doubts, disputes and litigation issues. 2. The Company shall report monthly changes in the shareholding of directors, managers, and major shareholders in accordance with the regulations, and can keep track of them at any time. 3. The accounts between the Company and the affiliated business are independent, and there are relevant regulations and regulations. 4. Codes of ethical conduct have been established to prohibit the company insiders from trading securities using undisclosed information in the market.	1. There are no significant differences. 2. There are no significant differences. 3. There are no significant differences. 4. There are no significant differences.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3.The composition and duties of the board of directors 3.1 Does the board of directors have a diversity approach to membership and implementation?			1. Article 20 of the "Corporate Governance Best-Practice Principles" of the Company emphasizes the importance of considering diversity in the composition of the board of directors. The current board consists of 11 members, including 7 directors and 4 independent directors, all of whom bring extensive experience and expertise in fields such as finance, commerce, and management.	1. There are no significant differences.
3.2 Does the company voluntarily set up various functional committees other than the Remuneration Committee and the Audit Committee in accordance with the law?			2. Apart from the legally mandated Compensation Committee and Audit Committee, the Company has established a Sustainability Development Committee under the auspices of the board of directors. Its responsibilities encompass formulating corporate social responsibility and sustainability development directions and objectives, as well as devising relevant management policies and concrete implementation plans. Furthermore, it tracks the execution and effectiveness of corporate sustainability development initiatives.	2. There are no significant differences.
3.3 Has the company established a performance evaluation method and its evaluation method for the board of directors, conducted annual and regular performance evaluation, and reported the results of the performance evaluation to the board of directors for reference in the remuneration of individual directors and nomination for renewal?			3. The Company has adopted Rules for Performance Evaluation of Board of Directors as per resolutions of the board. The evaluation criteria are periodically revised to align with legal requirements and operational needs. Annually, in accordance with the latest guidelines, assessments are conducted regarding the overall functioning of the board, individual director performance, and the efficacy of functional committees. The results demonstrate satisfactory board performance, serving as a basis for decisions regarding director compensation, remuneration, and reappointment.	3. There are no significant differences.
3.4 Does the company regularly assess the independence of the accountant?			4. In adherence to corporate governance standards, the Company conducts regular assessments annually to ensure the independence and competence of our appointed auditors. Beyond merely requesting auditors to furnish an "Independence Statement" and disclose "Audit Quality Indicators (AQIs)," our evaluations delve into the specifics delineated in Note 1 and encompass the scrutiny of 13 AQI indicators. Following thorough confirmation that auditors maintain no financial interests or business affiliations beyond their remuneration for audit and tax-related services, and ensuring no breaches of independence criteria by their familial associations, and taking into account AQI data, we affirm that both auditors and their firms boast audit experience and training hours commensurate with industry norms. Moreover, the integration of digital audit tools in recent years by the auditing firms underscores their commitment to elevating audit quality. The assessment findings for the preceding fiscal year, sanctioned by the pertinent authorities, were presented during the inaugural meetings of both the 5th Audit Committee Meeting on July 22, 2024 and the 6th Board Meeting on July 22, 2024. Unanimous consent from all attending committee members and directors saw the appointment of the KPMG Taiwan, represented by Accountants Yi-Yun, Tsou and Zong-Zhe, Chen, as the auditor for 2024. For detailed insights into the outcomes of the independence and suitability assessment, please refer to Note 1.	4. There are no significant differences.
4. Whether the TWSE/TPEx Listed Companies have a suitable and appropriate number of corporate governance personnel, and designate a corporate governance director to be responsible for corporate governance-related matters (including but not limited to providing information necessary for directors and supervisors to carry out their business, assisting directors and supervisors in complying with laws and regulations, conducting board and shareholders' meeting related matters in accordance with the law, and prepare the minutes of the board of directors and shareholders' meeting, etc.)?			The Company's Finance Department is tasked with managing all corporate governance-related matters. This includes providing directors and independent directors with the information necessary for their duties, overseeing the legal procedures for Board and shareholder meetings, preparing the minutes of these meetings, and publishing information on corporate governance, stakeholders, corporate social responsibility, and sustainable development on our website. Following the resolution passed at the sixth Board meeting on November 20, 2022, Shih-Hsin Hsu from the Finance Department was appointed as the Corporate Governance Officer, tasked with safeguarding shareholder rights and enhancing the Board's functions. For detailed information on the annual priorities of corporate governance activities and the continuing education of the Corporate Governance Officer, please visit our website at https://www.hhe.com.tw/tw/Committee.	There are no significant differences.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.), set up a special area for stakeholders on the company website, and appropriately responded to stakeholder's concerns on important CSR issues?			The consolidated company has established various contact points for stakeholders, including spokespersons, shareholder services units, and customer service units, to ensure effective communication with stakeholders. Our website includes dedicated sections for "ESG" and "Investor/Stakeholder," providing disclosures on corporate social responsibility and sustainable development efforts. We ensure that all significant concerns raised by stakeholders are properly addressed.	There are no significant differences.
6. Does the company appoint a professional stock agency to handle the affairs of the shareholders' meeting?			We have commissioned the Shareholder Service Department of Yuanta Securities Co., Ltd. to assist with all matters related to shareholders' meetings.	There are no significant differences.
7.Information Disclosure 7.1 Does the company set up a website to disclose information on its financial operations and corporate governance? 7.2 Does the company adopt other methods of information disclosure (such as setting up an English website, appointing a special person responsible for the collection and disclosure of company information, implementing the spokesperson system, and placing the process of corporate presentation on the company website, etc)? 7.3 Does the company announce and report its annual financial report within two months after the end of the accounting year, and announce and report its first, second and third quarterly financial reports and monthly operations well in advance of the prescribed deadline?			1. The Company has set up a website in compliance with legal regulations to disclose financial, business, and corporate governance information. The website is regularly updated and maintained to facilitate public inquiries. 2. The company has designated a special person to collect and disclose corporate information, and has a spokesperson to speak on behalf of the company. All relevant information is disclosed at the " Market Observation Post System" or placed on the Company website in accordance with regulations. 3. The consolidated company's annual financial reports, along with the first, second, and third quarter financial reports and monthly operational status reports, are all prepared, announced, and submitted within the required deadlines.	1. There are no significant differences. 2. There are no significant differences. 3. There are no significant differences.
8. Does the company have other important information that helps to understand the Corporate Governance Status (including but not limited to employee rights, employee care, investor relations, supplier relations, the rights of stakeholders, education of directors and supervisors, and implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's purchase of liability insurance for directors and supervisors)			1. Employee rights and employee care: The Company has always attached importance to labor relations, and has sufficient communication channels to listen to employees' suggestions, and has established an employee welfare committee to enhance employee welfare. 2.Investor relations: the Company maintains a good interactive relationship with investors. 3.Supplier relations: The Company maintains good interaction with both upstream and downstream manufacturers. 4. Stakeholder rights: The C ompany has rules of procedure for the board of directors and shareholders' meeting, and the directors will evade any stakeholder proposal. 5. Advanced studies for directors: directors may study or arrange for further study on their own, and the company will publicize matters that should be noted. 6.Implementation of risk management policies and risk measurement standards: Please refer to pages 186 to 187 of the annual report 7. Implementation of customer policy: Communicate and coordinate through the window. 8. Liability insurance bought by the Company for the Directors: Directors are insured in accordance with the regulations.	There are no significant differences.
9. Please provide information on the results of the latest annual corporate governance evaluation issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd., and propose priority strengthening matters and measures for those that have not yet improved. The Company will give priority to strengthening the following matters in the future: 9.1 At present, the contact window for investor relations has been disclosed on the company's website, and the function of answering questions of shareholders will be considered in the future. 9.2 The first ESG report for the year 2023 has been published on the company's website. Going forward, we will consider disclosing the annual greenhouse gas emissions, water usage, and total waste weight for the past two years.				

Note 1: The evaluation results for the independence and suitability of the auditors for the year 2024 are detailed in the table below:

No.	Evaluation Criteria	Evalution Result		Independence Met
		Yi-Yun, Tsou	Zong-Zhe, Chen	
1	Does the auditor have any direct or significant indirect financial interest in the Company?	No	No	Yes
2	Does the auditor have any financing or guarantee relationships with the Company or its directors?	No	No	Yes
3	Does the auditor have any close business or potential employment relationships with the Company?	No	No	Yes
4	Have the auditor or any audit team members held positions as directors, managers, or other significant roles in the Company within the past two years that could affect the audit?	No	No	Yes
5	Has the auditor provided any non-audit services that might directly influence the audit work for theCompany?	No	No	Yes
6	Has the auditor brokered the Company's stocks or other securities?	No	No	Yes
7	Has the auditor acted as the Company's legal representative or defended the company in conflicts with third parties?	No	No	Yes
8	Does the auditor have any familial relationships with the Company's directors, managers, or other personnel holding significant influence over audit matters?	No	No	Yes

(IV) The Composition, Functions and Operation of the Remuneration Committee

1. Information of Remuneration Committee Members

Identity (Note 1)	Conditions / Name	Have More than Five Years of Work Experience and the Following Professional Qualifications			Meet the Independence Situation (Note 1)										Serving as number of remuneration committees of other public offeringcompanies
		Lecturer or above from a public or private tertiary institution in business, law, finance, accounting or related disciplines required for corporate business	Judges, prosecutors, lawyers, accountants or other professional and technical personnel who have passed the national examination necessary for the corporate business and have certificates	Experience in business, legal, finance, accounting or corporate business	1	2	3	4	5	6	7	8	9	10	
Independent Director	Su- Chiao, Hung			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Independent Director	Hsueh-Chih, Tseng			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Others	Shu-Mei, Kuo			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—

Note 1: Please indicate whether you are a director, independent director or other.

Note 2: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

2.1 Not an employee of the Company or any of its affiliates.

2.2 Not a director or supervisor of the Company or its affiliated companies. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.

2.3 Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.

2.4 Not a spouse, relative within the second degree of kinship or a lineal relative within the third degree of kinship, of the manager listed in (1) or a person listed in (2) or(3).

2.5 Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings, or who has designated a representative to act as a director or supervisor of the company in accordance with Article 27 (1) or (2) of the Companies Act (Not applicable in cases where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

2.6 Not a director, supervisor or employee of another company whose number of directors or in which more than half of the shares with voting rights is controlled by the same person (Not applicable in cases where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

2.7 Not a director (directors), supervisor (supervisors), or employee of other companies or organizations whose chairman, general manager or persons with equivalent positions are the same person or spouse to each other. (Not applicable in cases where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

2.8 Not a director(directors), supervisor(supervisors), or general manager or shareholder who directly holds 5% of shares of a specific company or organization that are in financial or business dealings with the company (Not applicable in cases a specified company or organization holds more than 20% and less than 50% of the total number of outstanding shares of the Company or where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)

2.9 Not professionals, sole proprietors, partners, business owner of a company or organization, directors (directors), supervisors (supervisors), managers and their spouses of business, legal, financial, accounting and other related services who provide audit services for the Company or its affiliated business or have received remuneration of less than NT$500,000 in the last two years. However, this does not apply to members of the remuneration committee, the Public Takeover Review Committee or the Special Committee on Mergers and Acquisitions, who perform their duties and responsibilities in accordance with the Securities and Exchange Act or the relevant provisions of Enterprises Mergers and Acquisitions Act.

2.10 Not a person of any conditions defined in Article 30 of the Company Law.

2. Information on the operation of the Remuneration Committee Meetings

(1) The Remuneration Committee of the Company consists of three members.

(2) The term of office of the current members: from September 5, 2024 to June 6, 2027. The Remuneration Committee has held two meetings in the most recent year. The qualifications and attendance of the members are as follows:

Title	Name	Actual no. of Meetings Attended（B）	No. of Meetings with Entrusted Attendance	Actual Ratio of Meetings Attended（%）（B/A）	Remarks
Convener	Chen-Lung, Lu	1	0	100%	Dismissed in June 2024
Committee Member	Su-Chiao, Hung	1	0	100%	Dismissed in June 2024
Committee Member	Min-Si, Yang	1	0	100%	Dismissed in June 2024
Convener	Su-Chiao, Hung	1	0	100%	Appointed in September 2024
Committee Member	Hsueh-Chih, Tseng	1	0	100%	Appointed in September 2024
Committee Member	Shu-Mei, Kuo	1	0	100%	Appointed in September 2024

Other matters to be recorded.

1. If the board of directors does not adopt or amend the recommendations of the remuneration committee, the date of the board of directors, period, the content of the proposal, the results of the resolutions of the board of directors, and the company's handling of the opinions of the remuneration committee shall be stated (if the remuneration approved by the board of directors is better than the recommendation of the remuneration committee , the differences and reasons shall be stated): None.
2. In case of objections or reservations to resolutions of the remuneration committee by members and recorded or declared in writing, the date and duration of the remuneration committee, the content of the proposal, the opinions of all members and the disposition of the opinions of members shall be stated: None.

(V) Fulfilment of Social Responsibility and Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from“the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”and Reasons
	Yes	No	Abstract Explanation	
1. Does the company follow the principle of materiality to conduct risk assessments on environmental, social and corporate governance issues related to the its operations, and formulate relevant risk management policies or strategies?		✓	1. The Company has formed a "Sustainable Development Committee" under the Board of Directors. The General Manager's ESG Sustainability Task Force is responsible for implementing and managing sustainable development strategies, advancing sustainability initiatives. 2. The "Sustainability Development Task Force" is divided into four main groups: "Corporate Governance and Economic Issues," "Sustainable Environment," "Employee and Social Care," and "Products and Services." The Vice President of the Finance Department oversees the coordination, meeting documentation, and project tracking. Each group performs risk assessments, manages, and develops plans for their specific areas. They convene periodic meetings to strengthen communication and collaboration across departments, utilizing both internal and external resources for project planning and management. This continuous effort aims to uphold the principles of corporate sustainability. The results of the annual sustainability efforts are reported to the Sustainable Development Committee and the Board of Directors.	Compliant

Evaluation Item	Implementation Status			Deviations from"the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"and Reasons
	Yes	No	Abstract Explanation	
2. Does the company set up a dedicated (part-time) unit to promote corporate social responsibility, and the board of directors authorizes the senior management to handle it and report the handling situation to the board of directors?			On August 11, 2023, the Board of Directors approved the "Risk Management Policy and Procedures." Each operational unit is tasked with formulating and executing corporate social responsibility policies. They regularly identify stakeholders and collect and review issues of concern to ensure all significant considerations are addressed. The effectiveness of these implementations is periodically reported to the Chairman. The company assesses and reviews its performance in environmental, social, and corporate governance issues, and develops strategic plans and actions based on performance evaluations. The results and detailed information regarding the company's corporate sustainability efforts are disclosed in the company's sustainability report and on its website.	Compliant

Evaluation Item	Implementation Status			Deviations from"the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"and Reasons
	Yes	No	Abstract Explanation	
3. Environmental Issues 3.1 Does the company establish proper environmental management systems based on the characteristics of their industries?			1. The Company has implemented an environmental management system that considers the life cycle of our operations. We have established environmental operation control standards to serve as the foundation for our environmental controls, ensuring compliance with relevant environmental laws and regulations. We are dedicated to promoting waste segregation and recycling activities at our operational sites and sales locations to reduce waste. Furthermore, we require ongoing construction projects to enhance management practices to reduce noise and air pollution.	1. Compliant
3.2 Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?			2.The Company has developed an energy management plan that includes setting annual carbon reduction targets, conducting energy audits, and replacing energy-intensive equipment to improve energy efficiency. Our building products actively incorporate green building design, and we plan to adopt building energy efficiency labels, utilizing energy-saving and smart systems for management. Additionally, we use recycled materials with low environmental impact in our projects.	2. Compliant
3.3 Does the company assess the potential risks and opportunities of climate change for its business now and in the future, and take measures to address climate-related issues?			3. The Company prioritizes and monitors the impact of global climate change on our operations. We integrate climate change into major considerations, adhering to the recommendations of the International Financial Stability Board regarding climate-related financial disclosures for conducting risk and opportunity assessments. In project execution, we consistently factor in risks to mitigate potential disasters, project delays, and other transitional risks associated with climate change.	3. Compliant
3.4 Does the company make statistics on greenhouse gas emissions, water consumption and total waste weight for the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management?			4. Over the past two years, the Company has meticulously tracked water and electricity usage, as well as the total weight of waste, all detailed in our corporate sustainability report. We have devised energy-saving initiatives and corresponding management protocols to curtail daily energy consumption. We actively promote energy-saving practices within our offices, implementing measures like regulating photocopy paper usage per employee, recycling waste paper, and closely monitoring water and electricity consumption. Encouraging the use of public transportation among our staff helps reduce greenhouse gas emissions. We enforce waste reduction through meticulous sorting and minimize disposable product usage during activities. Moreover, we execute energy-saving measures such as reducing electricity consumption for public lighting and timely adjusting air conditioning settings to achieve our energy-saving and greenhouse gas reduction targets.	4. Compliant

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from“the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>4. Social issues
4.1 Does the company establish relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?
4.2 Does the company establish and implement reasonable employee welfare measures (including remuneration, leave or other benefits) and properly reflect business performance or results in employee remuneration?
4.3 Does the company provide employees with a safe and healthy working environment, and provide employees with regular safety and health education?
4.4 Does the company set up an effective career development training program for employees?
4.5 Does the company follow relevant laws and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant consumer protection policies and appeal procedures?
4.6 Does the company formulate supplier management policies that require suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?</td><td></td><td></td><td>1. The Company strictly complies with all labor laws and international human rights principles. We provide labor insurance, health insurance, and group insurance for all employees, and allocate retirement funds to ensure their rights are protected. We respect and treat our employees fairly. To ensure that our daily operations adhere to corporate ethics, we have established key guidelines, including the "Corporate Social Responsibility Practices," "Integrity Management Procedures and Conduct Guidelines," and "Human Rights Policy."
2. The Company has various employee welfare measures and vacations are granted according to laws and regulations. If there is a profit during the year, employee bonus f will be provided according to the regulations of the Articles.
3. The Company attaches importance to labor safety, hygiene and a healthy working environment, and regularly holds labor safety education and training, environmental disinfection and fire drills, etc.
4, Internal training or external training is carried out from time to time according to the business needs of the employees, and employees are encouraged to do further study and develop career capabilities.
5. The Company values consumers’rights and has set up an 0800 customer service hotline to provide a channel for consumer complaints, formulates relevant standard operating procedures for sales and service.
6. The Company has established relevant standard operating procedures and conducts evaluation and management of suppliers.</td><td>1. Compliant
2. Compliant
3. Compliant
4. Compliant
5. Compliant
6. Compliant</td></tr>
<tr><td>5.Does the company refer to international standards or guidelines for the preparation of corporate social responsibility reports and other reports that disclose non-financial information of the company? Has the previous report been confirmed or guaranteed by the third-party verification agency?</td><td></td><td></td><td>The Company adheres to the 2021 edition of the Global Reporting Initiative (GRI) Standards for preparing sustainability reports and other disclosures of non-financial information, all of which are publicly available on our corporate website. However, as of now, these reports have not undergone verification or certification by an independent third-party entity.</td><td>In the future, it will be implemented in accordance with laws and regulations.</td></tr>
<tr><td colspan="5">6. If a company has its own corporate social responsibility principles based on the " Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies", please state the difference between its operation and the established principles:
The Company has established Corporate Social Responsibility Practices in alignment with the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies," ensuring that our operational practices closely adhere to the stipulated standards without significant variance.</td></tr>
<tr><td colspan="5">7. Other important information helpful to understand the operation of corporate social responsibility:
1. Environmental Protection and Occupational Health and Safety:
The Company strictly adheres to legal regulations concerning environmental protection and occupational health and safety management. For details, please refer to the "IV. Environmental Expenditure Information" section under "V. Operational Profile" in this year's report.
2. Social Welfare:
Rooted in Tucheng, New Taipei City, our chairman, fueled by his deep affection for the local community, embodies the ethos of societal reciprocity. Since 2006, every December, the Company has organized the "Warmth to Humanity Charity Event" for registered low-income elderly individuals living alone, vulnerable children, and low-income households in the Tucheng, Shulin, Yingge, and Sanxia districts. Led by the chairman, our entire staff distributes rice and emergency aid funds.
3. Consumer Rights:
The Company maintains a dedicated customer service department staffed with specialists to address customer complaints promptly and provide immediate and effective post-sales assistance.</td></tr>
</table>

(VI) Climate-Related Information

1. Implementation Status of Climate-Related Information:

Item	Implementation
1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	(1) The Board of Directors provides oversight on climate-related risks and opportunities and delegates the Sustainable Development Committee to coordinate the organization of working groups for supervising climate risk management. (2) The Sustainable Development Committee is tasked with reviewing the progress of climate change-related matters. Annually, designated project managers report to the Board of Directors on climate change-related strategies, operational directions, risk event monitoring, review of energy-saving and carbon reduction goals, as well as execution outcomes.
2.Describe how the identified climate risks and opportunities affect the company's business, strategies, and finances (short-term, medium-term, and long-term).	The Company has prioritized 5 climate risks based on their likelihood and impact, alongside 3 key climate opportunities: Top 5 Climate Risks: Short-term: Increased operational costs due to the need to control air pollution equipment. Medium-term: Rise in carbon taxes and a decline in market demand. Long-term: Delays in production and review schedules leading to escalated operational and land acquisition costs. 3 Key Climate Opportunities: Short-term: Leveraging incentives and regulations provided by government agencies. Medium-term: Evaluating the use and integration of renewable energy while implementing relevant energy-saving measures. Long-term: Introducing and designing more energy-efficient buildings. Adjusting pricing in line with market demand to boost revenue.
3.Describe the Financial Impacts of Extreme Weather Events and Transition Actions.	The Company has recognized actions to address transitional risks, such as the adoption of new construction technologies, intensified research and pre-assessment of raw material procurement, bolstered supplier management operations, and enhanced on-site management. However, these measures have led to increased operating costs.
4.Describe how the process of identifying, assessing, and managing climate risks is incorporated into the comprehensive risk management framework.	The Board of Directors serves as the highest decision-making authority for risk management within the Company, directly supervising the risk governance framework. In order to enhance risk assessment and management capabilities, the Board of Directors resolved to establish the "Sustainable Development Committee" in 2022. This committee, led by the ESG Corporate Sustainability Task Force, is responsible for identifying and managing operational risks, including both physical and transitional risks associated with climate change, and leading the planning of relevant response measures. The ESG Corporate Sustainability Task Force ensures that all business risks are maintained within acceptable thresholds, establishing robust operational principles for risk management. It conducts risk identification and analysis across seven major dimensions: operations, finance, national, compliance, ESG, human resources, and cybersecurity, updating the major risk identification matrix annually. Based on the results of risk identification, each department formulates response strategies,

	integrates, and manages risks that may impact operations and profitability. Regular and ad hoc reports are submitted to the Sustainable Development Committee and the Board of Directors annually to fortify the corporate resilience.
5.Describe the scenario, parameters, assumptions, analysis factors, and the primary financial impacts involved when conducting scenario analysis to evaluate resilience against climate change risks.	Future actions will be executed in compliance with legal regulations.
6.Describe the plan's content and the indicators and objectives used to identify and manage physical risks and transition risks if there is a transformation plan to manage climate-related risks.	Future actions will be executed in compliance with legal regulations.
7.Describe the basis for price determination if utilizing internal carbon pricing as a planning tool.	Future actions will be executed in compliance with legal regulations.
8. Describe the activities covered, scope of greenhouse gas emissions, planning timeline, and annual progress toward these objectives. If carbon offsetting or Renewable Energy Certificates (RECs) are utilized to achieve these targets, details on the origin and quantity of carbon offset credits or the number of RECs exchanged should be provided if climate-related objectives are established.	Future actions will be executed in compliance with legal regulations.
9.Greenhouse gas assessment and assurance status, including reduction targets, strategies, and specific action plans (to be detailed in sections 1-1 and 1-2).	Future actions will be executed in compliance with legal regulations.

2. Greenhouse Gas Inventory and Verification Status in the Past Two Years: Not Applicable.
3. Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans: Not Applicable.

(VII) Fulfillment of Integrity Management and Deviations from "the Integrity Management Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from"the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"and Reasons
	Yes	No	Abstract Explanation	
1. Establishment of Integrity Management Policies and Programs 1.1 Does the company establish integrity management policies approved by the board of directors, and clearly indicate the policies and practices of integrity management in regulations and external documents, as well as the promise of the board of directors and senior management to actively implement the operating policy? 1.2 Whether the company has established an assessment mechanism for the risk of dishonest conduct, regularly analyzes and evaluates business activities with a higher risk of dishonest conduct in the business scope, and formulates a program to prevent dishonest conducts, which at least covers the preventive measures for the conducts under in Paragraph 2 of Article 7 of "the Integrity Management Principles for TWSE/TPEx Listed Companies"? 1.3 Does the company clearly define operating procedures, behavior guidelines, punishment and appeal systems for violations in the programs for preventing dishonest behaviors, implement them, and regularly review and revise the pre-revealing programs?			The Company has established and implements the "Procedures of Integrity Management and Conduct Guidelines".	There are no significant differences.
2. Implementation of Integrity Management 2.1 Does the company assess the integrity records of its trading partners and specify the integrity behavior clauses in the contracts with them? 2.2 Does the company set up a dedicated unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board of directors of its integrity management policies, programs for preventing dishonest behaviors, and supervise their implementation? 2.3 Does the company formulate policies to prevent conflicts of interest, provide appropriate channels for statements, and implement them? 2.4 Whether the company has established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit made relevant audit plans based on the assessment results of the risks of dishonest conducts, and checked the compliance of the programs for preventing dishonest conduct accordingly, or appointed an accountant to carry out the audit? 2.5 Does the company hold regular internal and external education training on integrity management?			The Company has established and implemented the "Procedures of Integrity Management and Conduct Guidelines".	There are no significant differences.

Evaluation Item	Implementation Status			Deviations from"the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"and Reasons
	Yes	No	Abstract Explanation	
3. The Operation of the Company Whistleblower System. 3.1 Does the company formulate a specific whistleblower and reward system, and establish a convenient whistleblower channel, and assign an appropriate dedicated staff responsible for the whistleblower object? 3.2 Does the company formulate standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms? 3.3 Does the company take measures to protect whistleblowers from being improperly handled due to whistleblowing?			The Company has established and implemented the "Procedures of Integrity Management and Conduct Guidelines".	There are no significant differences.
4. Enhancing Information Disclosure Does the company disclose the content and promoting effectiveness of its integrity management principles on its website and the Market Observation Post System?			Already disclosed on the company website.	There are no significant differences.
5. If the company has its own principles of integrity management based on the " integrity management principles for TWSE/TPEx Listed Companies ", please state the difference between its operation and the established principles: It has been established and there are no major differences.				
6. Other important information for understanding the operations of the company's integrity management: (e.g. the company's review and amendments of its integrity management principles, etc.) It has been established and there are no major differences.				

(VIII) Other important information to enhance understanding corporate governance status: None.

(IX) Disclosure Regarding the Implementation of the Internal Control System

1. Internal Control Statement:
   The Internal Control Statement is available on the Market Observation Post System (MOPS) website at https://mops.twse.com.tw. Please navigate to "Listed Company" → "Corporate Governance" → "Company Rules/Internal Control," and select "Internal Control Statement" to view the disclosures.
2. Special Audit of Internal Control System Conducted by an Appointed CPA: Not applicable.

(X) Major resolutions of the shareholders' meeting and the board of directors in the past year and as of the date of publication of the annual report.

Huang Hsiang Construction Co., Ltd.
Meeting Summary
January 1, 2024~ April 30, 2025

Number	Meeting Date	Major Resolutions	Remarks
113001	2024/01/05 Board Meeting	1. The acquisition of historic monument land and the transfer of development rights.	
113002	2024/03/14 Board Meeting	1. The 2023 remuneration allocation ratio, amount, and distribution method for employee and directors. 2. The Company's 2023 business report, financial statements and consolidated financial statements. 3. The distribution of 2023 annual retained earnings. 4. The proposal of convening the 2024 annual shareholders' meeting. 5. The handling of accepting shareholder proposal from shareholders with more than 1% shareholdings. 6. The total re-election of directors 7. The handling of accepting shareholder nomination from shareholders with more than 1% shareholdings. 8. The lifting of the non-compete restrictions for newly appointed directors. 9. The proposal to co-develop with related parties on Minquan West road. 10. The proposal of application for loan from Bank SinoPac. 11. The proposal of application for loan from Bank SinoPac. 12. The proposal of application for loan from Taipei Fubon Bank. 13. The proposal of application for loan from United Overseas Bank. 14. The proposal of application for loan from Union Bank of Taiwan. 15. The proposal of application for loan extension from Taishin International Bank. 16. The proposal of application for loan from Taishin International Bank. 17. The proposal of application for loan from Taishin International Bank. 18. The proposal of acting as a joint guarantor for the subsidiary. 19. The proposal of acting as a joint guarantor for the subsidiary. 20. The proposal of acting as a joint guarantor for the subsidiary. 21. The proposal of acting as a joint guarantor for the subsidiary. 22. The proposal of acting as a joint guarantor for the subsidiary. 23. The proposal of acting as a joint guarantor for the subsidiary. 24. The Company's 2023 annual evaluation of overall efficacy of internal control systems and statement of Internal control systems.	
113003	2024/04/25 Board Meeting	1. The proposal to nominate and review the independent director candidate list. 2. The proposal of application for loan from Mega International Commercial Bank. 3. The proposal of application for loan extension from China Bills.	
113004	2024/05/15 Board Meeting	1. The proposal to change the auditor for financial report certification. 2. The proposal for the consolidated financial statements of the Q1 2024. 3. The proposal for additional work on the Huangxiang MRT new construction project, initially commissioned to a related party. 4. The proposal to secure a loan from First Commercial Bank. 5. The proposal to extend the loan term with Bank of Taiwan. 6. The proposal to extend the loan term with Taishin International Bank. 7. The proposal of acting as a joint guarantor for the subsidiary. 8. The proposal of acting as a joint guarantor for the subsidiary.	
	2024/06/07 Shareholders' meeting Meeting	1. The proposal for the approval of the business report and financial statements for 2023. 2. The proposal for the distribution of profits for 2023. 3. The proposal for the complete election of directors. 4. The proposal to remove the non-compete restrictions for newly appointed directors.	
113005	2024/06/07 Board Meeting	1. The election of new chairman	
113006	2024/07/22 Board Meeting	1. Stock transfer suspension period, ex-dividend date, and cash dividend distribution date. 2. The proposal for the evaluation of the appointment of auditing accountant. 3. The proposal for the acquisition of land in the Mingde section, Tucheng District, New Taipei City. 4. The proposal to entrust a related party with the execution of the Dachen 3 demolition project. 5. The proposal of application for land financing from CTBC Bank. 6. The proposal of application for loan from Mega International Commercial Bank. 7. The proposal of application for loan extension from Mega International Commercial Bank. 8. The proposal of acting as a joint guarantor for the subsidiary. 9. The proposal of acting as a joint guarantor for the subsidiary. 10. The proposal of acting as a joint guarantor for the subsidiary. 11. The proposal of acting as a joint guarantor for the subsidiary. 12. The proposal of acting as a joint guarantor for the subsidiary. 13. The proposal of acting as a joint guarantor for the subsidiary. 14. The proposal of acting as a joint guarantor for the subsidiary.	
113007	2024/08/13 Board Meeting	1. The proposal for the consolidated financial statements of the Q2 2024. 2. The proposal to entrust a related party with the construction of a new building project on Hangzhou South Road. 3. The proposal for additional works on the Tucheng Mingde 222 new construction project, previously entrusted to a related party. 4. The proposal to authorize the general manager to sign a termination agreement with Marriott Group. 5. The proposal of application for loan from Taishin International Bank. 6. The proposal of application for an increased loan limit from Land Bank of Taiwan. 7. The proposal of application for a performance guarantee limit from First Commercial Bank. 8. The proposal of acting as a joint guarantor for the subsidiary.	
113008	2024/09/05 Board Meeting	1. The proposal to appoint members to the Compensation and Remuneration Committee. 2. The Proposal to acquire real estate from a related party. 3. The proposal to entrust a related party with the construction of the Fushi Linyi new construction project. 4. The proposal for additional work on the Taiwan Motor North Station new construction project, previously entrusted to a related party. 5. The proposal for the 2023 sustainability report. 6. The proposal of application for loan from Farglory Life Insurance.	
113009	2024/11/11	1. The proposal for the consolidated financial statements for the Q32023.	

	Board Meeting	2. The proposal for additional work on the Zhonghe Baoer (residential building) construction project, previously entrusted to a related party. 3. The proposal for additional work on the Zhonghe Baoer (office building) construction project, previously entrusted to a related party. 4. The proposal of application for loan extension from China Bills. 5. The proposal of application for loan extension from International Bills. 6. The proposal of application for loan from Bank of Panshin. 7. The proposal of acting as a joint guarantor for the subsidiary.	
113010	2024/12/19 Board Meeting	1. The proposal for the principles governing the distribution of employee compensation for executives (vice chairman level and above) for 2023. 2. The proposal to determine the amount of directors' remuneration for fiscal year 2023. 3. The proposal to engage a related party for the construction of Dachen unit 3 (residential building and market building). 4. The proposal to expand the scope of construction work for the Hangzhou South Road project, previously entrusted to a related party. 5. The proposal of application for loan extension from Taipei Fubon Bank. 6. The proposal of application for loan extension from Chang Hwa Bank. 7. The proposal of application for loan extension from Bank SinoPac. 8. The proposal of application for loan extension from First Commercial Bank. 9. The proposal for the Implementation of Internal Control Procedures for Sustainability Information Management. 10. The proposal for the Internal Control Audit Plan for Fiscal Year 2025.	
114001	2025/01/16 Board Meeting	1. The proposal for the acquisition of real estate from a related party. 2. The proposal for the acquisition of right-of-use assets from a related party. 3. The proposal of application for loan extension from Bank SinoPac.	
114002	2025/03/06 Board Meeting	1. The 2024 remuneration allocation ratio, amount, and distribution method for employee and directors. 2. The Company's 2024 business report, financial statements and consolidated financial statements. 3. The proposal of convening the 2025 annual shareholders' meeting. 4. The handling of accepting shareholder proposal from shareholders with more than 1% shareholdings. 5. The proposal to amend the Company's Articles of Incorporation. 6. The proposal for a cash capital increase through issuance of new common shares. 7. The proposal of application for land financing from CTBC Bank. 8. The proposal of application for loan extension from Taiwan Business Bank. 9. The proposal of application for loan extension from Shin Kong Bank. 10. The proposal of application for loan extension from Dah Hua Bank. 11. The proposal of application for loan from Mega International Commercial Bank. 12. The proposal of application for loan extension, and land financing extension, and new construction financing from Bank of Taiwan. 13. The Company's 2024 annual evaluation of overall efficacy of internal control systems and statement of Internal control systems.	
114003	2025/04/10 Board Meeting	1. The proposal for distribution of profits for 2024. 2. The proposal to amend the Company's Board Meeting Rules of Procedure. 3. The proposal for the preliminary review of the 2025 non-assurance services list for the company's auditor. 4. The proposal of acting as a joint guarantor for the subsidiary. 5. The proposal to authorize the chairman to set the issue price for the cash capital increase.	

(XI) Directors who have different opinions on major resolutions passed by the board of directors and have records or written statements in the past year and as of the date of publication of the annual report: None.

IV. Accountant Fees

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
KPMG	Yi-Yun, Tsou Zong-Zhe, Chen	2024/1/1 2024/12/31	4,490	1,061	5,551	Non-audit fee are transfer pricing, tax compliance audit, tax consulting, value trust, and business registration.

(1) If the accounting firm is replaced and the amount of audit fees paid during the replacement year are less than that in the preceding year, the amount of audit fees before and after the change and the reason thereof shall be disclosed: Not applicable.

(2) If the audit fee has decreased by more than 10% from the previous year, the amount, proportion and reasons for the decrease should be disclosed: Not applicable.

V. Information on replacement of CPAs

(1) The previous CPA

<table>
<tr><td>Date of replacement</td><td colspan="4">May 15, 2025</td></tr>
<tr><td>Note to the reason for replacement</td><td colspan="4">As part of the internal rotation policy at KPMG Taiwan, the signing certified public accountants have been changed from Mr. Kuo-Yang, Tseng and Mr. Zong-Zhe, Chen to Ms. Yi-Yun, Tsou and Mr. Zong-Zhe, Chen.</td></tr>
<tr><td rowspan="3">Explain the termination by the Appointer or the CPAs or declined to accept the appointment</td><td colspan="2">Contracting Parties / Situation</td><td>CPA</td><td>CPA</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td colspan="2">Decline to accept (continue) the appointment</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Opinions other than no qualified opinion stated in the Auditors' Report over the last 2 years and the reason</td><td colspan="4">Not Applicable</td></tr>
<tr><td>Any adverse opinions from the</td><td>Yes</td><td></td><td colspan="2">Accounting principles or practice</td></tr>
</table>

<table>
<tr><td rowspan="6">opinions of the issuer</td><td rowspan="4"></td><td></td><td>Disclosure of financial statements</td></tr>
<tr><td></td><td>Scope of procedure of audits</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td></td><td></td></tr>
<tr><td>None</td><td colspan="2">✓</td></tr>
<tr><td colspan="3">Explain</td></tr>
<tr><td>Others for disclosure (To be disclosed pursuant to Article 10-6-4 to Article 10-6-7 of the Standard)</td><td colspan="3">Not Applicable</td></tr>
</table>

(2) About the succeeding CPAs

Name of CPA Office	KPMG Taiwan
Name of CPA	CPA Ms. Yi-Yun, Tsou and CPA Mr. Zong-Zhe, Chen.
Date of appointment	May 15, 2025
Consultation for opinions and results pertinent to the accounting of particular transactions or accounting principles and possible opinions issued at the time of certification of financial statements	Not Applicable
Different opinions before the predecessor and successor CPAs in writing	Not Applicable

(3) Reply of the predecessor CPA to Article 10-6-1, and 10-6-2-3: not applicable.

VI. The employment of the company's chairman, general manager, financial or accounting manager with the firm of the auditing CPA or its affiliated businesses in the past year shall be disclosed: None.

VII. Particulars about changes in shareholding and equity pledge of directors, managers and shareholders holding more than 10% of the Company's shares in the past year and as of the date of publication of the annual report.

(I) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders.

Title	Name	2024		As of April 31, 2025	
		Shareholding Increase (Decrease)	Pledged share Increase (Decrease)	Shareholding Increase (Decrease)	Pledged share Increase (Decrease)
Chairman	Huang Ming Industrial Co. Ltd. Representative: Lien-Chi, Liao	— —	(9,377,000) —	— (39,482)	18,000,000 —
Director	Huang Ming Industrial Co. Ltd. Representative: Shu-Hua, Liao Lin	— —	(9,377,000) —	— (39,482)	18,000,000 —
Director	Ping-Huang, Chang	—	—	—	—
Director	Chia-Ken, Chen	—	—	—	—
Director	Yu-Hsiang, Liao	—	—	—	—
Director	Che-Hsiung, Tsai	—	—	—	—
Director	Hui-Chiu, Cheng	—	—	—	—
Independent Director	Shun-Tien, Chen	—	—	—	—
Independent Director	Chen-Lung, Lu (Note 1)	—	—	—	—
Independent Director	Su-Chiao, Hung	—	—	—	—
Independent Director	Fang-Chi, Lin	—	—	—	—
Independent Director	Hsueh-Chih, Tseng (Note 2)	—	—	—	—
Major Shareholder	Huang Jun Investment Co., Ltd.	—	(3,000,000)	—	12,500,000
Manager	Yu-Hsiang, Liao	—	—	—	—
Manager	Yuh-Hwa, Yu	—	—	—	—
Manager	Jih-Hua, Wang	—	—	—	—

Note 1: Director dismissed in June 2024 , shareholding data is compiled up to the end of May 2024.

Note 2: Director appointed in June 2024, shareholding data is compiled from June 2024 onwards.

(II) Share Trading: The counterparty is a non-related party.

(III) Share Pledge: The counterparty is a non-related party.

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

March 24, 2025

Name	Own Shareholding		Shareholdings of the Spouse and Minor Children		Shareholding in Other People's Names		The Names and Relationships of the Top Ten Shareholders Who are Related Party to Each Other, or Who are Related to Each Other as Spouses or Relatives within the Second Degree of Kinship, etc.		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Huang Ming Industrial Co.Ltd. Representative: Shu-Hua, Liao Lin	134,609,348 10,632,095	41.07% 3.24%	–	–	–	–	Huang Jun Investment Co., Ltd.	Same Chairman	–
Huang Jun Investment Co.,Ltd. Representative: Shu-Hua, Liao Lin	51,957,519 10,632,095	15.85% 3.24%	–	–	–	–	Huang ing Industrial Co. Ltd.	Same Chairman	–
Lien-Chi, Liao	11,655,019	3.56%	10,632,095	3.24%	–	–	Shu-Hua, Liao Lin Ling-Jyun, Liao Pei-Ju, Liao Yu-Hsiang, Liao	Spouse Father and daughter Father and daughter Father and son	–
Shu-Hua, Liao Lin	10,632,095	3.24%	11,694,501	3.57%	–	–	Lien-Chi, Liao Ling-Jyun, Liao Pei-Ju, Liao Yu-Hsiang, Liao	Spouse Mother and daughter Mother and daughter Mother and son	–
Ling-Jyun, Liao	9,519,481	2.90%	–	–	–	–	Lien-Chi, Liao Shu-Hua, Liao Lin Pei-Ju, Liao Yu-Hsiang, Liao	Father and daughter Mother and daughter Sisters Sister and brother	–
Yu-Hsiang, Liao	6,201,305	1.89%	–	–	–	–	Lien-Chi, Liao Shu-Hua, Liao Lin Ling-Jyun, Liao Pei-Ju, Liao	Father and son Mother and son Sister and brother Sister and brother	–
Hungli Investment Co., Ltd.	5,159,000	1.57%	–	–	–	–	–	–	–
Pei-Ju, Liao	3,260,770	0.99%	–	–	–	–	Lien-Chi, Liao Shu-Hua, Liao Lin Ling-Jyun, Liao Yu-Hsiang, Liao	Father and daughter Mother and daughter Sisters Sister and brother	–
Chia Shee Co., Ltd.	2,869,919	0.88%	–	–	–	–	–	–	–
Hsing-Han Liu	2,728,000	0.83%	–	–	–	–	–	–	–

IX. The number of shares held by the Company, its directors, managers, and businesses directly or indirectly controlled by the Company in the same reinvested business, and the consolidated calculation of total shareholding ratio.

Unit: Shares,%

Re-invested businesses	The Company's Investment		Investments by Directors, Managers and Those Directly or Indirectly Controlling the Business		Total Investment	
	Shares	%	Shares	%	Shares	%
Northlight Construction Ltd.	104,500,000	100.00	—	—	104,500,000	100.00
Fu Enterprises Co., Ltd	26,000	100.00	—	—	26,000	100.00
Polis International Development Co., Ltd.	150,000,000	100.00	—	—	150,000,000	100.00
Derien Venture Capital Corp.	3,100,000	100.00			3,100,000	100.00

Three. Fundraising Situation

I. Capital and Shares

(I) Source of Share Capital

Year Month	Par Value (NT$)	Approved Capital		Paid-in Capital		Remarks		
		Shareholding	Amount	Shareholding	Amount	Source of Share Capital	Capital Increased by Assets Other than Cash	Others
1991 12	10	6,000,000	60,000,000	6,000,000	60,000,000	Establishment with cash	No	No
1995 12	10	18,000,000	180,000,000	18,000,000	180,000,000	Capital increase 120,000 thousand（Note 1）	No	No
1996 11	10	36,000,000	360,000,000	36,000,000	360,000,000	Capital increase 90,000 thousand Capital surplus increase 90,000 thousand （Note 2）	No	No
1997 07	10	50,000,000	500,000,000	50,000,000	500,000,000	Capital increase 49,950 thousand Capital surplus increase 90,050 thousand （Note3）	No	No
1997 12	10	69,600,000	696,000,000	54,900,000	549,000,000	Capital increase 49,000 thousand（Note 4）	No	No
1997 03	10	69,600,000	696,000,000	69,600,000	696,000,000	Capital increase147,000 thousand（Note 5）	No	No
1998 05	10	139,000,000	1,390,000,000	87,000,000	870,000,000	Capital surplus increase 174,000 thousand（Note 6）	No	No
1999 07	10	139,000,000	1,390,000,000	104,400,000	1,044,000,000	Capital surplus increase 174,000 thousand（Note 7）	No	No
1999 10	10	139,000,000	1,390,000,000	116,400,000	1,164,000,000	Capital increase120,000 thousand（Note 8）	No	No
2000 06	10	180,000,000	1,800,000,000	133,860,000	1,338,600,000	Capital surplus increase 93,120 thousand Capital increase 81,480 thousand （Note 9）	No	No
2001 04	10	180,000,000	1,800,000,000	127,871,000	1,278,710,000	Capital reduction 59,890 thousand（Note 10）	No	No
2001 07	10	180,000,000	1,800,000,000	131,707,130	1,317,071,300	Capital increase38,361.3 thousand（Note 11）	No	No
2002 08	10	180,000,000	1,800,000,000	130,872,130	1,308,721,300	Capital reduction 8,350 thousand（Note 12）	No	No
2003 08	10	180,000,000	1,800,000,000	136,107,015	1,361,070,150	Capital increase 52,348.85 thousand（Note 13）	No	No
2004 07	10	220,000,000	2,200,000,000	152,439,856	1,524,398,560	Capital surplus increase 115,690.96 thousand Capital increase 47,637.45 thousand （Note 14）	No	No
2005 08	10	220,000,000	2,200,000,000	182,927,826	1,829,278,260	Capital surplus increase228,659.78 thousand Capital increase 76,219.92 thousand （Note 15）	No	No
2006 08	10	220,000,000	2,200,000,000	201,220,608	2,012,206,080	Capital surplus increase 182,927.82 thousand（Note 16）	No	No
2006 12	10	220,000,000	2,200,000,000	219,220,608	2,192,206,080	Capital increase 180,000 thousand（Note 17）	No	No
2007 06	10	300,000,000	3,000,000,000	219,220,608	2,192,206,080		No	No
2008 06	10	380,000,000	3,800,000,000	219,220,608	2,192,206,080		No	No
2008 10	10	380,000,000	3,800,000,000	284,986,790	2,849,867,900	Capital surplus increase 657,661.82 thousand（Note 18）	No	No
2009 08	10	380,000,000	3,800,000,000	327,734,808	3,277,348,080	Capital surplus increase 427,480.18 thousand（Note 19）	No	No

Note 1: Approved by the Ministry of Economic Affairs on 1996/01/29 by letter (85) No. 100806.
Note 2: Approved by the Securities and Futures Commission of the Ministry of Finance on 1996/11/07 by Taiwan Finance Certificate (I) No. 65078.
Note 3: Approved by the Securities and Futures Commission of the Ministry of Finance on 1997/05/21 by Taiwan Finance Certificate (I) No. 40866.
Note 4: Approved by the Securities and Futures Commission of the Ministry of Finance on 1997/12/04 by Taiwan Finance Certificate (I) No. 88684.
Note 5: Approved by the Securities and Futures Commission of the Ministry of Finance on 1998/03/05 by Taiwan Finance Certificate (I) No. 22632.
Note 6: Approved by the Securities and Futures Commission of the Ministry of Finance on 1998/05/07 by Taiwan Finance Certificate (I) No. 38397.
Note 7: Approved by the Securities and Futures Commission of the Ministry of Finance on 1999/06/01 by Taiwan Finance Certificate (I) No. 50944.
Note 8: Approved by the Securities and Futures Commission of the Ministry of Finance on 1999/07/17 by Taiwan Finance Certificate (I) No. 63101.
Note 9: Approved by the Securities and Futures Commission of the Ministry of Finance on 2000/05/22 by Taiwan Finance Certificate (I) No. 42526.
Note 10: Approved by the Ministry of Economic Affairs on 2001/04/25 by letter (90) No. 09001131310.
Note 11: Approved by the Securities and Futures Commission of the Ministry of Finance on 2001/06/05 by Taiwan Finance Certificate (I) No. 135186.

Note 12: Approved by the Ministry of Economic Affairs on 2002/09/04 by letter No. 09101367080.
Note 13: Approved by the Ministry of Economic Affairs on 2003/09/19 by letter No. 09201273400.
Note 14: Approved by the Ministry of Economic Affairs on 2004/08/13 by letter No. 09301147710.
Note 15: Approved by the Ministry of Economic Affairs on 2005/08/29 by letter No. 09401167790.
Note 16: Approved by the Ministry of Economic Affairs on 2006/09/08 by letter No. 09501201760.
Note 17: Approved by the Ministry of Economic Affairs on 2007/01/10 by letter No. 09601004910.
Note 18: Approved by the Ministry of Economic Affairs on 2008/10/01 by letter No. 09701252330.
Note 19: Approved by the Ministry of Economic Affairs on 2009/08/27 by letter No. 09801194300.

(II) Class of Shareholding

Unit: NT$

Class of Shareholding	Approved Capital			Remarks
	Outstanding Shares (Listed)	Unissued Shares	Total	
Common Shares	3,277,348,080	522,651,920	3,800,000,000	—

(III) Overview of System Disclosure: None.

(IV) List of Major Shareholders (Shareholders with a Shareholding Ratio of More than 5% or Top Ten Shareholders).

March 24, 2025

Major Shareholders \ Shares	Shareholding	Shareholding Ratio
Huang Ming Industrial Co., Ltd.	134,609,348	41.07%
Huang Jun Investment Co., Ltd.	51,957,519	15.85%
Lien-Chi, Liao	11,655,019	3.56%
Shu-Hua, Liao Lin	10,632,095	3.24%
Ling-Jyun, Liao	9,519,481	2.90%
Yu-Hsiang, Liao	6,201,305	1.89%
Hungli Investment Co., Ltd.	5,159,000	1.57%
Pei-Ju, Liao	3,260,770	0.99%
Chia Shee Co., Ltd.	2,869,919	0.88%
Hsing-Han Liu	2,728,000	0.83%

(V) Dividend Policy and Implementation Status

1. Dividend Policy under the Articles of Incorporation.

   The dividend policy stipulated in the Articles of Incorporation is based on the current and future development plans, the investment environment, capital needs, domestic and international competition, and the interests of shareholders, etc.. If the annual dividend per share is less than NT$0.3, it must not be distributed. In addition, in each distribution, the stock dividend is not more than 70% of the total dividends, and the cash dividend is not less than NT$0.30, but when the liability ratio is more than 50%, the entire stock dividend may be distributed.

   When the Company distributes its annual earnings, it will follow the dividend policy stipulated in the Articles of Incorporation, and the proposed earnings distribution plan is implemented after the board of directors and the shareholders' meeting have passed the resolution.

2. Proposed Distribution of Dividend at this Shareholders' Meeting

   On April 10, 2025, the Company's board of directors passed a resolution on allocation of cash dividend NT$1,474,806,636 to shareholders (NT$4.5 per share), which has not been approved by the shareholders’ meeting.

3. If a material change in dividend policy is expected, provide an explanation: None.

(VI) The impact of the bonus shares proposed by the shareholders' meeting this time on the company's operating performance and earnings per share

<table>
<tr><td colspan="3">Year
Item</td><td>2025 (Forecast)</td></tr>
<tr><td colspan="3">The Paid-in Capital at the Beginning (in Thousands)</td><td>3,277,348</td></tr>
<tr><td rowspan="3">Distribution of Dividend this Year</td><td colspan="2">Cash dividends per share (NT$)</td><td>4.50</td></tr>
<tr><td colspan="2">Number of distributed shares per thousand shares for capital increase by retained earning</td><td>0</td></tr>
<tr><td colspan="2">Number of distributed shares per thousand shares for capital increase by capital reserve</td><td>0</td></tr>
<tr><td rowspan="7">Changes in Business Performance</td><td colspan="2">Operating income (in Thousands)</td><td>Note</td></tr>
<tr><td colspan="2">Increase (Decrease) ratio of operating income over the same period last year</td><td>Note</td></tr>
<tr><td colspan="2">Net profit after-tax(in Thousands)</td><td>Note</td></tr>
<tr><td colspan="2">Increase (Decrease) ratio of net profit after tax over the same period last year</td><td>Note</td></tr>
<tr><td colspan="2">Earnings per share（Based on the weighted average number of shares for the year）</td><td>Note</td></tr>
<tr><td colspan="2">Increase (Decrease) Ratio of earnings per share over the same period last year</td><td>Note</td></tr>
<tr><td colspan="2">Annual average rate of return on investment（annual average reciprocal P/E ratio）</td><td>Note</td></tr>
<tr><td rowspan="6">Proposed Earnings Per Share and Price / Earnings Ratio</td><td rowspan="2">If the capital increase by retained earnings are fully transferred to cash dividends distribution.</td><td>Proposed earnings per share (NT$).</td><td>Note</td></tr>
<tr><td>Prepare the annual average rate of return on investment.</td><td>Note</td></tr>
<tr><td rowspan="2">If the capital Increase by capital reserve has not been processed.</td><td>Proposed earnings per share (NT$).</td><td>Note</td></tr>
<tr><td>Prepare the annual average rate of return on investment.</td><td>Note</td></tr>
<tr><td rowspan="2">If the capital reserve is not processed and the capital increase by retained earnings are paid in cash dividend.</td><td>Proposed earnings per share (NT$).</td><td>Note</td></tr>
<tr><td>Prepare the annual average rate of return on investment.</td><td>Note</td></tr>
</table>

Note: Since the Company has not prepared the annual financial forecast for 2025, no entry is required.

Chairman: Lien-Chi, Liao　　Manager:Yu-Hsiang, Liao　　Incharge:Ji-Hua, Wang

(VII) Bonuses of Employees, Directors and Supervisors

1. The percentage or range of bonuses for employees and directors as set out in the Articles of Incorporation

   If the company makes a profit during the year, it shall allocate no less than 1% for employees' bonus and no more than 5% for directors' bonus. However, when the company still has accumulated losses, it shall reserve the compensation amount in advance. The employee bonus mentioned in the preceding paragraph may be paid in stocks or cash, and the payment objects may include employees of affiliated companies who meet the conditions set by the board of directors. The bonuses of directors and supervisors shall only be payable in cash.

2. The estimated basis for the bonuses of employees and directors in the current period, the calculation basis for the number of shares of employees' bonuses distributed in stocks, and the accounting treatment in the case of any discrepancy between the actual amount allocated and the estimated amount.

   The estimated amount of employees' and directors' bonuses for the current period is based on historical allotments. Any difference between the estimated and actual amounts paid will be treated as a change in accounting estimate and listed as the profit and loss of 2025.

3. Bonus Distribution Approved by the Board of Directors

   (1) The amount of bonuses paid to employees, directors and supervisors in cash or stock

   On March 6, 2025, the Board of Directors approved the distribution of NT$33,951,767for directors and NT$33,951,767 for employees, which has not yet been reported to the shareholders' meeting. The proposed distribution amount is the same as the annual estimated amount of recognized expenses, and there is no difference.

   (2) The amount of employee bonus distributed in stocks and as a percentage of the net profit after tax for the current period of individual or individual financial statements and the total amount of employee bonus: none.

4. When the actual distribution of the bonuses to employees, directors and supervisors in the previous year (including the number of shares distributed, amount and stock price) differs from the bonuses of the recognized employees, directors and supervisors, the differences, reasons and handling situation should be stated.

   It was resolved by the board of directors and subsequently approved by the shareholders' meeting last year to distribute director remuneration totaling NT$9,283,016 and employee remuneration amounting to NT$9,283,016. Both director and employee remunerations have already been allocated.

(VIII) Buyback of Treasury Stock: None.

II. Corporate Bonds: None.

III. Preferred Shares: None.

IV. Overseas Depositary Receipts: None.

V. Employee Stock Options: None.

VI. Restrictions on the Application for New Shares for Employee Rights: None.

VII. Acquisitions (including Mergers, Acquisitions and Divisions): None.

VIII. Financing Plans and Implementation: None.

Four. Operations Profile

I. Business Content

(I) Business Scope

1. Main content:
   (1) Entrusting construction firms to build public housing and commercial buildings for rent and sale.
   (2) Trading, import and export of building materials.
   (3) In addition to the permitted businesses, businesses that are not prohibited or restricted by laws and regulations can be operated
2. Operating proportion:

   The company's operating proportion is mainly based on the lease and sale of residential buildings, villas and residential office buildings entrusted to construction companies; the market is mainly domestic sales, accounting for 100% of the company's operating revenue.
3. Current merchandise item:
   (1) Residential buildings: Residences, stores, parking lots.
   (2) Residential office buildings: Homes, stores, offices, shopping malls, parking spaces.
   (3) Villas: Homes, stores.

4. New merchandise to be developed:
   (1) In addition to continuing to launch residential buildings, residential office buildings and villas in the Greater Taipei area, we are actively planning to develop general residential buildings with good transportation routes, exquisite leisure residences, and large communities with complete living facilities.
   (2) We plan to integrate services vertically, combine the application of digital technology, or adopt the model of cross-industry alliance to provide more complete services, so that every family can enjoy the residential quality of safe, hygienic and comfortable.
   (3) To effectively utilize the available land in the urban planning area, handle residential renewal and improve the living environment.

(II) Industry overview

1. Current industry status and development

   Looking ahead to 2025, the construction industry is expected to experience divergent developments influenced by a range of factors, including government policies, housing demand, raw material costs, and labor supply conditions. Despite cooling measures targeting the housing market, public infrastructure, urban renewal, green building, and smart construction are poised to become primary engines of growth.
   (1) Stable Overall Market with a Moderating Residential Sector

   Government housing market cooling policies and credit restrictions have prompted developers to adopt a more cautious stance, especially toward investment-driven residential projects. As a result, some new developments have been postponed or scaled down. Nevertheless, resilient end-user demand continues to support a steady pace of new projects in key areas such as Taipei, New Taipei, Hsinchu, and Taichung.
   (2) Public Works and Urban Renewal Fuel Construction Demand

   In 2025, The government’s continued promotion of the "Forward-Looking Infrastructure Development Program," combined with incentives for the reconstruction of aging and hazardous buildings and the encouragement of urban renewal, is expected to boost demand for public works and redevelopment projects. This provides a reliable foundation for the construction industry’s future growth.

(3) Residential Market Shifting Toward End-User Demand and High-Quality Homes

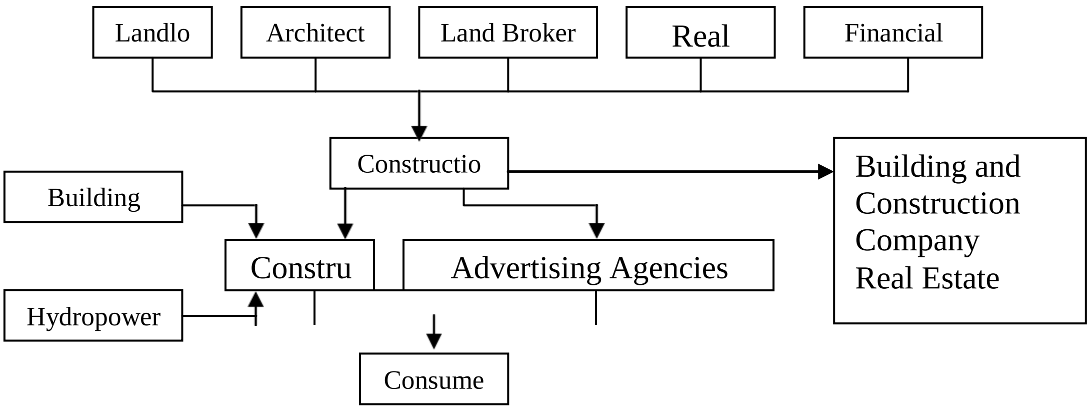
While high interest rates and regulatory measures are likely to temper the housing market in 2025, strong end-user demand persists in metropolitan and industrial hubs such as Taipei, New Taipei, Hsinchu, and Taichung. With speculative buying diminishing, genuine housing needs now dominate. Meanwhile, as ESG principles gain traction, consumers are increasingly favoring energy-efficient, eco-friendly, and smart homes. In response, developers are incorporating green building materials, smart technology, and wellness-focused designs into new high-quality residential offerings.

(4) Construction Technology Transformation: Rise of Modular Building and Smart Construction

With ongoing advances in construction technology, modular building—where materials and components are prefabricated in factories to boost efficiency and lessen the impact of labor shortages—is poised to become a dominant approach. Meanwhile, smart construction technologies, such as AI-driven monitoring, drone surveying, and automated building processes, are enhancing job site safety, improving efficiency, and cutting costs.

Despite facing significant challenges in 2025, the construction industry still offers growth potential. Sectors such as public infrastructure, urban renewal, green building projects, and tech-driven commercial office developments are expected to maintain stable growth. In addition, as ESG initiatives gain momentum, the adoption of smart construction techniques, modular construction, and eco-friendly, energy-efficient materials will emerge as key drivers of future expansion. However, persistent issues from 2024—including labor shortages, surging raw material costs, and continued government regulation of the housing market—will remain critical hurdles this year. Companies that stay aligned with policy trends, embrace innovation, and adapt to shifting market needs will be best positioned to seize new business opportunities amid industry transformation.

2. The relevance of upstream, middle and downstream industries



In the entire system, the construction company is in a coordinated and integrated position, and it has a complementary and interdependent relationship with various industries. The construction company obtains lands from the landowners, then applies for loans from financial institutions, and then entrusts architects to plan and construction company to construct the buildings and sells them to house buyers through agency company.

3. Various trends of product development

(1) Diversification of land development methods

Because the laws and regulations related to real estate transactions are becoming more and more comprehensive, as well as the increasing difficulty in acquiring lands, unlike in the past when the housing construction industry used to develop cases by buying out land or building with landlords, future land development can be carried out in a diversified direction, such as land right setting, land trust, commissioned construction, joint development, and participation in public urban renewal projects, etc..

(2) Products tend to be diversified

The key to the success in case development depends on land development and product positioning. Competition in the real estate industry is becoming increasingly fierce. To excel in this industry, it is necessary to rely on the effective differentiation and proper positioning of products from competitors in the market. In recent years, for example, leisure residences, green residences, residential and commercial complexes near MRT stations have taken the lead. With the changes in the age structure of the population, housing for the elderly (silver-haired people) has emerged. The Internet family, both the Internet system community and the integrated community are gradually adopted by the construction industry. For instance, product positioning and differentiated design will play important roles in the future.

(3) Community planning towards functional integrity of life

In the future, new communities should emphasize the integrity of life functions, such as nurseries, playgrounds, libraries, leisure and entertainment facilities, etc., in order to fully meet the needs of modern people for the basic living environment.

(4) Development scale and price tend to be polarized

Due to the development of new towns, industrial and commercial complexes and land replotting, and the continuous construction of various transportation constructions, such as high-speed railways, high ways, and western expressways, it will be more convenient to connect between suburbs and urban areas, and those who seek comfort and quiet living quality will choose the suburban areas compared to the high urban housing prices. Therefore, suburban areas located on major transportation routes will be able to be developed into large-scale self-sufficient functional communities, which are operated in a mass market. In addition, land costs in urban areas are higher, so small-scale development strategies can be adopted, allowing for the planning of high-quality housing at high prices, which is a trend of boutique business.

(5) Implementation of construction brand system

As the gradual increase in national income, buyers have increasingly refined requirements for residential quality such as exterior design, internal layout, building materials and equipment, and public facilities planning. In order to meet the needs of consumers, the construction industry will tend to be more humane and comfortable in product planning. In order to meet the needs of consumers, the construction industry will tend to develop product planning towards human comfort, healthier living and network technology. Therefore, the establishment of a vertical service network from land development, product design, housing construction, product sales to after-sales service, and brand awareness for consumers will become an important key to whether a case can sell well.

(6) Increasing awareness of environmental protection

With modern people's concern about environmental damage, environmental protection awareness will be enhanced and implemented in all aspects of life in the 21st century. Therefore, attention should be paid to the implementation of environmental protection in the land development and the planning and construction of buildings.

(7) Pay attention to the prevention of transaction disputes

In order to avoid disputes in the transaction process, with the rise of professional knowledge and consumer protection awareness of purchasers, the Ministry of the Interior has issued a model contract for real estate purchase and sale, specifying the rights and obligations of pre-sale house purchases or land development, and must comply with Consumer Protection Law and Fair Trading Law. In addition, the strengthening of construction management, the guarantee of engineering quality, the control of the completion schedule and the application of the strategy of house delivery are also necessary measures to prevent transaction disputes.

4. Product Competition

Due to the large scale of the real estate markets and the wide regional distribution, and the products vary depending on the locations and zones. Therefore, the market competition is less like the competition between companies in other industries, but the competition between individual cases and individual cases in different regions is more obvious. In addition, there are a large number of companies, so the change of market share is less important for the relevance of the Company's future operations than the impact of the sales of the individual cases it promotes. Since the individual cases launched by the Company are concentrated in the Greater Taipei area, and since the sales of the individual cases launched by the Company are good and the sales performance is among the top, which is beyond the capability of other industry peers, all indicate that the Company's competitive ability is above the average level.

(III) Technology and R&D Overview

The Company operates in the real estate development sector and, under applicable building regulations, is not permitted to engage directly in construction contracting. Accordingly, major construction work is outsourced to qualified contractors, and the Company does not carry out construction activities itself. Therefore, the Company has not established a dedicated department for production technology research and development. Instead, it concentrates on improving land development, product planning and design, and sales operations, as detailed below:

1. Architectural planning and design

We carefully evaluate the market and consumer needs, select the best architectural team and the application of relevant building laws, and plan and design the best-quality products to meet the increasingly innovative market needs.

2. Construction engineering and management

We are constantly researching various construction methods and introducing the most suitable technology and engineering management, strictly control quality, cost and progress in order to increase the competitiveness of our products.

3. Computerization of the company

The introduction of integrated construction management system, including project budgeting system, project contracting system, business system, accounting system, etc., through the company's internal connection with the construction site, can immediately grasp and improve the operating efficiency.

4. Market research and development

We have a firm grasp of the real estate market, actively collecting various land and housing market data, studying and analyzing them, and formulating the right product positioning and superior marketing strategies to achieve high sales rates. In addition, related research on urban renewal and commercial real estate will serve as a response to the company's continued development in the future.

(IV) Short and long-term business development plan

1. Short-term business development plan

(1) Enhance Project Efficiency and Cost Management

We plan to implement digital management technologies such as Building Information Modeling (BIM), AI-based monitoring, and automated construction techniques to improve efficiency and precision in our projects. By promoting smart construction sites, we aim to reduce the impact of labor shortages, enhance project quality, and improve safety standards. Additionally, through long-term procurement contracts and a diversified supply chain strategy, we aim to minimize the impact of raw material price fluctuations. Modular construction will also be adopted to shorten on-site construction time and reduce labor demands.

(2) Establishing marketing systems to improve business efficiency.

We will strengthen our market research capabilities and improve our understanding of customer needs by collecting accurate, comprehensive market data. This data will serve as the foundation for our product positioning, design, and planning processes.

(3) Continuing to implement after-sales service and interaction with customers. Adjust the Layout of Commercial Office and Residential Properties

In response to market shifts in the housing sector, we will focus on regions with stable, essential demand. Our priority will be residential projects driven by the technology industry in the Greater Taipei area and Taichung. We will avoid excessive investment in speculative housing markets to mitigate risks. Moreover, we will increase the development of commercial office properties, as demand for smart office buildings rises with the expansion of the technology sector. This will be a key area of short-term investment. Additionally, in line with ESG trends, we will design green, low-carbon, and smart commercial buildings to improve competitiveness.

(4) Actively Engage in Government-Supported Public Urban Renewal Projects

We will align with the government's "Social Housing Promotion Plan" and participate in government-led urban renewal and joint development projects to stabilize our business. We will also pursue projects involving the renewal of aging and dilapidated buildings, as these are supported by government policies and offer steady market demand and growth prospects.

2. Long-term business development plan

(1) Drive the Adoption of Smart Buildings and Net-Zero Carbon Technologies

In line with the government's 2050 net-zero emissions goal, we are focused on developing energy-efficient buildings, low-carbon construction materials, and solar roofing projects. By incorporating AIoT (Artificial Intelligence of Things), we aim to enhance smart management systems for residential and commercial properties, including features like remote monitoring, energy-saving systems, and automated maintenance. We are also committed to creating and deploying smart city solutions in collaboration with the government to accelerate the digitalization of urban infrastructure.

(2) Accelerate Industry Digital Transformation and Boost Automation with AI

We will utilize AI for project monitoring and automated construction to enhance project efficiency and safety. In addition, we plan to develop drone-based surveying technologies to optimize construction site management and planning. We are advancing the digital transformation of the construction supply chain through the use of blockchain and smart contract technologies, which will increase supply chain transparency and efficiency. We will also introduce smart procurement and logistics systems to help reduce operational costs.

II. Market and Sales Overview

(I) Market analysis:

1. Sales (Provision) Areas of Major Products (Services):

Unit: New Taiwan Dollar (Thousands); %

Year / Sales Region	2023		2024	
	Amount	Percentage	Amount	Percentage
Domestic	4,746,091	100.00	12,392,167	100.00
Exports	0	0.00	0	0.00
Total	4,746,091	100.00	12,392,167	100.00

2. Market Share (%):

The Company adheres to the business philosophy of integrity and steadfast, deeply understands buyers' needs, builds high-quality and affordable construction products, and mainly sells to the middle-class self-users and investors in the society. Land development is mainly based on the selection of good transportation routes, complete life functions and potential for future development. The Company actively engages in short, medium, and long-term acquisition of land resources, construction, sales, and continuous launch of new projects. Because of the deep cultivation in Banqiao, Tucheng, Shulin, Sanxia and other areas for many years, it has been well recognized by the regional customers, so it can occupy a place among the same industry in these regions. The Company's market share in the last three years is summarized in the following table:

Market Share (%) of Huang Hsiang Construction Co., Ltd in Taipei City, New Taipei City and Taoyuan City in the recent three years

Unit: NT$ 10 thousands

Year / Item	2022	2023	2024
Amount available for sale in Taipei City	26,086,500	26,365,000	38,726,000
Amount available for sale in New Taipei City	40,304,500	38,554,500	55,500,000
Amount available for sale in Taoyuan City	2,987,000	3,601,200	3,304,600
Market Share of Huang Hsiang Construction	4.50%	5.55%	3.50%

Data source: Compiled by Wei Xing Weekly Report (including completed houses, structures and pre-sale projects), Huang Hsiang Construction.

3. The future supply, demand and growth of the market:

(1) Market supply

The number of issued construction licenses is regarded as a leading indicator of housing construction and living activities, and its changes are sufficient to reflect the future development trend of the domestic construction industry. The issued number of the used construction licenses indicates the number of buildings available for use upon completion, which is sufficient to reflect the actual supply situation in the housing market. According to statistics from Construction and Planning Agency, in 2024, the total number of building use licenses issued in Taiwan-Fujian area was 19,255, which was about 5.32% less than of 20,280 in 2023, which shows that its market supply remains stable and there is little difference.

(2) Market demand

Since the general types of housing purchase can be divided into two types: self-use and investment, the basic demand for self-use housing is affected by the total population and total number of households, while the demand for investment one is affected by economic conditions such as national income. According to the demographic data released by the Department of Household Registration, by the end of 2024, the total population in Taiwan-Fujian area was 23,400,220, an decrease of 20,222 people (an decrease of 0.09%) from the end of 2023, and the total number of households was 9,487,480, an increase of 246,657 (an increase of 2.67%) from 2023. The average population per household was 2.47 people. These trends indicate that, in recent years, the population in the Taiwan-Fujian region has slightly declined due to low birth rates, while the total number of households has grown modestly, reflecting a tendency among younger people to avoid living with their parents. Hence, the basic demand for housing is growing steadily. With impact of recent price inflation on real estate industry, real estate is still the best way to be inflation-protected. Therefore, the demand may have a slightly growth or remain the same by the rigid demand of owner-occupied property and impact of inflation-protection.

In sum, the demand for owner-occupied resident is increasing due to population and number of small family growth, as well as growth in demand for investment and hedge. Hence, the demand of real estate may have a slightly growth or remain the same.

(3) Growth

Overall, even though capital is controlled by the government and interest rates is rising, housing in good locations remains the best choice for consumers.

To sum up the above analysis of supply and demand situation in the housing market, the domestic housing market has considerable room for growth due to the continuous growth of population and national income, and the improvement of national requirements for residential quality. On the other hand, it will also be positively promoted by the government's public construction, financial liberalization and internationalization On the supply side of the market, the growth is slow, while on the demand side, due to the growth of the population, the change in the social structure of the nuclear family, and the economic recovery, the demand for house purchase and the capacity for house purchase increase simultaneously, which has a positive effect on the removal of the remaining housing for sale and the recovery of the real estate boom. For the construction investors with the concept of sustainable business philosophy, the supply and demand of the domestic real estate market will be moving towards a gradual balance. Therefore, the Company believes that the real estate market will continue to show stable growth in the future.

4. Competition Niche:

(1) Law-abiding, pragmatic, good image and stick to the profession:

Since the establishment of the Company, it has adopted a law-abiding and pragmatic attitude and dedicated to its business, carefully planning products that meet consumer needs, and pursuing quality improvement in construction. We have never been involved in any major litigation with our clients so far. The Company is constantly pursuing safe living space and attaching importance to the concept of environmental protection, and doesn’t engage in the development of mezzanine houses or industrial residences. Its law-abiding and pragmatic business method has won the trust and recognition of customers, and has also enhanced the Company's good image.

(2) Excellent management team, carefully selecting the location of the case:

The company actively recruits excellent talents, focuses on the specialization and division of labor, enriches education and training, improves the quality of employees, cultivates an excellent management team, conducts market analysis and evaluation, and carefully selects the location of the case.

(3) Deep ploughing in the high-quality areas of Greater Taipei, and having a good grasp of the market:

The Company has been working hard for many years in the Greater Taipei area. It not only has full mastery of the conditions and characteristics of the housing market in premium locations, but also is familiar with the characteristics of the consumers in the area, and plans and designs products that meet the needs of buyers, so it can gain customers' trust and praise.

(4) Financial soundness and good credit:

The Company has adopted the concept of sustainable business operation to match its stable profitability, and has done a good job in advance to estimate its capital, strengthen its financial structure and maintain good credit with banks to reserve capital for deployment.

(5) Accurate control of quality, progress and cost of works.

In order to be able to grasp the quality of the project, the company has contracted the project and re-invested it to its subsidiary, Northlight Construction Ltd., in order to accurately control the quality and progress of the construction. In addition, the company adopts bulk orders for relevant building materials to strive for preferential prices in order to reduce construction costs and increase the competitiveness of products.

(6) Professional after-sales service, trusted and affirmed by customers:

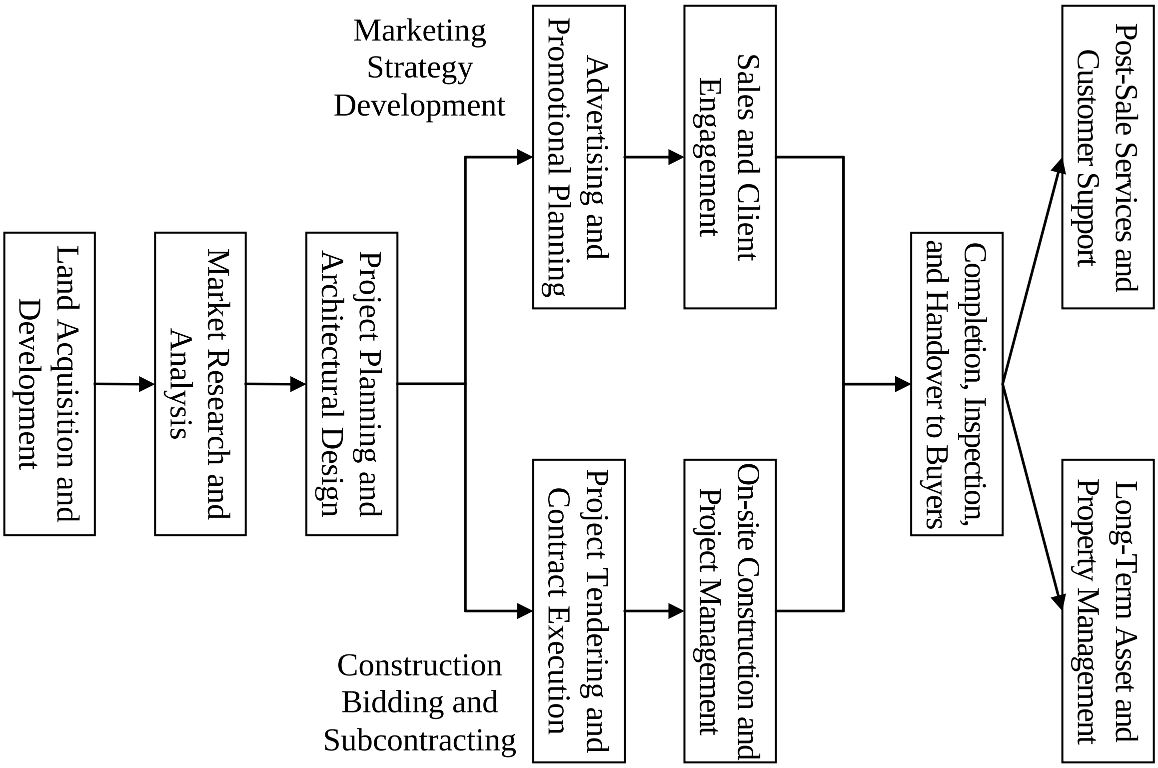
Under the concept of sustainable operation and implementation of services, in order to provide customers with satisfactory after-sales service, the Company has set up the 080 service line in the business department and assigns professionals to deal with customers' problems promptly. In terms of service items, the Company is not only responsible for the warranty products, but also assists in handling the problems of customers' non-warranty items. Furthermore, the Company also attaches great importance to the community management after the completion of the case, and assists in the establishment of the building management committee after the delivery of all the cases to maintain the operation of the community management and improve the quality of the residents' living environment.

5. Advantages and disadvantages of development prospects and countermeasures

Advantages	Disadvantages	Countermeasures
Government initiatives promoting urban renewal and reconstruction of deteriorating buildings are fueling construction demand	Housing market regulations are dampening residential real estate activity	In light of market controls, we are adjusting project strategies to focus on end-user demand and expanding into commercial office and industrial property development
ESG-driven trends are accelerating the adoption of green buildings and smart construction practices	Escalating prices of raw materials are squeezing developer profit margins	We are leveraging integrated construction management systems to tightly control material and labor costs, reducing inefficiencies and minimizing waste
Growth in the tech sector is spurring demand for factory and office space	A worsening labor shortage is slowing construction progress	To mitigate labor constraints, we are implementing smart site management, automation, and advancing modular construction methods
Government infrastructure investment continues to rise steadily	Rising interest rates and tighter credit policies by the central bank are increasing mortgage burdens and limiting loan availability, thereby weakening homebuyer interest	We are actively bidding for public urban renewal projects to expand our pipeline. At the same time, we are launching affordable, owner-occupied housing tailored to young buyers and upgraders to enhance market appeal and encourage purchasing

(II) Important uses and production process of main products

1. Important uses of main products:
   (1) Residential buildings: homes, shops and parking spaces.
   (2) Residential buildings: homes, shops, shopping malls, offices and parking Spaces.
   (3) Villa: Home, shop and parking space.
2. Production processes of main products:



(III) Supply status of main raw materials

The Company is a construction company, and the project is contracted for labor without materials or contracted for labor and materials. The main inputs of raw materials can be divided into land, construction projects and materials whose supply situation is described as follows:

1. Land:
   The company's construction of individual cases are mainly self-built on own land, office building urban renewal, jointly-constructed with house divided, and reconstruction of urban unsafe and old buildings. In addition to actively seeking suitable land from our land development staff, we have also acquired land in prime areas through referrals from land agents and through public tender operations by the government. Therefore, land acquisition is not at risk of deprivation. However, regardless of the source of the land, the Company's land development is subject to market research and assessment by land development personnel to understand the transportation routes, amenities and market demand so as to be a reference for land acquisition and future projects. The land that has been assessed to be of development value is subject to careful evaluation by the Company's Operations Management Committee and approval by the general manager and the board of directors before the land purchase or joint construction deal are carried out.
2. Constction:
   The Company’s construction projects are carried out by entrusting builders and contractors by the way of contracting for labor without materials or contracting for labor and materials. Since its establishment, due to the accumulation of long-term experience in project contracting, the Company has selected excellent builders through rigorous evaluation for

each project, so as to truly control the schedule of the project operation and ensure the construction quality.

3. Materials:

   In order to save costs and meet the construction schedules, etc., the Company purchases materials by price comparison; and it has re-invested in Northlight Construction Ltd. since 1997. In order to make the overall contracting operation more flexible and controllable, the contracting method has been gradually changed to the way of contracting labor and materials, so there is no concern about material supply.

(IV) The names of customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent two years and their purchases (sales) amount and proportion, together with the reasons for the increase or decrease:

1. The names of customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent two years:

Unit: NT$ thousands

2023				2024			
Company Name	Purchase Amount	% of the annual net purchases	Relationship with the Issuer	Company Name	Purchase amount	% of the annual net purchases	Relationship with the Issuer
Taiwan Power Engineering	534,440	11%	None	–	–	–	None
Others	4,201,687	89%		Others	7,927,385	100%	
Net Purchase	4,736,127	100%		Net Purchases	7,927,385	100%	
Reason for Variations: The composition and share of suppliers fluctuate annually due to differences in project scope and geographic location. However, the consolidated company consistently selects professional subcontractors based on their technical capabilities, reliability in quality, and overall cooperation. All selections are made through the company’s formal procurement and contracting procedures, resulting in no material changes in the core supplier base.							

2. List of customers who accounted for more than 10% of total sales in either of the most recent two years:

Unit: NT$ thousands

2023				2024			
Company Name	Sales Amount	% of the annual net Sales	Relationship with the Issuer	Company Name	Sales Amount	% of the annual net Sales	Relationship with the Issuer
Individual A	655,695	14%	None	–	–	–	None
Individual B	645,295	14%	None	–	–	–	None
Huang Ming	596,460	12%	Related Party	–	–	–	None
Others	2,848,611	60%	None	Others	12,392,167	100%	
Net Sales	4,746,091	100%		Net Sales	12,392,167	100%	
Reason for Variations: As a company primarily engaged in real estate development and home sales, our land inventory is strategically released based on market conditions and the progress of land consolidation. Land designated for construction use is sold to maximize utilization efficiency. Given the nature of the industry, our customer base is broad and not limited to specific clients, resulting in a well-diversified sales portfolio. Accordingly, the risk of sales concentration remains low.							

Note: The names of the client or the counterparty who is an individual and not a related party shall not be disclosed as stipulated in the contract, and the code may be used.

III. Employee Information

Year		2023	2024	March 31, 2025
Staff number	Administration Staff	60	68	68
	Technical Staff	–	–	–
	Total	60	68	68
Average Age		45.26	44.75	44.77
Average years of service		6.44	6.30	6.29
Educational Distribution Ratio	Master	8.33%	8.83%	10.30%
	University	66.67%	75.00%	73.53%
	College	15.00%	8.82%	8.82%
	High School	8.33%	5.88%	5.88%
	Below High School	1.67%	1.47%	1.47%

IV. Information of Environmental Protection Expenditure

(I) Total losses (including compensation) and penalties due to environmental pollution in the past year and as of the date of publication of the annual report:

Fines Incurred by the Company and Its Subsidiaries for Violations of Environmental Regulations:

Year / Item	2023	2024	2025 (As of March 31)
Violated Regulations	1. Noise Control Act 2. Waste Disposal Act	1. Water Pollution Control Act 2. Noise Control Act 3. Waste Disposal Act 4. Air Pollution Control Act	1. Noise Control Act
Penalizing Authorities	1. New Taipei City Government 2. Taipei City Government	1. New Taipei City Government 2. Taipei City Government	1. New Taipei City Government
Amount of Fines	NT$30,000	NT$232,000	NT$12,000

The Company and its subsidiaries have settled all fines and completed the required corrective actions in accordance with regulatory directives. The financial amounts involved are not material and have had no significant impact on the Company’s financial position or business operations. Consequently, these penalties are not expected to affect the Company’s overall performance, shareholder equity, or stock price.

(II) Estimated Costs and Preventive Measures for Current and Potential Environmental Issues:

As a real estate investment and development company, we outsource construction work to professional contractors. Environmental maintenance and waste management at construction sites fall under the responsibility of these contractors, while the Company retains supervisory oversight. To mitigate environmental impact, we have installed perimeter safety nets at active sites to control debris and dust dispersion, and we actively work to minimize noise and vibration. Supervisors are deployed to ensure compliance, and we have strengthened staff training and awareness programs. Forecasted major environmental capital expenditures: None.

V. Labor Relations

(I) Employee welfare measures, further education and training:

1. Annual special bonus
2. On-the-job training
3. Employee pension
4. Labour and health insurance
5. Employee Stock options and bonuses
6. Staff banquet
7. Recreational activities
8. Set up staff canteen
9. Provision of staff uniforms

The Company has established the Employee Welfare Committee in accordance with the law on September 5, 1997, with the registration certificate No.: Taipei County Labor Welfare No. 1511;

and allocates employee benefit according to law. The current benefits of the Employee Welfare Committee include:

1. Emergency Aid
2. Compensation for employee's injury, illness, and death
3. Marriage and childbirth subsidy
4. Child education subsidy
5. Organizing leisure activities
6. Organizing annual tours
7. Birthday celebration activities
8. New Year's Day lucky draw

Furthermore, new employee orientation, professional training and self-development training are also organized to meet the employees' needs of each unit.

(II) Retirement system and its implementation:

The Company has a pension scheme for the formally employed staff. In the light of the regulations, the employees' pensions shall be given two bases for each full year of working seniority, but one base shall be given for each full year of working experience over 15 years, up to a maximum of forty-five bases. The basis for calculating the pension is based on the average salary of the six months prior to the approved retirement.

Since July 1, 2005, in conjunction with the implementation of the Labor Pension Act (hereinafter referred to as the "New Act", employees who originally applied to this method have chosen to apply the service years after the New Act or the employees who are employed after the implementation of the New Act are subject to the defined contribution pension system for seniority of service. Their pension payment is paid by the company on a monthly basis at not less than 6% of the monthly salary, and deposited in the individual labor pension accounts.

(III) Circumstances of labor-management agreements and various measures to protect employee rights:

The Company provides smooth communication channels, listens to and understands the opinions of employees to achieves the consensus between labor and management. Up to now, the labor relations have always been harmonious, and there has been no labor disputes, so there has been no agreement. In addition, the company established an employee welfare committee in accordance with the law to safeguard and implement various employee welfare measures and protect the rights and interests of employees.

(IV) Measures and Implementation of Employee Personal Safety and Working Environment Protection:

The headquarters of the Company is situated in the Huang Hsiang Building. The maintenance and safety management of public facilities in the building are under the responsibility of the Company Management Department. This is to uphold the safety of the office working environment and to prevent any occurrences of disasters. The implementation for 2024 is as follows:

1. Building Access Control:

(1) 24-hour security personnel are stationed at the entrance and exit of the building's ground floor to manage access and ensure building security. Employees are required to present their company ID cards for entry, while vendors and visitors must inform the employee they are visiting before gaining entry.
(2) Each floor's offices are equipped with card swipe access control systems.
(3) 24-hour surveillance cameras are installed in public areas on each floor, with security personnel continuously monitoring the building's safety.
(4) The building's environment is cleaned and maintained daily by a professional cleaning company, ensuring that employees have a comfortable and hygienic working environment.

2. Maintenance and Management of Building Facilities:
(1) The elevators in the building are regularly serviced and maintained by professional elevator contractors. Additionally, every six months, safety inspections are conducted to obtain usage permits.
(2) The emergency generators in the building are regularly serviced and maintained by professional generator contractors. Every six months, ATS tests are performed to ensure their proper operation during power outages.
(3) Regular inspections of public machinery and equipment in the building are conducted to ensure their normal operation.
(4) The management personnel regularly inspect and maintain public passageways, stairs, pantries, and restrooms to ensure safe usage.
(5) The water tower in the building is regularly cleaned by professional contractors, and water filters in water dispensers are replaced and cleaned periodically to ensure clean and hygienic drinking water.
(6) Environmental disinfection is conducted in the building on a regular basis.
(7) The office air conditioning systems are serviced and maintained annually by professional air conditioning contractors.

3. Public Safety and Fire Reporting Inspections of Buildings:
(1) In accordance with the regulations of the Building Safety Inspection and Reporting Act, qualified professional contractors are commissioned every two years to conduct public safety inspections and reporting operations for the building.
(2) In compliance with fire regulations, qualified professional fire protection companies are entrusted to conduct annual fire safety reporting inspections for the building, ensuring the proper operation of fire-fighting equipment in the event of disasters.

(V) Losses due to labor disputes in the past year and as of the date of publication of the annual report: None.
Current and future estimated amounts and countermeasures:

(VI) The Company's labor relations are harmonious and no losses have been incurred as a result of labor disputes and the likelihood of future labor disputes is expected to be extremely low.

VI. Information Security Management

(I) The Company’s cybersecurity risk management framework, information security policies, concrete implementation plans, and the resources allocated to safeguard information systems and operations:

In accordance with the “Regulations Governing Establishment of Internal Control Systems”, the Company measures factors of control environment, risk assessment, and information security to establish the operation management mechanism and information security management policy. Information security operation plan and execution and information security policy promotion and implementation are performed by professional IT personnel, who also regularly conduct internalinformation security inspection.

(II) Losses, possible impacts, and corresponding measures due to material information security safety incident in the past year and as of the date of publication of the annual report: No material information security safety incident occurs in the past year and as of the date of publication of the annual report.

VII. Important Covenants

(I) Huang Hsiang Construction Co., Ltd.:

Nature of contract	The Party Concerned	Dates of Commencement and Termination of Contract	Main Content	Restricted Terms
Urban Renewal Contract	New Taipei City Government	2013/01/17	The urban renewal project of the public and private land surrounding the Xinzhuang Police Station in Wende Section, Xinzhuang District, New Taipei City.	None
Urban Renewal Contract	New Taipei City Government	2014/05/01	The urban renewal project of the public and private land surrounding the Xinzhuang Police Station in MRT Tucheng Line, Dingpu Station, New Taipei City.	None
Leasing Cooperation Agreement	Taiwan Fujita Inc.	2016/05/13	Taipei City Zhongxiao Linyi case to establish a leasing partnership and set up a hotel chain, with a 20-year lease term commencing upon delivery of the property.	None
Urban Renewal Contract	National Housing and Urban Regeneration Center	2021/06/01	The renewal project at No.63 and 6 lots of land, Jingxin Section, Zhonghe Dist., New Taipei City.	None
Land Purchase Contract	National Property Administration, Ministry of Finance	2021/07/02	Purchase the setting superficies on national land at No. 9, Dunhua Section, Songshan Dist., Taipei City.	None
Urban Renewal Contract	New Taipei City Housing and Urban Regeneration Center	2022/01/25	Urban regeneration unit 3 of reclaimed land (Dachen area) in Yonghe Dist., New Taipei City.	None
Metro Co-Development	Taipei City Government	2023/06/09	Investment agreement for land development related to the Wanda Line Jincheng Depot and Juguang/Jiarui Stations (MRT Project No. 9).	None
Urban Renewal Contract	New Taipei City Government	2023/12/08	rban renewal projects based on the implementationcontracts for six parcels of public and private land, including Plot No. 146 in the Jieshou Section, Banqiao District, New Taipei City.	None
Land Purchase Contract	Shining Building Business Co., Ltd. and Natural Persons	2024/01/05	Purchased 2 lots of land at No. 390 and 391 in Section 2, Downtown Segment, Zhongzheng District, Taipei City, eligible for the transfer of historical site volumes.	None
Land Purchase Contract	National Property Administration, Ministry of Finance	2024/07/19	Acquisition of land parcels Nos. 189 and 189-1, Mingde Section, Tucheng District, New Taipei City.	None
Metro Co-Development	New Taipei City Government; Department of Rapid Transit Systems	2024/08/12	Investment agreement for the San-Ying Line Taipei University Station Metro Development Project in New Taipei City.	None
Metro Co-Development	New Taipei City Government; Department of Rapid Transit Systems	2024/09/10	Investment agreement for the San-Ying Line Mazu Tian Station Metro Development Project in New Taipei City.	None
Land Purchase Contract	Huang Ming Construction Corp.	2024/09/24	Acquisition of Lot No. 188, Mingde Section, Tucheng District, New Taipei City.	None
Urban Renewal Contract	New Taipei City Residential and Urban Regeneration Center	2024/09/26	Unit 4 Urban Renewal Project for the Yonghe Xinsheng (Dachen Area) Renewal District in New Taipei City.	None
Land Purchase Contract	Ching Lung Development Co., Ltd.	2025/01/16	Acquisition of 44 parcels of land including Lot No. 3, Subsection 1, Shuanglian Section, Datong District, Taipei City.	None

Note: The construction contract only lists the total contract price (excluding tax) of NT$200 million or more; the land purchase contract only lists the total contract price of NT$200 million or more.

(II) Subsidiary Northlight Construction Ltd.:

Nature of contract	The Party Concerned	Dates of Commencement and Termination of Contract	Main Content	Restricted Terms
Construction contract	Huang Sheng Construction Co., Ltd	Completion within 645 days from start date of approval	Contracting the projects including foundation, building structure, building decoration, water, electrical and fire safety, secondary atrium landscape, and VIP rooms, etc. of Huangsheng Changyue.	None
Construction contract	Huang Sheng Construction Co., Ltd	Completion within 890 days from start date of approval	Contracting the projects including foundation, building structure, building decoration, water, electrical and fire safety, secondary atrium landscape, and VIP rooms, etc. of Huangsheng Taipei Geneva.	None
Construction contract	Huang Sheng Construction Co., Ltd	Completion within 637 days from start date of approval	Contracting the projects including assumptions, foundation, structure, building decoration, water and electricity fire safety, atrium landscape and VIP rooms, etc. of Huangsheng Xiuding.	None
Construction contract	Foundation of Chengtian Zen Temple, New Taipei City	Completion within 1140 days from start date of approval	Contracting the land preparation, main bridge, elevated road, car return platform, soil and water conservation, assumptions and structural works of Chengtian Zen Temple.	None
Construction contract	Kyung Rhong Development Co., Ltd.	Completion within 1051 days from start date of approval	Contracting to Kyung Rhong for the projects including assumptions, foundation, structure, building decoration, water and electricity fire safety, atrium landscape and VIP rooms, etc. of 3 lots at No. 266, Mingde Section, Tucheng District.	None
Construction contract	Xie Li Products Co., Ltd.	Completion within 1010 days from start date	Contracting the expansion project for the Xie Li Products Food and Soap Factory.	None
Construction contract	Huang Sheng Construction Co., Ltd	Completion within 1192 days from start date of approval	Contracting the projects including assumptions, foundation, structure, building decoration, water and electricity fire safety, atrium landscape and VIP rooms, etc. of Mansion of Culture.	None

Note: The construction contract only lists the total contract price (excluding tax) of NT $200 million or more.

(III) Subsidiary Polis International Development Co., Ltd.:

Nature of contract	The Party Concerned	Dates of Commencement and Termination of Contract	Main Content	Restricted Terms
Cooperation contract	Affiliated companies of Marriott International Group	2024/09/12	The Company executed a Franchise Agreement, an Electronic Systems License Agreement, a Termination Confirmation Agreement for the Trademark Sublicense, and a Confirmation Agreement for the Trademark Sublicense with an affiliate of Marriott International Group.	None

Five. Financial Position and Performance Analysis, and Risk Factors

I. Financial Position

(I) Primary causes and impacts of significant changes in assets, liabilities, and shareholders' equity over the past two fiscal years

Unit: NT$1,000

Item / Fiscal Year	2024	2023	Difference	
			Amount	%
Current Assets	36,611,915	36,094,294	517,621	1.43%
Property, Plant and Equipment	1,836,678	1,898,845	(62,167)	(3.27)%
Right-of-Use Assets	2,088,844	2,139,425	(50,581)	(2.36)%
Investment Properties	14,669,441	13,595,359	1,074,082	7.90%
Intangible Assets	3,125	920	2,205	239.67%
Other Assets	90,084	102,083	(11,999)	(11.75)%
Total Assets	55,300,087	53,830,926	1,469,161	2.73%
Current Liabilities	22,853,857	28,437,036	(5,583,179)	(19.63)%
Non-Current Liabilities	18,750,477	13,911,657	4,838,820	34.78%
Total Liabilities	41,604,334	42,348,693	(744,359)	(1.76)%
Capital Stock	3,277,348	3,277,348	—	0.00%
Capital Surplus	17,130	17,130	—	0.00%
Retained Earnings	10,401,275	8,187,755	2,213,520	27.03%
Non-controlling Interests	—	—	—	—
Total Equity	13,695,753	11,482,233	2,213,520	19.28%

Analysis of Significant Changes (where changes exceed 20% and NT$100 million):

Increase in Non-Current Liabilities: The rise was primarily due to increased long-term loans secured to support ongoing property development projects.

Increase in Retained Earnings: This reflects a higher net profit after tax in 2024, contributing to stronger earnings retention.

(II) Future Action Plans for Material Impacts: There were no material impacts on the Company's financial position or business operations; therefore, no specific response plan is required.

II. Financial Performance:

(I) Key Factors Driving Significant Year-over-Year Changes in Operating Revenue, Profit, and Pre-Tax Income

Unit: NT$1,000

Item / Fiscal Year	2024	2023	Difference	
			Amount	%
Operating Revenue	12,392,167	4,746,091	7,646,076	161.10%
Gross Profit	5,361,350	1,948,691	3,412,659	175.13%
Operating Income	4,065,579	1,253,297	2,812,282	224.39%
Non-operating Income / Expenses	(735,108)	(335,482)	(399,626)	119.12%
Income Before Tax	3,330,471	917,815	2,412,656	262.87%
Net Income	2,966,834	761,770	2,205,064	289.47%
Earnings Per Share	9.05	2.32	6.73	290.09%

Variance Analysis:
The substantial increases in operating revenue, gross profit, operating income, income before tax, net income, and earnings per share were primarily driven by a higher volume of completed property projects and the sale of unsold units in 2024 compared to 2023.

(II) Projected Sales Volume and Supporting Basis, Impact on Future Financial and Operational Outlook, and Contingency Plan: Not applicable.

III. Cash Flow:

(I) Review of Cash Flow Fluctuations in the Most Recent Fiscal Year

Unit: NT$1,000

Category	2024	2023	Change
Operating Activities	4,528,602	(852,752)	5,381,354
Investing Activities	(1,206,362)	(914,658)	(291,704)
Financing Activities	(2,752,862)	1,671,514	(4,424,376)

Analysis of Cash Flow Variations:

Operating Activities: The significant increase in cash inflows was mainly driven by stronger sales performance, as more completed housing units and unsold inventory were sold in 2024 than in 2023.

Investing Activities: The increase in cash outflows was primarily due to greater capital expenditures on property, plant, and equipment during 2024.

Financing Activities: Cash outflows rose mainly as a result of increased repayments of bank loans and redemption of short-term commercial paper in 2024.

(II) Liquidity Contingency Plan: The Company has not encountered any liquidity issues at present.

(III) Cash Liquidity Forecast for 2025

Unit: NT$1,000

Beginning Cash Balance (1)	Projected Net Cash Inflows from Operating Activities (2)	Estimated Total Cash Outflows (3)	Projected Surplus (1)+(2)=(3)	Contingency Plan for Potential Shortfall	
				Investing	Financing
2,093,416	7,378,645	9,358,132	113,929	—	Fundraising

(1) Projected Cash Flow Changes for the Upcoming Year:

A. Operating Activities: Cash inflows are primarily derived from core business operations.

B. Cash Outflows: Expected to be used mainly for routine operating expenses and repayment of bank loans.

(2) Contingency Measures and Liquidity Outlook: Should any cash shortfall arise, the Company intends to secure bank financing and consider raising capital through a new equity issuance.

IV. Impact of Significant Capital Expenditures in FY 2024 on Financial and Operational Performance: None.

V. Re-investment policy in the past year, the main reasons for its profit or loss, its plans for improvement and its investment plans for the coming year.

(I) Investment Strategy

The Company's investment policy centers on long-term strategic goals. By leveraging diversified and integrated service models, we aim to deliver premium solutions and position ourselves as the leading, full-spectrum provider in the professional real estate services sector.

(II) Performance of Investee Companies in FY2024 and Remedial Measures

Unit: NT$1,000

Investee Company	Core Business Activities	2024 Recognized Investment Gain (Loss)	Key Reason for Profit or Loss	Remedial Measures
Northlight Construction Ltd.	Civil and structural engineering	(16,286)	Losses stemmed from intercompany transactions, where Huang Hsiang must defer recognizing Northlight's construction profits until the related projects are completed and delivered to external clients.	Although Northlight posted a net profit of NT$8,663 thousand in 2024, the Company will only recognize its investment income upon project completion. Several large-scale construction projects are expected to be completed in 2026 and 2027, which will then allow income recognition.
Fu Enterprise Co., Ltd.	Residential and commercial property development and leasing	(1,262)	Losses were primarily due to recurring maintenance and operational costs.	Fushi Enterprise signed a joint development and sale contract with Huang Hsiang in 2020. Construction of the project is scheduled to begin in the second half of 2025, along with the start of pre-sales. Revenue and costs will be recognized once construction begins.
Polis International Development Co., Ltd.	Development of special-purpose zones; hotel operations	(209,440)	The loss was due to depreciation on land-use rights and buildings, and interest expenses.	With the post-pandemic recovery of domestic tourism, revenues from both lodging and dining at the Renaissance Taipei Shihlin Hotel have increased. As a capital-intensive industry, hotel

Investee Company	Core Business Activities	2024 Recognized Investment Gain (Loss)	Key Reason for Profit or Loss	Remedial Measures
				operations typically have long payback periods. The hotel opened on August 8, 2018, and is now in its seventh year. As the property ages, depreciation will gradually decline. Coupled with rising revenues, these changes are expected to enhance profitability.
Derien Venture Capital Corp.	Venture capital	807	Unrealized losses from early-stage investments in emerging industries	—

(III) Investment Plan for the Next Year: None.

VI. Risk Issues

(I) The impact of interest rate, fluctuation in exchange rate, and inflation on the company's profit and loss and future countermeasures

With the overall impact from US rate rises, Russian-Ukrainian war, and domestic inflation recently, the Company's average interest rate from short-term borrowing is between 2.30% and 3.22%, long-term borrowing is between 2.42% and 2.68%. There is no significant impact on the Company's operating cost after the evaluation. The Company is in a domestic demand industry, so there is no major impact from the exchange rate changes. Regarding inflation, while there is an upward trend in the prices of construction raw materials, our company mitigates this by engaging in joint procurement and price negotiations, and partially passing these costs onto consumers. Additionally, the introduction of foreign workers helps alleviate the impact of labor shortages. As a result, inflation has not yet significantly impacted our company. Moving forward, we will continue to negotiate with banks for favorable interest rates to reduce operating costs.

(II) Policies for engaging in high-risk, highly-leveraged investments, fund loans to others, endorsement and guarantee, and derivative commodity trading, the main causes of profit or loss, and future countermeasures.

The Company is not engaged in high-risk, highly-leveraged investments, and derivative commodity trading activities. Also, the company has set the "Procedures for Lending Funds to Others" and "Method for Endorsements and Guarantees" for compliance. For business and overall operational needs, the Company has endorsed guarantees for subsidiary Northlight Construction Ltd. and Polis International Development Co., Ltd., and lent funds to Taipei Relocation Base Urban Renewal Co. Ltd. In the future, if the Company needs to endorse guarantees and lend funds to others, it will still be more cautious in its assessment to ensure the safety of the its operations.

(III) Future R&D plans and estimated R&D expenses: None.

(IV) The impact of important domestic and foreign policy and legal changes on the Company's financial business and countermeasures

In recent years, the government has successively introduced a number of policies to suppress the housing market, which has had a slight impact on the current trading volume of real estate. The future real estate boom will depend on the government's subsequent policies and interest rate levels. In addition, the Company has cooperated with the amendments to the corporate governance and company law made by the competent authorities and has not yet had any significant impact on its financial operations.

(V) Impact of technological change and industrial change on the company's financial business and countermeasures:

Since it is not easy to obtain the prime land, and the price of raw materials has increased, the construction cost has increased relatively, the land development can be carried out in a diversified direction in the future, such as participating in the government's land tender program. In addition, the construction integrated management system is used to control the cost of raw materials and labor to avoid waste.

(VI) Impact of change of corporate image on corporate crisis management and countermeasures: None.

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

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

(IX) Risks encountered in the concentration of purchases or sales and countermeasures

At present, most of the Company's cases are contracted to subsidiary Northlight Construction Ltd., mainly to control the quality of the project and monitor the operating status and progress of the subsidiary at any time, so there should be no risk.

(X) The effect and risk of mass equity transfers or changes of directors, supervisors, ormajor shareholders holding more than 10% of the shares and countermeasures: None.

(XI) The impact and risks of the change of operating rights on the company and countermeasures: None.

(XII) Litigation or non-litigation. The major litigation, non-litigation or administrative disputes that have been adjudicated or are pending of the company and its directors, general managers, substantive persons in charge, major shareholders holding more than 10% of the shares, and affiliated companies shall be listed. If the result may have a significant impact on the shareholders’ equity or the price of securities, the facts of dispute, the amount of the subject matter, the start date of the litigation, the main parties involved in the litigation, and the disposition of the matter as of the date of publication of the annual report shall be disclosed: None.

(XIII) Other significant risks: None.

VII. Other important matters: None.

Six. Special Notes

I. Information Regarding Affiliated Companies:

For details, please visit the Market Observation Post System (MOPS) at https://mops.twse.com.tw. Under the "Listed Company" section, click "Electronic Document Download," then go to the "Affiliated Enterprises Reports Section" to access the relevant information.

II. Status of Private Placements of Securities During the Most Recent Fiscal Year and up to the Date of Annual Report Publication: Not applicable.

III. Other Relevant Disclosures: None.

IV. Significant Events During the Most Recent Fiscal Year and up to the Date of Annual Report Publication That May Have a Material Impact on Shareholders' Equity or Stock Price, as Defined in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act: None.

Huang Hsiang Construction Co., Ltd.

Chairman: Lien-Chi, Liao