

Kung Sing Engineering Corporation

2024 Annual Report

Notice to readers

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

Printed on May 20, 2025

Taiwan Stock Exchange Market Observation Post System:

<http://newmops.twse.com.tw>

Kung Sing Annual Report is available at: <https://www.kseco.com.tw/EN/about1.aspx?cid=90&cchk=5922BF8D-18A0-4A56-A050-F7FA9BF45DBB>

Spokesperson

Name: Li, kuei- chung

Title: Corporate Governance Supervisor

Tel: 886-2-27514188

E-mail: kcl@kseco.com.tw

Headquarters, Branches and Plant

Headquarters

Address: 8F., No.102, Sec. 4, Civic

Blvd., Da'an Dist., Taipei City 106,

Taiwan (R.O.C.)

Tel: 886-2- 27514188

Deputy Spokesperson

Name: Huang,li-wang

Title: Finance Manager

Tel: 886-2-27514188

E-mail: coral@kseco.com.tw

Second Deputy Spokesperson

Name: Juan,Yen-ping

Title: Commissioner

Tel: 886-2-27514188

E-mail: k2089@kseco.com.tw

Stock Transfer Agent

Taishin Securities Co., Ltd. Stock Agency Department

Address: B1, No. 96, Section 1, Jianguo North Road, Taipei City

Tel: 886-2-25048125

Website: <https://www.tssco.com.tw/>

Auditors

PWC Accounting Firm

Auditors: Lin, Se-kai and Wen, Ya-Fang

Address: 7F., No.333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan

(R.O.C.)

Tel.: 886-2-27296666

Website: [http : //www.pwc.com/tw](http://www.pwc.com/tw)

Overseas Securities Exchange : NA**Corporate Website**

[http : //www.kseco.com.tw](http://www.kseco.com.tw)

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I. Letter to Shareholders

1.1 2024 business results

1.1.1 2024 annual business plan implementation results

Unit: NT\$ thousand

Operating income	Operating profit	Net income
7, 099, 106	(73,170)	9,676

1.1.2 2024 annual budget implementation situation

Unit: NT\$ thousand

	The actual amount	Budget	Amount ratio
Operating income	7, 099, 106	Not announced	Not applicable
Gross profit	307, 519		
Operating expenses	(380, 689)		
Operating profit	(73, 170)		
Non-operating income and expenses	93, 980		
Net profit (loss) before tax	20, 810		
Net profit (loss) after tax	9, 676		

1.1.3 Financial income and expenditure and profitability analysis

Unit: NT\$ thousand

Analysis Project		2024
Financial ability	Interest income	31, 520
	Interest expenses	26, 779
Profitability	Return on equity (%)	0. 18%
	Pre-tax profit to paid-in capital ratio(%)	0. 42%
	Net profit rate(%)	0. 14%
	After-tax earnings per share (yuan)	0. 02

1.1.4 Research and development status

Our company has extensive experience in the construction industry and has undertaken many major public works construction projects in the past, including roads, bridges, tunnels, and MRT. For the Tamsui MRT Line, we cooperated with Austria's

V.T. Company to adopt the "prestressed beam propulsion frame hoisting method", and cooperated with Germany's DSI technology for the 16th and 17th lots to adopt the "field cast cantilever propulsion method", so that the project can be completed on schedule and with quality. The CB410 section of the MRT Neihu Line adopts the pre-cast U-shaped beam hoisting method and adopts factory management and production of pre-cast U-shaped beams to improve overall production efficiency and project quality and reduce costs. The V-shaped bridge diagonal support method and advanced work vehicle empty push method in the CE02 construction standard of the Airport Link MRT System Construction Design not only improve safety, shorten construction schedule, and reduce environmental impact, but also make our company's engineering experience more complete. The Danjiang Bridge project has conducted design research on cable-stayed cables, steel bridges, and 200-meter-high main towers. The construction adopts PDCA (plan, do, check, action) and a step-by-step cycle of operations. In addition, it cooperates with BIM (build information model) information estimation and inspection, and is committed to the integration and research of construction methods, with more advanced special construction methods. These rich experiences will enable us to leverage our technical advantages and obtain projects with better gross profits when undertaking various projects in the future or cooperating with other large international construction companies. In the future, we plan to continue to collect construction technologies developed by various professional manufacturers, combine them with their existing experience, and use the most effective technology to arrange construction in order to achieve the goals of economic time saving and technology rooting. Public construction has always made an indelible contribution to the improvement of Taiwan's national economic living standards. It is also an important part of the country's economic development plan. Its demand mainly relies on the many major national construction projects promoted by the government over the years. Therefore, the government's future policies to continue to invest in major projects will have a huge impact on the future growth and development of the construction industry. In addition, as the government's pace of internationalization and liberalization accelerates, joining the World Trade Organization (WTO) has gradually opened up the domestic construction market, and domestic businesses will also have more opportunities to explore overseas markets. For medium and large construction companies that already have experience in joint contracts with foreign companies, there will be greater room for growth in the market.

1.2 Business Plan for 2025

1.2.1 Operational principles

- a. Sustainable development strategy, the establishment of core values.
- b. The implementation of the budget system and strict control of the construction cost.
- c. Staff morale and the establishment of corporate culture.
- d. Talents nurturing and the enterprise physical constitution.
- e. Standardization and the enhancement of work efficiency.
- f. emphasis on safety and health, environmental protection, reduce workplace hazards.

1.2.2 Expected sales and the basis

The company's business strategy continues to focus on undertaking public projects, supplemented by expanding private enterprises and overseas construction. Although the global economy is expected to continue to grow steadily next year, uncertainties such as the struggle between the United States and China and geopolitical risks still add some variables to the global economy. The central bank held the third quarter board of directors meeting and decided to impose some controls on the credit of the construction industry. In response to the international demand for net zero emissions, the government plans to implement carbon fees next year and the year after, which will actually increase the risks and financial burden of the construction industry in undertaking projects. Therefore, we should adhere to continuous innovation, use various advanced technologies and methods to enhance our own professional capabilities, strengthen strategic alliances with other industries, establish lasting competitiveness, and present the sustainable business strength of industrial and information engineering to the general public.

Based on the total amount of the company's current projects under construction, cash flow and the above-mentioned comprehensive considerations, public projects such as roads, rail transportation, bridges, tunnels and ports in 2025 will be the main tracking targets. After searching the websites of the Public Works Commission of the Executive Yuan, the Land Management Administration of the Ministry of the Interior, the Railway Bureau of the Ministry of Transportation and Communications, the Highway Bureau of the Ministry of Transportation and Communications, the Ministry of National Defense, the Taipei City Government's Mass Rapid Transit Engineering Bureau, the Taipei City Government's Public Works Bureau, Taiwan Ports Corporation, the Nuclear and Thermal Power Engineering Division of Taiwan Power

Company Limited, and Chunghwa Post Corporation for possible bidding projects in 2025, we carefully evaluated the nature of the projects and selected the contractors that are more suitable for our company. The proposed business contract amount for our company in 2025 is NT\$8 billion (excluding tax).

The 2025 operational plan is as shown in the following:

- a. The business management in the future is still focused on integrated construction works except major public works, we will gradually expand our business services into architecture, environmental protection, etc.
- b. Currently, the economy is still in a slump, thus the Company shall attach more importance on steady, dependable operation to ensure the expected profitability of the construction in progress and maintenance of full cash flow as well as to manage to obtain more diversified funding channels and low cost of capital for flexible use.
- c. To strengthen the implementation of project budget system and the execution of construction plan, strictly control the cost of construction as well as to continue to promote the educational training policy, actively cultivate professional personnel, and enhance the Company's overall competence and persistent momentum.
- d. To focus on sustainable management, hold on the coherent persistence, carefully select the construction project, strive for stable revenue and profit, and endlessly seek innovative ideas, have a full grasp of the up-to-date technologies and skills, strengthen our professional competence, expand a wide range of enterprise value, present the company's overall strength and momentum, further to build the loyalty in employees and identity in shareholders.

1.2.3 Important production and marketing policies

- a. To strengthen research and development, enhance the professional and technical standards, and enhance the competitiveness.
- b. To strengthen the labor system, cultivate the basic mechanic strength, and have a full grasp of the construction progress.
- c. To carry out the construction management, foster a third-party team, and achieve the goals of operational plan.
- d. To establish the ERP, sophisticate the information management process, and improve the overall operating efficiency.
- e. To build loyalty in employees and identity in shareholders and enhance the excellent corporate image.

1.3 Development Strategy, The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

At the end of 2023, the Directorate-General of Budget, Accounting and Statistics, Executive Yuan predicted that the GDP in 2024 would be 3.35%. However, on November 29, 2024, it announced that the GDP forecast for 2024 would be revised up to 4.27%. As inflation pressure in various countries eases and demand gradually recovers, the global economy is expected to continue to grow steadily; however, due to factors such as the severe acute respiratory syndrome coronavirus 2 (COVID-19) and respiratory syncytial virus (RSV) epidemics, the Russia-Ukraine war, the war in the Middle East, the US presidential election, the intensification of US-China trade frictions, and fluctuations in the supply chain and prices of raw materials, the global economic sentiment will still be disrupted next year.

By 2025, the government will strengthen economic and industrial strength, increase public construction investment, expand international cooperation and exchanges, implement the net zero transformation goal, cultivate cross-domain capabilities in AI scientific research, affirm the value of multiculturalism, strengthen the development of outlying islands, Hualien and Taitung, and implement execution benefits to promote steady economic growth.

The government's public construction plan for 2025 has a total budget of NT\$648.3 billion, an increase of approximately NT\$59.7 billion from the same basic budget of NT\$588.6 billion in 2024. Among them, the three subcategories of "transportation construction", "environmental resources" and "urban and regional development" that are within the scope of construction industry are compiled with a total of NT\$344.6 billion, and the most important transportation construction category is compiled with NT\$226.9 billion.

In recent years, the government has actively promoted the use of "best bid" or "turnkey best bid" for domestic public engineering projects. On the one hand, it is to avoid vicious competition in the domestic industry, which in turn affects the quality of the project and the efficiency of execution, so as to enhance the competitiveness of the industry; on the other hand, turnkey projects that combine design consultancy and construction with the best bid method can not only cultivate manufacturers' integrated design, construction, financial management and other capabilities, but also introduce innovative materials, technologies and construction methods through turnkey contracting to enhance industry research and development and technology.

For contractors, it can increase opportunities for project contracting, reduce risks at the engineering interface, make full use of idle resources, and enhance engineering

technology and construction management capabilities. In order to adapt to this trend, the company should continue to actively seek to form an excellent team with relevant industry manufacturers and consulting companies in the future, cooperate and participate in public engineering bidding.

Sincerely yours,

Chairman of the board
Pan,ying-jiuan

General manager
Ding, cheng-jr

Accounting Supervisor
Wen, Shu-Chiao

II. Company Profile

2.1 Directors and Management Team

April 28, 2025

2.1.1 Directors

Title	Nationality/ Country of Origin	Name	Gender/ age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director(Newly appointed on June 25, 2024)	Taiwan Taipei	Ju hsiang Investment Co. Ltd.	Woman/ 51-60	June, 2024	3	June, 2024	5,507,594	1.12	5,507,594	1.12	0	0.00	0	0.00	Master of Graduate School, Boston University Chief Executive Officer, Jiangsu Bimi Agriculture and Animal Husbandry Technology Co., Ltd. Chairman of Honghui Construction and Development (China) Co., Ltd.	Chairman of KUNG SING Engineering Company Director of Taipei Office of Taiwan General Construction Industry Association Supervisor of Quanmei Investment Co., Ltd. Head of Xiaohua Studio Director of Gongding Steel Co., Ltd.	Director	Chiang,chi-ching	second- class in-laws
	Republic of China	Representative: Pan,ying-jiuan							0	0.00	0	0.00	0	0.00					

Director	Taiwan Taipei	Ch'uan Fu Investment Co. Ltd.	Men/ 71-80	July, 2021	3	May , 1994	13,321,163	2.71	13,321,163	2.71	0	0.00	0	0.00	Ph.D in Business Management, Nankai University	Techzone Technology Materials Co., Ltd. Independent Director	None	None	None
	Republic of China	Representative: Chen ,huan g-ming							0	0.00	0	0.00	0	0.00	Master degree in Geotechnical Engineering, State University of New York Master degree in Transportation Engineering, National Taiwan University Bachelor degree in Civil Engineering, National Taiwan University Executive Director of General Affairs, Chinese National Federation of Industries Director of General Affairs, Construction Engineering Industry Association of Taiwan Executive Director, National Federation of Engineering Industries Association, R.O.C				
Director	Taiwan Taipei	Ch'uan Fu Investment Co. Ltd.	Men/ 51-60	July, 2021	3	May , 1994	13,321,163	2.71	13,321,163	2.71	0	0.00	0	0.00	PhD in Management, International Business School, Nankai University, China	Kung Sing Development Co., Ltd. Chairman of the board. Convener of the Supervisory Board of Taiwan Comprehensive Construction Industry Association	Director	Pan,ying -jiuan	second-class in-laws
	Republic of China	Representative:: Chiang,chi-ching							126,659	0.03	9900	0.00	0	0.00	Chairman of the National Federation of Construction Engineering Industries Association of the Republic of China Executive Director of Taiwan Construction Engineering Industry Association				

Director(Newly appointed on June 25, 2024)	Taiwan Taipei	Ju hsiang Investment Co. Ltd.	Men/ 51-60	June, 2024	3	June, 2024	5,507,594	1.12	5,507,594	1.12	0	0.00	0	0.00	Master of Institute of Hohai Engineering, Ocean University	General Manager of KUNG SING Engineering Company	None	None	None
	Republic of China	Representative: Ding, cheng-jr							0	0.00	0	0.00	0	0.00	Director of Tamkang Construction Department of KUNG SING Engineering	Director of Jiebang Management Consultants Co., Ltd.			
Director(dismissed on June 25, 2024)	Taiwan Taipei	Ju hsiang Investment Co. Ltd.	Woman/ 51-60	July, 2021	3	July, 2021	5,006,904	1.17	5,507,594	1.12	0	0	0	0	Bachelor of Tourism, Chinese Culture University	NA	NA	NA	NA
	Republic of China	Representative: Li, shu-hsü							NA	NA	NA	NA	NA	NA	Honghui Development and Construction Co., Ltd. Supervisor Head of Hongyi Investment Co., Ltd.				
Director(dismissed on June 25, 2024)	Taiwan Taipei	Ju hsiang Investment Co. Ltd.	Men/ 41-50	July, 2021	3	July, 2021	5,006,904	1.17	5,507,594	1.12	0	0	0	0	Master of Business Administration, Nankai University, China	NA	NA	NA	NA
	Republic of China	Representative: P'an,kuan-ju							NA	NA	NA	NA	NA	NA	Head of Honghui Development and Construction Co., Ltd. KUNG SING Engineering Co., Ltd. Senior Manager				
Independent Directors(dismissed on June 25, 2024)	Republic of China	Chen, chin-yueh	Men/ 51-60	July, 2021	3	June, 2012	NA	NA	NA	NA	NA	NA	NA	NA	PhD in Management, International Business School, Nankai University, China	NA	NA	NA	NA
Independent Directors(Newly appointed on June 25, 2024)	Republic of China	Jang liang-ming	Men/ 51-60	June, 2024	3	2012 June (discontinued after the 2021 election)	0	0.00	0	0.00	0	0.00	0	0.00	Graduated from the doctoral program of Nankai University, China	Taichung City Central District Freedom Section 4, Section 4, and 64 other land urban renewal units, Urban Renewal Committee alternate director	None	None	None
															Master of Business Administration, George Washington University				
															Bachelor of Industrial Engineering, National Tsing Hua University, Taiwan				
															Consultant of Guopiao Venture Capital Co., Ltd.				
															Guopiao Venture Capital Co., Ltd. Investment Manager				

Independent Directors	Republic of China	Tu, yi- yang	Men/ 51-60	July, 2021	3	June, 2015	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor of Commerce, Private Tamkang University Li Yang Certified Public Accountants	Li Yang Certified Public Accountants	None	None	None
Independent Directors	Republic of China	Chiang jung ch'ing	Men/ 41-50	June, 2023	3	2012 November (discontinued after the 2018 re-election)	33,000	0.01	0	0.00	0	0.00	0	0.00	Yuan hsuan Construction Co., Ltd. Vice Chairman Deputy General Manager of Yuanxuan Construction Co., Ltd.	Yuan hsuan Construction Co., Ltd. Vice Chairman Kung Sing Engineering Corporation independent Director	None	None	None

Major shareholders of the institutional shareholders

April 28, 2025

Name of Institutional Shareholders	Major Shareholders
Ch'uan Fu Investment Co. Ltd.	Pan kuan-ju(78.10%)、Pan, Chun-jun (6.20%)、 Li, Kuei-mei (15.00%)、 Pan , Ying-hsun (0.70%)、
Ju hsiang Investment Co. Ltd	Pan, Chun-jun (42.86%)、 Li, Kuei-mei (39.29%)、 Pan ,Yi-chen (3.57%)、 Pan, Chi-ju (3.57%)、 Pan, Ying-chuan (3.57%)、 Pan , Ying-hsun (3.57%)、 Pan , Ying-ling (3.57%)

2.1.1-1 Disclosure of information on the professional qualifications of directors and the independence of independent directors:

Name condition	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	concurrently serve as other public offerings Number of independent directors of the company
Ju hsiang Investment Co. Ltd. Representative : Pan, ying-jiuan	<p>1. Chairman of KUNG SING Engineering Company Director of Taipei Office of Taiwan General Construction Industry Association Supervisor of Quanmei Investment Co., Ltd. Head of Xiaohua Studio Director of Gongding Steel Co., Ltd.</p> <p>2. There is no circumstance stipulated in Article 30 of the Company Law.</p> <p>She has extensive experience in the building materials and construction industry, and has practical management experience as a senior executive and person in charge in both his own and other companies, and has deep expertise in corporate governance.</p>	NA	0

Ch'uan Fu Investment Co. Ltd. Representative : Chen ,huang-ming	<p>1. Chairman of KUNG SING Engineering Co., Ltd. Member of Civil Engineers Association, first and second executive director and executive supervisor of Taiwan Civil Engineers Association Associate Professor, Department of Civil Engineering, Tamkang University Associate Manager of Wanding Engineering Company Project Manager of Zhongding Engineering Co., Ltd.</p> <p>2. There is no circumstance stipulated in Article 30 of the Company Law. He has extensive experience in the construction industry and has practical management experience as a senior executive and person in charge in both his own company and other companies. He also performs ESG-related affairs at the Federation of Industrial Associations and has practical experience in ESG implementation. In terms of professional certificates, he holds the professional qualifications of associate professor of civil engineering and civil technician.</p>	NA	1
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Ch'uan Fu Investment Co. Ltd. Representative :: Chiang, chi-chi ng	<p>1.General Manager of KUNG SING Engineering Co., Ltd. Chairman of Zhanbang Construction Co., Ltd. Chairman of Jiangsu Industry and Information Engineering Consultants (Shares) Company Chairman of Industry and Information Development (Shares) Company Chairman of Taiwan Comprehensive Construction Industry Association</p> <p>2. There is no circumstance stipulated in Article 30 of the Company Law.</p> <p>He has extensive experience in the construction industry and has practical management experience as a senior executive and person in charge in both his own company and other companies. He has more than 30 years of experience in the company and has deep expertise in engineering and management practices.</p>	NA	0
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Ju hsiang Investment Co. Ltd. Representative : Ding, cheng-jr	<p>1. Yuan hsuan Construction Co., Ltd. Vice Chairman</p> <p>2. There is no circumstance stipulated in Article 30 of the Company Law.</p> <p>He has extensive experience in the construction industry, has more than 15 years of experience in the company, has strong expertise in engineering and management practices, and possesses a professional license as a water conservancy technician.</p>	NA	0
Independent Directors : Tu, yi- yang (Audit Committee Convener, Remuneration Committee Member, Sustainability Committee Member)	<p>1. Li Yang Certified Public Accountants Tianliang Biotechnology Enterprise Co., Ltd. Independent Director</p> <p>2. There is no circumstance stipulated in Article 30 of the Company Law.</p> <p>As the director of an accounting firm, he has extensive experience in management practice, an accounting certificate, and rich professional knowledge in accounting and finance. He is of great help to the company's audit committee and is helpful in financial risk control, corporate governance, and financial response to climate risks.</p>	<p>1. No relatives are directors, supervisors or employees of the company or its affiliated companies.</p> <p>2. I (or using the name of others), my spouse and minor children do not hold shares in the company.</p> <p>3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company.</p> <p>4. There is no remuneration for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.</p>	1

Independent Directors : Jang liang-ming (Convener of the Remuneration Committee, Member of the Sustainability Committee, Member of the Audit Committee)	<p>1. Consultant of Guopiao Venture Capital Co., Ltd. Guopiao Venture Capital Co., Ltd. Investment Manager Taichung City Central District Freedom Section 4, Section 4, and 64 other land urban renewal units, Urban Renewal Committee alternate director</p> <p>2. There is no circumstance stipulated in Article 30 of the Company Law.</p> <p>He holds a master's degree in business from George Washington University and was a senior executive at National Venture Capital. He has expertise in finance and accounting and is of great help to the company's audit committee. With expertise in urban renewal projects, our company will be able to participate in the development of civil urban renewal, dangerous and elderly construction projects in the future.</p>	<p>1. No relatives are directors, supervisors or employees of the company or its affiliated companies.</p> <p>2. I (or using the name of others), my spouse and minor children do not hold shares in the company.</p> <p>3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company.</p> <p>4. There is no remuneration for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.</p>	0
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Independent Directors : Chiang jung ch'ing (Convener of the Sustainability Committee, Convener of the Audit Committee, Member of the Remuneration Committee)	1. Yuan hsuan Construction Co., Ltd. Vice Chairman 2. There is no circumstance stipulated in Article 30 of the Company Law. He has worked in the construction company for more than 20 years and served as the vice chairman. He has rich management experience and has been of great help to the company in corporate governance and ESG practical operations. He graduated from the Department of Business at Northeastern University in Massachusetts, USA, and is also professional in finance and accounting, which is of great help to the company's audit committee.	1. No relatives are directors, supervisors or employees of the company or its affiliated companies. 2. I (or using the name of others), my spouse and minor children hold less than 0.01% of the company's shares (only I hold 33,000 shares). 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company. 4. There is no remuneration for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.	0
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Note 1: Professional qualifications and experience: state the professional qualifications and experience of individual directors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and whether there is no company law Article 30 of each case.

Note 2: Independent directors should state their independence, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliated companies; The number and proportion of the company's shares held by relatives (or in the name of others); whether or not he is a company that has a specific relationship with the company (refer to Article 3 of the Measures for the Establishment of Independent Directors and Matters to be Followed by Public Companies)

The amount of remuneration received by the company or its affiliated companies for providing business, legal, financial, accounting and other services in the last two years.

2.1.1-2 Board Diversity and Independence:

(1) Diversity of the board of directors: describe the diversity policy, goals and achievement of the board of directors. The diversity policy includes, but is not limited to, the selection criteria for directors, the professional qualifications and experience that the board of directors should have, the composition or ratio of gender, age, nationality, and culture, etc., and the company's specific goals and their achievement are described in the previous policy.

Director Diversity

The Company's Code of Practice on Corporate Governance has the following policies and norms regarding diversity of the board of directors:

Chapter 3 Strengthening the Functions of the Board of Directors

Section 1 Board Structure

Article 20: The board of directors of the company should guide the company's strategy, supervise the management level, and be responsible to the company and the shareholders' meeting. The operations and arrangements of its corporate governance system should ensure that the board of directors.

Exercising functions and powers in accordance with laws and regulations, the company's articles of association or the resolutions of the shareholders' meeting.

The structure of the board of directors shall be based on the scale of the company's operation and development and the shareholding status of its major shareholders, and the needs of practical operations to determine the appropriate number of directors with more than five members.

The composition of the board of directors should consider diversity. Except that the director who also serves as the manager of the company should not exceed one-third of the number of directors, it should also consider its own operation, operation type and development needs.

In order to formulate an appropriate diversity policy, it should include but not be limited to the following two standards:

1. Basic conditions and values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The members of the board of directors shall generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following capabilities:

1. Operational management capabilities.
2. Leadership and decision-making ability.
3. Industry knowledge.
4. Accounting and financial skills.
5. Crisis management capabilities.
6. International and market perspective.

Diversity of the board of directors

Diversified projects/ Director's name	gender	Country of Citizenship	age			Management	leadership decision	Industry knowledge			Financial Accounting	crisis management	international view market view
			41~50	51~60	71~80			construction industry	finance	Development and construction			
Pan,ying-jiuan	Woman	Republic of China		●		●	●	●		●		●	●
Chen ,huang-ming	Men	Republic of China			●	●	●	●	●	●	●	●	●
Chiang,chi-ching	Men	Republic of China		●		●	●	●		●		●	●
Ding,cheng-jr	Men	Republic of China		●		●	●	●		●		●	●
Tu,yi-yang	Men	Republic of China		●		●	●		●		●	●	●
Jang liang-ming	Men	Republic of China		●		●	●		●	●	●	●	●
Chiang jung ch'ing	Men	Republic of China	●			●	●		●	●	●	●	●
Diversity target estimated seats						4	4	4	3	4	4	4	4
Achievement (seats)						7	7	4	4	6	4	7	7
Achievement rate						100%	100%	100%	100%	100%	100%	100%	100%

Female directors: 1, accounting for 1/7 (14%) of the board seats

The 114th shareholders' meeting completed the re-election of directors. Currently, according to regulations, at least one director of a different gender is appointed. The number of female directors does not reach 1/3. The main reason is that the company's 2024 director election nomination adopts the method of nominating candidates by shareholders holding more than 1% of the shares. During the 2024 re-election, there was only one director of a different gender on the nomination list of shareholders holding more than 1% of the shares. In the future, we will plan to set up a nomination committee or have the board of directors nominate in addition to the 1% shareholder nominations, in the hope that one-third of the director seats will be held by either gender.

(2) Independence of the board of directors: state the number and proportion of independent directors, and state that the board of directors is independent, and explain with reasons whether there are no items 3 and 4 stipulated in Article 26-3 of the Securities and Exchange Act, including a description Circumstances where the directors, supervisors, or directors and supervisors have spouses and relatives within the second degree of kinship.

Independent directors: 3, accounting for 3/7 of the directors (42.86%).

Qualifications of independent directors in the company:

Tu,yi- yang: re-elected from June 2015 to the present (10 years)

Chiang jung ch'ing: June 2023 ~ present (2 years)

Jang liang-ming: June 2024 ~ present (1 years)

There are no supervisors in the company, and the directors comply with the regulations as follows:

Director's name \ independence	Whether there is no circumstance specified in Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act	Whether the directors have a spouse or relative within the second degree	illustrate
Director : Pan,ying-jiuan	None	second-class in-laws	The company's audit unit makes a kinship table for inspection
Director : Chen ,huang-ming	None	None	The company's audit unit makes a kinship table for inspection
Director : Chiang,chi-ching	None	second-class in-laws	The company's audit unit makes a kinship table for inspection
Director : Ding, cheng-jr	None	None	The company's audit unit makes a kinship table for inspection
Independent Directors : Tu,yi- yang	None	None	The company's audit unit makes a kinship table for inspection
Independent Directors : Jang liang-ming	None	None	The company's audit unit makes a kinship table for inspection
Independent Directors : Chiang jung ch'ing	None	None	The company's audit unit makes a kinship table for inspection

2.1.2 Management Team

April 28, 2025

Title	Nationality / Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
General manager	Republic of China	Ding, cheng-jr	Men	07 01,2024	0	0	0	0	0	0	Master of Institute of Hohai Engineering, Ocean University Director of Tamkang Construction Department of KUNG SING Engineering	Director of Jiebang Management Consultants Co., Ltd.	None	None	None
Executive Deputy General Manager	Republic of China	Chan ming-t'ang	Men	02 10,2023	0	0	0	0	0	0	Graduated from Department of Civil Engineering, Tamkang University Deputy Engineering Department of Veterans Engineering Office Manager of Table Lamp Ying Engineering Co., Ltd. General Engineering Department of Gongxin Engineering Co., Ltd.	None	None	None	None
Vice- General Manager	Republic of China	Liu, Yung-ching	Men	03 01,2020	17,438	0.00	0	0.00	0	0.00	Department of Civil Engineering, Southeast University of Science and Technology	None	None	None	None
Vice- General Manager	Republic of China	Chen, yau-wei	Men	11 01,2024	0	0	0	0	0	0	Master of Civil Engineering, University of Missouri Deputy Director, Taipei City Government Mass Rapid Transit Engineering Bureau Deputy General Manager of KUNG SING Engineering Co., Ltd.	None	None	None	None
Vice- General Manager	Republic of China	Luo, huai-ching	Men	01 01,2025	0	0	0	0	0	0	Master of Engineering from Asian Institute of Technology, Thailand Executive Director of the Asia Pacific Engineers Supervision Committee, Chinese Taipei Executive Director of the International Engineers Supervision Committee of Chinese	Consultant of Taiwan General Construction Industry Association	None	None	None

											Taipei Manager of CECI ENGINEERING CONSULTANTS Co., Ltd. Construction and Development (China) Co., Ltd.				
Public Works Manager	Republic of China	Li, yuan-jia	Men	03.01,2025	0	0.00	0	0.00	0	0.00	Department of Surveying and Mapping, National Chung Cheng Institute of Technology KUNG SING Engineering Co., Ltd. Deputy Manager of Engineering Department	None	None	None	None
Director, Auditing Office	Republic of China	Hou, ji-shian	Men	9 01,2024	0	0.00	0	0.00	0	0.00	Master of Civil and Disaster Design, University of Science and Technology of China Engineer, Gongxin Engineering Co., Ltd. Audit Supervisor, KUNG SING Engineering Co., Ltd.	None	None	None	None
manager, Business Development Dept.	Republic of China	Gau, meng-yu	Men	09 16,2022	290	0.00	0	0.00	0	0.00	Bachelor of Civil Engineering, Tamkang University Kung Sing Engineering Corporation Senior engineer of business department	None	None	None	None
Manager, Finance Dept.	Republic of China	Huang, li-wang	woman	02 01,2012	22,627	0.00	0	0.00	0	0.00	section manager, Kung Sing Engineering Corporation	None	None	None	None
Accounting Supervisor	Republic of China	Wen, Shu Chiao	woman	12 06,2012	11,226	0.00	0	0.00	0	0.00	Deming College of Business Accounting Statistics Branch Vice- section manager, Kung Sing Engineering Corporation	None	None	None	None
Corporate Governance Supervisor	Republic of China	Li, kuei- chung	Men	12 31,2019	0	0.00	0	0.00	0	0.00	Institute of Civil Engineering, Cheng Kung University graduate Institute of Soochow University Law Institute graduate School Kung Sing Engineering Corporation Director of General Manager's Office (Legal Director)	None	None	None	None

2.2 Remuneration of Directors, President, and Vice President

2.2.1 Remuneration of Directors

2024/12/31 **Unit: NT\$ thousands**

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman of the board	Ju hsiang Representative: Pan,ying-jiuan(Newly appointed on June 25, 2024)	0	0	0	0	0	0	135	135	135	135	1,702	1,702	0	0	11	0	11	0	1,848	1,848	None
										1.395	1.395									19.099	19.099	
Directors	Ch'uan Fu Representative: Chen ,huang-ming	0	0	0	0	0	0	270	270	270	270	4,055	4,055	0	0	8	0	8	0	4,333	4,333	None
										2.790	2.790									44.781	44.781	
Directors	Ch'uan Fu Representative: Chiang,chi-ching	0	0	0	0	0	0	260	260	260	260	3,227	3,227	174	174	11	0	11	0	3,672	3,672	None
										2.687	2.687									37.950	37.950	

Dire ctors	Ju hsiang Represen tative: Ding, cheng-jr(Newly appointed on June 25, 2024)	0	0	0	0	0	0	140	140	140 1.447	140 1.447	2,383	2,383	97	97	11	0	11	0	2,631 27.191	2,631 27.191	None
Dire ctors	Ju hsiang Represen tative: Li, shu-hsü(d ismissed on June 25, 2024)	0	0	0	0	0	0	130	130	130 1.344	130 1.344	0	0	0	0	0	0	0	0	130 1.344	130 1.344	None
Dire ctors	Ju hsiang Represen tative: Pan,kuan -ju(dismiss ed on June 25, 2024)	0	0	0	0	0	0	130	130	130 1.344	130 1.344	794	794	53	53	6	0	6	0	983 10.159	983 10.159	None
Inde pend ent Dire ctors	Chen, chin- yueh(dis missed on June 25, 2024)	0	0	0	0	0	0	310	310	310 3.204	310 3.204	0	0	0	0	0	0	0	0	310 3.204	310 3.204	None
Inde pend ent Dire ctors	Jang liang-min g (Newly appointed on June 25, 2024)	0	0	0	0	0	0	200	200	200 2.067	200 2.067	0	0	0	0	0	0	0	0	200 2.067	200 2.067	None

Independent Directors	Tu,yi-yang	0	0	0	0	0	0	510	510	510	510	0	0	0	0	0	0	0	0	510	510	None
										5.271	5.271									5.271	5.271	
Independent Directors	Chiang jung ch'ing	0	0	0	0	0	0	510	510	510	510	0	0	0	0	0	0	0	0	510	510	None
										5.271	5.271									5.271	5.271	

1. Please describe the payment policy, system and structure in accordance with the remuneration regulations and standards, and bear the responsibilities, risks, time and other factors, and describe the relevance of the remuneration payment:

(1) According to Article 15 of the company's articles of association, the salary standard for everyone is based on the payment standard of the company operating the company, and participates in determining the size of its operation, and the meeting decides the implementation.

(2) It is also clearly stipulated that 3% of the company's annual profit will not be increased as the performance.

Because the three indicators are subject to fixed-term supervision at the same time, the committee and its members need to review the review report, select companies other than remuneration in the manager's core to review, review, review and audit, as well as regular review and review, endorsement guarantee etc. related The competent department, responsible and responsible for the time, are all responsible for the implementation of the cost index on the index because of the trust fund, which is generally a high responsibility.

2. In addition to those disclosed in the above table, the remuneration received by the directors of the company for providing services in the most recent year (such as serving as a consultant for the parent company/all companies listed in the financial report/transferring enterprises that are not employees of the company, etc.) Remuneration received by all companies for providing services (such as serving as a consultant for non-employees, etc.): None.

Range of Remuneration (The amount has a range : contain/Not included)	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT\$1 ,000,000	Pan,ying-jiuan 、 Chen ,huang-ming 、Chiang,chi-ching 、 Ding, cheng-jr 、 Li, shu-hsü 、 P'an,kuan-ju 、 Chen, chin- yueh 、 Jang liang-ming 、 Tu,yi- yang 、 Ts'ai,lien-shêng	Pan,ying-jiuan 、 Chen ,huang-ming 、 Chiang,chi-ching 、 Ding, cheng-jr 、 Li, shu-hsü 、 P'an,kuan-ju 、 Chen, chin- yueh 、 Jang liang-ming 、 Tu,yi- yang 、 Ts'ai,lien-shêng	Li, shu-hsü 、 P'an,kuan-ju 、 Chen, chin- yueh 、 Jang liang-ming 、 Tu,yi- yang 、 Ts'ai,lien-shêng	Li, shu-hsü 、 P'an,kuan-ju 、 Chen, chin- yueh 、 Jang liang-ming 、 Tu,yi- yang 、 Ts'ai,lien-shêng
NT\$1,000,000 ~ NT\$2,000,000	0	0	Pan,ying-jiuan	Pan,ying-jiuan
NT\$2,000,000 ~ NT\$3,500,000	0	0	Ding, cheng-jr	Ding, cheng-jr
NT\$3,500,000 ~ NT\$5,000,000	0	0	Chen ,huang-ming 、 Chiang,chi-ching	Chen ,huang-ming 、 Chiang,chi-ching
NT\$5,000,000~ NT\$10,000,000	0	0	0	0

NT\$10,000,000 ~ NT\$15,000,000	0	0	0	0
NT\$15,000,000~ NT\$30,000,000	0	0	0	0
NT\$30,000,000 ~ NT\$50,000,000	0	0	0	0
NT\$50,000,000 ~ NT\$100,000,000	0	0	0	0
Over NT\$100,000,000	0	0	0	0
Total	10	10	10	10

2.2.2 Remuneration of the President and Vice President

2024/12/31 Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company’s Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman of the board	Pan,yi ng-jiu an (Note 1)	1,661	1,661	0	0	41	41	11	0	11	0	1,713 17.704	1,713 17.704	None
General manager	Chiang,chi-ching(Note 2)	2,844	2,844	174	174	383	383	11	0	11	0	3,412 35.263	3,412 35.263	None
General manager	Ding, cheng-jr(No te 3)	2,107	2,107	97	97	276	276	11	0	11	0	2,491 25.744	2,491 25.744	None

Executive Deputy General Manager	Channing-t'ang	1,581	1,581	97	97	281	281	9	0	9	0	1,968 20.339	1,968 20.339	None
Vice-General Manager	Liu, Yung-ching	1,597	1,597	94	94	309	309	9	0	9	0	2,009 20.763	2,009 20.763	None
Vice-General Manager	Chen, yau-wei(Not e 4)	265	265	12	12	0	0	6	0	6	0	283 2.925	283 2.925	None

Note 1: Deputy General Manager Pan,ying-jiu was dismissed from the position of Deputy General Manager on June 25, 2024, and was elected as Chairman by the Board of Directors.

Note 2: General Manager Chiang,chi-ching was dismissed from his position as General Manager on July 1, 2024.

Note 3: Deputy General Manager Ding, cheng-jr was promoted to General Manager on July 1, 2024.

Note 4: Deputy General Manager Chen, yau-wei took office on November 1, 2024.

Range of Remuneration (The amount has a range : contain/Not included)	Name of President and Vice President	
	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	Chen, yau-wei	Chen, yau-wei
NT\$1,000,000 ~ NT\$2,000,000	Pan,ying-jiuan 、 Chan ming-t'ang	Pan,ying-jiuan 、 Chan ming-t'ang
NT\$2,000,000 ~ NT\$3,500,000	Chiang,chi-ching 、 Liu, Yung-ching 、 Ding, cheng-jr	Chiang,chi-ching 、 Liu, Yung-ching 、 Ding, cheng-jr
NT\$3,500,000 ~ NT\$5,000,000	None	None
NT\$5,000,000 ~ NT\$10,000,000	None	None
NT\$10,000,001 ~ NT\$15,000,000	None	None
NT\$15,000,001 ~ NT\$30,000,000	None	None
NT\$30,000,001 ~ NT\$50,000,000	None	None
NT\$50,000,001 ~ NT\$100,000,000	None	None
Over NT\$100,000,000	None	None
Total	6	6

2.2.3 Name of the manager who distributes employee compensation and distribution situation:

2024/12/31 Unit: NT\$ thousands

	Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
manager	Chairman of the board	Pan,ying-jiuan (Note 1)	0	77	77	0.796
	General manage	Chiang,chi-ching (Note 1)				

	General manage	Ding, cheng-jr (Note 1)				
	Executive Deputy General Manager	Chan ming-t'ang				
	Vice- General Manage	Liu, Yung-ching				
	Vice- General Manage	Chen, yau-wei(Note 1)				
	Manager, Finance Dept.	Huang, li-wang				
	Accounting Supervisor	Wen, Shu Chiao				
	Corporate Governance Supervisor	Li, kuei- chung				

Note 1: Deputy General Manager Pan,ying-jiu was dismissed from the position of Deputy General Manager on June 25, 2024, and was elected as Chairman by the Board of Directors.

General Manager Chiang,chi-ching was dismissed from his position as General Manager on July 1, 2024.

Deputy General Manager Ding, cheng-jr was promoted to General Manager on July 1, 2024.

Deputy General Manager Chen, yau-wei took office on November 1, 2024.

2.2.4 The remuneration of the company's top five remuneration executives(Note1)

Title	Name	Salary(A)(Note2)		Severance Pay (B)		Bonuses and Allowances (C))(Note3)		Employee Compensation (D))(Note4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note6)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary(Note7)
		The company	Companies in the consolidated financial statements(Note5)	The company	Companies in the consolidated financial statements(Note5)	The company	Companies in the consolidated financial statements(Note 5)	The company		Companies in the consolidated financial statements)(Not e5)		The company	Companies in the consolidated financial statements(Note5)	
								Cash	Stock	Cash	Stock			

General manager	Chiang, chi-ching (Note 8)	2,844	2,844	174	174	383	383	11	0	11	0	3,412 35.263	3,412 35.263	None
General manager	Ding, cheng-jr (Note 8)	2,107	2,107	97	97	276	276	11	0	11	0	2,491 25.744	2,491 25.744	
Executive Deputy General Manager	Chan ming-t'ang	1,597	1,597	94	94	309	309	9	0	9	0	2,009 20.763	2,009 20.763	None
Vice-General Manager	Liu, Yung-ching	1,581	1,581	97	97	281	281	9	0	9	0	1,968 20.339	1,968 20.339	None
Chairman of the board	Pan, ying-jiuan (Note 8)	1,661	1,661	0	0	41	41	11	0	11	0	1,713 17.704	1,713 17.704	None

Note 1: The "top five top executives of remuneration" refers to the managers of the company, to the certification standards of the relevant managers, based on the three-character "Taiwan Finance Certificate" dated March 27, 2003 by the Securities and Futures Management Commission of the former Ministry of Finance Letter Order No. 0920001301

The application scope of the "manager" shall be stipulated. As for the "top five highest remuneration" calculation and determination principle, it is based on the company's managers receiving salaries, retirement pensions, bonuses and special expenses from all companies in the consolidated financial report, as well as the total amount of employee remuneration (that is, A +B+C+D (the total amount of four items), and the five highest remunerations will be recognized after sorting. If the director concurrently serves as the former director, this form and the above form (1-1) should be filled in.

Note 2: This is the salary, job bonus, and severance pay of the top five highest compensation executives in the most recent year.

Note 3: The amount of various bonuses, incentives, carriage fees, special expenses, various allowances, dormitories, car allocation and other remunerations of the top five top executives in the most recent year is filled in. Such as providing houses, cars and other transportation or exclusive

When personal expenditures, the nature and cost of the assets provided, the actual or fair market price rent, oil and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share Basic Benefits", including obtaining employee stock options, restricting employee rights, new shares, and participating in cash capital increase subscription for shares, should also be included in remuneration.

Note 4: The amount of compensation (including stocks and cash) for the employees of the top five top executives approved by the board of directors in the most recent year is listed. If it is not possible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year. Fill in and attach

Table one of three.

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

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

Note 7: a. This column should clearly indicate the amount of the top five remuneration executives of the company receiving related remunerations from the non-subsidiary investment business or the parent company (if none, please fill in "none").

b. Remuneration refers to the remuneration and remuneration (including remuneration for employees, directors and supervisors) received by the company's top five executives with the highest remuneration as directors, supervisors or managers of subsidiaries or parent companies. And related remuneration such as business execution costs.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

Note 8: Deputy General Manager Pan,ying-jiu was dismissed from the position of Deputy General Manager on June 25, 2024, and was elected as Chairman by the Board of Directors.

General Manager Chiang,chi-ching was dismissed from his position as General Manager on July 1, 2024.

Deputy General Manager Ding, cheng-jr was promoted to General Manager on July 1, 2024.

Deputy General Manager Chen, yau-wei took office on November 1, 2024.

2.2.5 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, presidents and vice presidents of the Company, to the net income.

Year	Total remuneration paid to directors, supervisors, presidents and vice presidents		Ratio of total remuneration paid to directors, supervisors, presidents and vice presidents to net income (%)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
2024	19,386	19,386	200.35	200.35
2023	17,413	17,413	25.86	25.86

Directors, supervisors	Traveling expenses	Paid monthly.
	Remuneration	In accordance with the Corporate charter 15: Referring to the domestic and foreign standards, the Board makes the decision along with the approval from the Remuneration Committee.
General manager,	Salary	In accordance with the Company's personnel managing rules, and the remuneration committee's considerations.
Vice- General Manager	Bonus	In accordance with the Corporate charter 16: Referring to the domestic and foreign standards, the Board makes the decision along with the approval from the Remuneration Committee.

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance.

The link between board performance evaluation and salary compensation

In accordance with Articles 15 and 18 of the company's articles of association and Article 7 (2) of the Organizational Regulations of the Salary and Remuneration Committee

Regulations:

Article 15 of the articles of association:

The remuneration of all directors is determined by the board of directors based on the degree of participation and contribution to the company's operations and the value of the industry at home and abroad.

Article 18:

After deducting the accumulated losses according to the current year's profit status, if the company still has a balance, the employee compensation should be 3% to 5%, and the director's compensation should not exceed 3%.

Paragraph 2 of Article 7 of the Organizational Regulations of the Salary and Remuneration Committee:

When the Committee performs its functions and powers, it shall do so in accordance with the following principles:

1. Ensure that the company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.
2. The performance evaluation and salary and remuneration of directors, audit committees and managers should refer to the normal level of the industry.

Shape, and consider the results of individual performance evaluation, time invested, responsibilities, achievement of personal goals, performance of other positions, salary and compensation of the company for the same position in recent years, and achievement of short-term and long-term business goals by the company, The company's financial status, etc. to assess the reasonableness of the correlation between individual performance and the company's operating performance and future risks.

3. Directors and managers should not be guided to pursue behaviors that exceed the company's risk appetite in pursuit of salary and remuneration.
4. The proportion of short-term performance payment of directors and senior managers and some changes in salary payment time should be determined by considering the characteristics of the industry and the nature of the company's business.
5. The content and amount of the remuneration of the directors, audit committee and managers should be considered for their reasonableness. The decision of the remuneration of the directors, audit committee and managers should not be significantly contrary to financial performance. For a long-term loss, the salary should not be higher than the previous year. If it is still higher than the previous year, the reasonable explanation should be disclosed in the annual report and reported to the shareholders' meeting.
6. The members of this committee shall not participate in the discussion and voting on their personal salary and remuneration decisions.

The Board has passed the resolution and the Company has established the

remuneration committee on December 28th, 2011.

Salaries for directors and managers are determined according to considerations made by the committee, performances of directors and managers along with the policy, regulations, standards, and the structure of salary and compensation shall take into account in determining the amount of salaries for directors and managers.

The procedures for setting remuneration are based on the Company's "Measures for the Performance Evaluation of the Board of Directors and Functional Committees" and the Company's personnel assessment related methods as the basis for the evaluation of directors and managers, in addition to referring to the company's overall environment in terms of environment, society and governance Performance, industry future risks and operational development trends, and also refer to the individual's performance achievement rate, investment time, responsibilities and contribution to the company's performance, and give reasonable remuneration. The relevant performance assessment and remuneration rationality are approved by the Compensation and Remuneration Committee and The board of directors reviews and reviews the remuneration system at any time according to the actual operating conditions and relevant laws and regulations, so as to balance the sustainable operation of the company and risk control.

Based on the above assessment, the net profit after tax for this year (2024) is lower than that of last year. Taking into account the working capital requirements and corporate governance, the Remuneration Committee and the Board of Directors resolved on March 11, 2025 to only distribute employee remuneration and no director remuneration.

General manager performance target evaluation:

Indicator items	illustrate	Weights
Financial and strategic indicators	Revenue achievement rate, bid project achievement rate, market share, etc.	40%
Environmental indicators	Carbon reduction achievement rate	10%
social indicators	Employee turnover rate and education and training, etc.	25%
Governance indicators	Corporate governance evaluation, sustainable development and awards, conference participation rate	25%

Deputy General Manager Performance Objective Evaluation:

Indicator items	illustrate	Weights
Environmental indicators	Compliance with environmental protection laws, implementation of	30%

	energy conservation and carbon reduction measures, etc.	
social indicators	Employee welfare improvement rate, promotion of community service and development, and promotion of occupational safety and health	40%
Governance indicators	Supply chain management and sustainable development implementation	30%

Current status of implementation: The performance targets of the company's general manager and deputy general manager are set with sustainable performance indicators, which are evaluated based on the above weights, and the results are linked to salary remuneration.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

The Board of Directors held 7 meetings in 2024 [A], and the attendance of directors was as follows: (2 meetings before the re-election of the 2024.06.25 shareholders' meeting, and 5 meetings after the re-election)

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Chairman	Ju hsiang Representative: Pan, ying-jiuan	4	0	80%	Newly appointed on June 25, 2024
Director	Ch'uan Fu Representative: Chen ,huang-ming	7	0	100%	re-elected
Director	Ch'uan Fu Representative: Chiang,chi-ching	5	0	71%	re-elected
Director	Ju hsiang Representative: Ding, cheng-jr	5	0	100%	Newly appointed on June 25, 2024
Director	Ju hsiang Representative: Li, shu-hsiü	2	0	100%	dismissed on June 25, 2024
Director	Ju hsiang Representative: P' an, kuan-ju	2	0	100%	dismissed on June 25, 2024
Independent director	Chen, chin- yueh	2	0	100%	dismissed on June 25, 2024
Independent	Tu,yi- yang	7	0	100%	re-elected

nt director					
Independe nt director	Chiang jung ch'ing	7	0	100%	re-elected
Independe nt director	Jang liang-ming	5	0	100%	Newly appointed on June 25, 2024

Other mentionable items:

1. If any of the following situations occurs in the operation of the board of directors, the date, period, content of the proposal, opinions of all independent directors, and the company's handling of the opinions of independent directors shall be stated:
 - (1) Items listed in Article 14-3 of the Securities and Exchange Act: Please refer to P120-128 (Proposals related to Securities and Exchange Act 14-3 are marked after each topic.)
 - (2) Except for the above-mentioned matters, other resolutions of the board of directors that have been objected or reserved by independent directors and have records or written statements: None
2. The implementation of the director's recusal of the stakeholder proposal:
 - (1)2024.03.12 Proposal 4 for the first meeting of the twenty-seventh board of directors in 2024: 2023 employee and director remuneration distribution proposal. (Submitted by the Compensation Committee)
In the agenda of this case, interested parties are requested to withdraw from the voting, and other directors shall vote.
Resolution: This case was passed without objection by all directors present.
 - (2)2024.03.12 Proposal 5 for the first meeting of the twenty-seventh session of the board of directors in 2024: Review of the remuneration and salary increase of directors and managers in 2024. (Submitted by the Compensation Committee)
In the agenda of this case, interested parties are requested to withdraw from the voting, and other directors shall vote.
Resolution: This case was passed without objection by all directors present.
 - (3)2024.08.12 Proposal 3 of the third meeting of the 28th Board of Directors in 2024: Review the remuneration of new directors, compensation committee members, audit committee members, sustainable development committee members and new general manager, as well as manager remuneration adjustments. (Recommended by the Salary and Remuneration Committee)
In the agenda of this case, interested parties are requested to withdraw from the voting, and other directors shall vote.
Resolution: This case was passed without objection by all directors present.
 - (4)2024.11.11 Proposal 4 of the forth meeting of the 28th Board of Directors in 2024: Chen ,huang-ming Director Incentive Case . (Recommended by the Salary and Remuneration Committee)
In the agenda of this case, interested parties are requested to withdraw from the

voting, and other directors shall vote.

Resolution: This case was passed without objection by all directors present.

(5)2024.12.31 Proposal 5 of the fifth meeting of the 28th Board of Directors in 2024: Implementation of directors' and managers' remuneration and year-end performance evaluation. (Recommended by the Salary and Remuneration Committee)

In the agenda of this case, interested parties are requested to withdraw from the voting, and other directors shall vote.

Resolution: This case was passed without objection by all directors present.

3. Listed companies should disclose information such as the evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self-evaluation (or peer evaluation). Please refer to P42 "Implementation of Board of Directors' Evaluation" (to be disclosed by the end of March 2025) .
4. The current year and the most recent year to strengthen the objectives of the board of directors and the evaluation of the implementation situation: In 2023, four remuneration committee meetings will be held to strengthen the performance evaluation and salary structure. The basis for performance appraisal, and conduct review and improvement. For information on corporate governance operations, please refer to the company's official website information disclosure (<https://www.kseco.com.tw/upload/17/2025022617065097531.pdf>).

In 2024, all directors and independent directors will complete 6 hours of training, and new directors will complete 12 hours of training to strengthen the functions of the board of directors.

Evaluation of the implementation of the board of directors

<u>Evaluation cycle</u>	<u>Assess time span</u>	<u>Assessment scope</u>	<u>Evaluation method</u>	<u>Evaluation content</u>
Once a year	June 25, 2024 Until December 31	Performance evaluation of the Board of Directors, Remuneration Committee, Audit Committee, Sustainability Committee and individual directors	Self-assessment of performance evaluation of the board of directors, remuneration committee and audit committee by way of internal company evaluation. Individual directors also conduct self-assessments.	<p>The contents of the board performance evaluation include:</p> <ol style="list-style-type: none"> 1. Participation in company operations With (12 items). 2. Board decision quality (12 items). 3. Board composition and knot Structure (7 items). 4. Selection and holding of directors Continue training (7 items). 5. Internal control (7 items). <p>The contents of individual director self-evaluation include:</p> <ol style="list-style-type: none"> 1. Company goals and tasks Mastery (3 items). 2. Director's responsibilities (3 item). 3. Participate in company operations Situation (8 items) ° 4. Internal relationship management and communication (3 items) ° 5. Director's professional and continuous education (3 items). 6. Internal control (3 items) ° <p>Remuneration Committee and Audit the content of the performance evaluation of the Planning Committee includes :</p> <ol style="list-style-type: none"> 1. Participation in company operations (4 items). 2. Committee Responsibility (5 items). 3. Improve the quality of committee decision-making (7 items). 4 Committee composition and composition election of members (3 items). 5. Internal control (3 items).

*The 2024 assessment results have been reported at the Public Information Observatory. For the implementation of the performance evaluation of the board of directors and the self-evaluation system of directors, please also refer to the description of “Corporate Governance Operation and its Differences from the Code of Practice on Governance of Listed OTC Companies and Reasons” on page 50-57.

2.3.2 Operation of the Audit Committee:

The Audit Committee held 5 meetings in 2024 [A]. The attendance of members and the annual work priorities are as follows: (2024.06.25 Shareholders' Meeting to Re-elect Directors) 2 meetings before 6/25 and 3 meetings after 6/25.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Independent director	Tu,yi-yang	5	0	100%	re-elected
Independent director	Chen, chin-yueh	2	0	100%	dismissed on June 25, 2024
Independent director	Jang liang-ming	3	0	100%	Newly appointed on June 25, 2024
Independent director	Chiang jung ch'ing	5	0	100%	re-elected

Other mentionable items:

1. If any of the following situations occurs in the operation of the audit committee, the audit committee meeting date, period, content of proposals, independent directors' objections, reserved opinions or major proposals, the results of the audit committee's resolutions, and the company's approval of the audit committee should be stated. Handling of opinions.
(1) Matters listed in Article 14-5 of the Securities and Exchange Law: For all the proposals and resolutions of the Audit Committee in 2024 and up to the publication date of the annual report, and the company's implementation, please refer to P128-132. Proposals related to Securities and Exchange Act 14-5 are marked after each topic.
(2) Except for the above-mentioned matters, other resolution matters that have not been approved by the audit committee and approved by more than two-thirds of all directors: None.
2. Execution status of independent directors' recusal of interest-related proposals (should state independent director's name, proposal content, reasons for recusal of interests, and participation in voting): There is no such case for the audit committee (see Remuneration and Board of Directors for remuneration and recusal of independent directors' interests operating conditions).
3. Communications between independent directors and internal audit supervisors and accountants: (should include major events, methods and results of communication on the company's financial and business conditions, etc.).
(1) Communication policy between independent directors, internal audit supervisors and accountants:
A. Independent directors and accountants conduct written or face-to-face communication on the completion of the company's financial report on a quarterly basis to confirm the reliability of the company's public financial information, communicate the work of auditors, understand the company's major risks, and understand the management's

approach to reducing risks . Accountants report and communicate with independent directors on the completion stage of the company's financial report, major adjusting entries and unadjusted entries, information on related parties, customer statements, independence of accountants, and independent directors. Convene meeting.

B.The internal audit supervisor and independent directors hold meetings on a quarterly basis to report on the company's internal audit implementation and internal control operations. In case of major abnormalities, a meeting may be called accordingly.

(2) Communication between independent directors and accountants: (annual work focus)

The accountant communicates with the governing unit on checking (reading) the company's financial reports, major accounting estimates, selection and change of accounting principles, major adjusting entries and unadjusted entries, independence of accountants, etc., and irregularly communicates with independent directors as needed Interviews to discuss matters related to corporate governance and the company's financial status.

Communication date between independent directors and accountants in 2024:

3/12 The financial report has been approved by the (third) Audit Committee and submitted to the Board of Directors for approval and the application has been completed and signed based on the AQI assessment.

Certify the independence and suitability of the accountant and discuss the non-certification services provided by the accounting firm. The independent directors/audit committee members have no opinion.

5/10 The financial report has been approved by the (third) audit committee, submitted to the board of directors for approval and completed. Independent director/audit committee has no opinion.

On 8/12, the (forth) audit committee approved the financial report, and submitted it to the board of directors for approval and the declaration was completed. Independent director/audit committee has no opinion.

11/11 The financial report has been approved by the (forth) audit committee, submitted to the board of directors for approval and completed. Independent director/audit committee has no opinion.

Before the meeting of the Audit Committee on March 12, 2024, the accountant and the independent directors will have a separate symposium. The items are as follows:

- (1). Revenue status.
- (2). The status of each project.
- (3). The current situation of the lawsuit.
- (4). Self-compiled financial report.

In this symposium, the independent directors had no objection, and the communication was good.

(3) Communication situation between independent directors and internal audit supervisor: (annual work focus)

In addition to regularly sending various internal audit reports to the independent directors, the company's audit unit also attends the report on the board of directors and the audit committee, and also holds separate discussions with the independent directors from time to time;

Communication date in 2024:

3/12 The Audit Committee and the Board of Directors approve the issuance of the

"Internal Control System Statement" by the Company. The audit director shall attend the audit committee and the board of directors and report on the performance of audit work at the board of directors. The independent directors/audit committee members have no comments.

On 5/10, The Audit Committee and the Board of Directors have no audit-related discussion topics. The Audit Supervisor attends the Audit Committee and the Board of Directors and reports on the execution of audit business at the Board of Directors. The independent directors/audit committee members have no comments.

8/12 The Audit Committee and the Board of Directors approve the appointment of the Audit Chief, who will attend the Audit Committee and the Board of Directors and report on the performance of audit work at the Board of Directors. The independent directors/audit committee members have no comments.

11/11 The Audit Committee and the Board of Directors have no audit-related issues. The audit supervisor shall attend the audit committee and the board of directors and report on the performance of audit work at the board of directors. The independent directors/audit committee members have no comments.

12/31 The Board of Directors approved the 2025 audit plan and the addition and revision of the internal control system. The audit supervisor attended the audit committee and the board of directors, and the independent directors/audit committee members had no objection.

12/31 Before the Audit Committee, the auditors had a separate interview with the independent directors, the content of which was as follows:

(1) Integrating the implementation of the audit report business in the first to fourth quarters (January to December) of 2024.

(2) Report to the independent director that the 2024 annual audit business has been completed in accordance with the annual audit plan, and submit the 2025 annual audit plan for review by the board of directors in accordance with the provisions of the internal control system processing guidelines.

(3) At present, the self-assessment of various departments in 2024 has begun. The entire work schedule is expected to be completed by the end of February 2025, and the internal control statement will be issued in March.

Implementation status: independent directors have no objection, and the audit continues to be carried out in accordance with the regulations.

2.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Has the company formulated and disclosed the code of corporate governance practice in accordance with the "Code of Practice for Corporate Governance of Listed OTC Companies"?	✓		On November 13, 2014, the Company formulated the Company's Corporate Governance Code of Practice in accordance with the "Corporate Governance Code for Listed Companies" and implemented it after approval by the Board of Directors. On November 11, 2024, the Board of Directors approved the tenth revision and disclosed it on the Public Information Observation Station. (http://mops.twse.com.tw/mops/web/t100sb04_1) stock code: 5521, and the company's official website http://www.kseco.com.tw/tc/regulations.aspx	None
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating	✓		Internal control of the Company set about parties on record operating procedures, the actual	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?			operation of the process in conformity to prescribed procedures and made a record, the company website investor contact zone and set up the window, a spokesman for the establishment of mechanisms to deal with shareholder proposals, doubts, disputes and litigation matters. .	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		The Finance & Shared Services Division is responsible for collecting the updated information of major shareholders and the list of ultimate owners of those shares.	None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		Rules are made to strictly regulate the activities of trading, endorsement and loans between the Company and its affiliates. In addition, the “Criteria of Internal Control Mechanism for a Public Company”, outlined by the Financial Supervisory Commission when drafting the	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		<p>guidelines for the “Supervision and Governance of Subsidiaries”, was followed in order to implement total risk control with respect to subsidiaries.</p> <p>To protect shareholders’ rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information(amended in August 2015 Preventing insider trading management system operations). The Company has also strongly advocated these rules in order to prevent any violations.</p>	None
3.Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its			(1) Factors considered in the composition of the directors of the Company include, but are not	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
members?	✓		limited to, gender, age, culture, educational background, ethnicity, professional experience, skills, knowledge and terms of service. The Board of Directors objectively selects candidates to meet the goal of membership diversity. In addition to the directors of the company with a background in construction and operation and management, the independent directors also have a background in finance. Please refer to P14-19 of this annual report and the company's website investor zone - corporate governance - director introduction. http://www.kseco.com.tw//tc/finance1.aspx	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) In addition to the salary and remuneration committee, the company currently established an audit committee after the re-election of directors at the shareholders' meeting in 2015, and a	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually? And report the results of the performance evaluation to the board of directors and run. References for individual directors' remuneration and nomination renewal?	✓		<p>sustainable development committee was established by the board of directors in August 2023.</p> <p>(3) In 2019, the Company has formulated the "Measures for Performance Evaluation of the Board of Directors and Functional Committee Members", and since that year, it has issued a performance self-evaluation questionnaire to all board members.</p> <p>The performance evaluation of the board of directors is carried out. After each director has completed the evaluation, the board of directors will collect statistics and report at the board meeting and put forward the direction of improvement, which will be used in the remuneration of individual directors and as a reference for nomination and re-appointment.</p>	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>Please refer to page 42 for the self-assessment of the directors of the company. After all the questionnaires are collected, they will report to the latest board of directors and put forward improvement suggestions for areas that can be strengthened.</p> <p>The company's "Measures for the Performance Evaluation of the Board of Directors and Functional Committees" stipulates that the performance evaluation of the Board of Directors and functional committees should be carried out at least once a year. The evaluation period should be at the end of each year.</p> <p>Conduct annual performance reviews.</p> <p>The results of the performance evaluation of the board of directors and functional committees should be completed before the end of the first quarter of the following year.</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>The internal self-evaluation of the performance of the company's 2024 board of directors and its functional committees has been completed; and submitted to the board of directors on March 11, 2025. After the deliberative unit reports to the board of directors, report the suggested matters and improvement plan to the public information Observatory and annual report of the company. The evaluation results of the board of directors and functional committees in 2024 are all excellent: The Board of Directors scored 4.85 points, the Audit Committee scored 4.85 points, the Compensation Committee scored 4.87 points, and the Sustainability Committee scored 4.61 points (all 4 points are 5 points), but a few areas still need to be improved and optimized:</p> <p>A.Individual Directors:</p> <p>Individual directors can further strengthen their</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>assessment of corporate risk management, professional development in directors' continuing education programmes and communication with accountants.</p> <p>Improvement plan:</p> <p>(1) Enhance the continuous professional development program of directors' training courses.</p> <p>(2) Increase communication between accountants and directors.</p> <p>B. Board of Directors:</p> <p>The three assessment items of "directors' attendance at shareholders' meetings" regarding the degree of participation in company operations, "directors' sufficient communication and exchanges with certified public accountants" and "directors' training has a continuous professional development plan" regarding the</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>selection and continuous training of directors need to be strengthened.</p> <p>Improvement plan:</p> <p>(1) Increase directors’ attendance at regular shareholders meetings.</p> <p>(2) Enhance the continuous professional development program of directors’ training courses.</p> <p>(3) Increase communication between accountants and directors.</p> <p>C. Functional Committee:</p> <p>(A) Recognition of the Audit Committee’s responsibilities: “The Audit Committee can accurately assess and monitor the various risks that exist or are potential in the company”, “The Audit Committee and the certifying accountants have sufficient communication and exchange”, and “The information provided by the company</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>to the Audit Committee is complete” to improve the quality of the Audit Committee’s decision-making.</p> <p>"Complete, timely..." 3 items need to be strengthened.</p> <p>Improvement plan:</p> <p>(a) Enhance the timeliness of providing financial information.</p> <p>(b) Strengthen the assessment of various potential risks of the company.</p> <p>(c) Strengthen communication between accountants and independent directors/functional committee members.</p> <p>(B) Improving the quality of decision-making of the remuneration committee</p> <p>The information provided to the Compensation Committee is complete and timely.</p> <p>And have a certain quality..." The project needs</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>to be further strengthened.</p> <p>Improvement plan:</p> <p>The company strengthens the timeliness of providing information before meetings.</p> <p>(C) Responsibilities of the Sustainable Development Committee</p> <p>The committee can effectively evaluate and monitor the company's existing or potential Various risks and opportunities. and promote the Sustainable Development Committee</p> <p>The quality of decision-making in various sustainable development committee meetings Resolution, with proper follow-up of implementation" 2 items need to be strengthened.</p> <p>Improvement plan:</p> <p>(a)Strengthen the assessment and supervision of the company’s existing or potential ESG risks.</p>	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>(b)Strengthen regular assessment and follow-up of ESG goals.</p> <p>(4) The Company's Audit Committee evaluates the independence and competence of its certified public accountants annually based on the standards in Note 3 and the 13 AQI indicators. It has been confirmed that the accountant and the company have no other financial interests and business relationships except for the fees for visas and financial and tax cases, and that the accountant's family members do not violate the independence requirements. In addition, with reference to the AQI index information, it has been confirmed that the accountant and the firm have better audit experience and training hours than the industry average. The results of the most recent annual assessment have been discussed and approved by the Audit Committee on March</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			11, 2025, and submitted to the Board of Directors for approval on March 11, 2025 to assess the independence and suitability of the accountants.	
4.Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the board of directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders’ meetings)?	✓		The company takes the stock office of the administrative department as the unit responsible for corporate governance affairs , and appointed director Li, kuei- chung as a full-time corporate governance supervisor, in addition to providing directors (including independent directors) with the necessary information for business execution, handling matters related to meetings of the board of directors and shareholders' meetings, handling company registration and change registration, and making minutes of board of directors and shareholders' meetings, etc. In addition to events,	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			build and maintain the company website for information disclosure and information related to corporate governance, stakeholders, and corporate social responsibility. For relevant corporate governance operations and implementation, please refer to the company's website: https://www.kseco.com.tw/upload/17/2025022617065097531.pdf	
5.Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The company has established a special area for stakeholders on the company's website, and provides appropriate communication channels (the website has an investor contact window, and provides online questioning channels and sustainable development questionnaires) to understand and appropriately respond to stakeholders' concerns. important corporate social responsibility issues of concern.	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Please refer to our website (Investor Zone, Sustainability Zone and Stakeholder Zone) https://www.kseco.com.tw/tc/index.aspx	
6.Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company originally appointed a professional stock affairs agency, "Yuanta Securities Stock Affairs Agency Department", to handle the Company's shareholders' meeting affairs. Effective August 1, 2024, the Company will replace it with "Taishin Securities Stock Affairs Agency Department".	None
7.Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1)The Company has set up a Chinese/English website (http://www.kseco.com.tw) to disclose information regarding the Company’s financials, business and corporate governance status.	None
(2) Does the company have other information	✓		(2) Company website:	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?			https://www.kseco.com.tw/tc/index.aspx In addition to setting up the company website (Chinese and English versions), the stock affairs specialist is responsible for collecting and disclosing company information, and implementing the spokesperson system by disclosing important information and setting up contact windows.	None
(3) Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation within the prescribed time limit?		✓	(3) The company currently publishes and declares its annual financial report by the end of March in accordance with regulations. The first, second, and third quarters are also completed within the standard timeframe. The monthly revenue is declared before the 10th of each month.	At present, it is reported in advance within 75 days after the end of the year, and it will still follow the corporate governance 3.0 standard in the future implement.

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?				
(1) Details of the training of the Company's directors and independent directors are as follows: Note 4. In addition to the 6-hour course for directors/independent directors and the 12-hour course for new directors as required, the company also regularly arranges promotional activities and training on corporate governance, corporate ethics, securities laws, insider trading, etc.				
(2) Please refer to page 39 for the status directors and supervisors participating in the meeting of the board of directors. For employees’ interests and care, please refer to pages 160-166.				
(3) For the risk management policy and risk assessment standard, please refer to pages 173-178. The relationship with suppliers and the status of customer policy, please refer to pages 157-158 For the relationship among investors and interests of related parties, please refer to “For investors” on the company’s website.				
(4)In addition to dedication to its regular management and profit maximization, the company as well is aware of its corporate responsibility for the society, and constantly pays attention to consumers’ interests and environmental protection. Please refer to pages 81-106 regarding responsibility to the society stated in the area for investors on the company’s website.(https://www.kseco.com.tw/tc/responsibility.aspx?cid=27&cchk=A3450C32-ACF0-4D13-81C1-976EF7C59836)				
(5) The company’s directors are evaded from participating in the voting of cases involved with interests and forces and may cause harm to the company’s interests listed by the Board.				
(6) The company purchased liability insurance for all directors on November 16, 2018 and And renew on November 16, 2024, and has applied to				

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
the public information observatory.				
<p>(7) In order to enhance the company’s operation, the company successively checks and complies with the authorities and set up related measures and internal operating procedure based on needs. Such as “procedure of meetings of the Board of Directors”, “procedures of the acquisition or disposition of assets”, “procedures of engaging in derivative transactions”, “procedures and rules of shareholders’ meeting”, “election measures for directors and supervisors”, “procedures of derivative transactions”, “budget management measures”, “subsidiary management measures”, “prevention of insider trading management systems”, and “public information reporting and operational control”. Among which, “prevention of insider trading management systems” and “public information reporting and operational control” are the major information processing procedures, as all related departments and staff are dealing with important information or disclosure, must follow the related procedures and regulations.</p> <p>As a site is established, the company always offers a complete internal control system to each site, and when amendments and additions are made, all staff, managers, and directors will be noticed immediately.</p>				
<p>9. Has the company implemented a self-evaluation report ² on corporate governance or has it authorized any other professional organization to conduct such evaluation? If so, please describe the opinion from the Board, the result of self or authorized evaluation, the major deficiencies, suggestions, or improvements.</p> <p>The company has formulated a code of practice for corporate governance and implemented it in accordance with the code. In the 2024 Corporate Governance Assessment (assessed by the Securities and Exchange Commission), the company will complete the self-assessment before the end of January 2025. On April 30, 2025, the Securities and Exchange Commission announced a score of 91.31, which ranks first among all listed companies evaluated 21%-35%, an less of 0.53 points compared with last year.</p> <p>Strengthening priorities and measures:</p> <p>(1)Increase the disclosure of employee training and development plans to enhance employee career capabilities, and disclose the content and implementation status.</p>				

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2)Conduct employee satisfaction surveys regularly and disclose implementation status and improvement plans.				
(3)Disclose the personal data protection policy and disclose its content and implementation.				

Note: 1. Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

2. A self-evaluation report is defined as the company assessing its corporate governance evaluation items with appropriate explanations on current corporate operations and implementation.

3

Assessment project	Assessment results	Whether it meets the independence
Whether the accountant has direct or significant indirect financial interests in the company	None	Yes
Whether the accountant has any financing or guarantee activities with the company or its directors	None	Yes
Whether the accountant has a close business relationship or potential employment relationship with the company	None	Yes
Whether the accountant and his/her audit team members currently or in the past two years have served as directors, managers or other positions that have a significant impact on the audit work of the company	None	Yes
Does the accountant provide non-audit services to the company that may directly affect the audit work?	None	Yes
Does the accountant have any agency in the issuance of stocks or other securities by the company?	None	Yes
Whether the accountant has acted as the company's advocate or represented the company in coordinating conflicts with other third parties.	None	Yes
Whether the accountant has any family relationship with the company's directors, managers or persons who have a significant impact on the audit case	None	Yes

Directors training records:

Title	Name	Training hours	Study period		Sponsoring Organization	Course
			From	To		
Director	Chen ,huang-min g	6H	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum.
Director	Chiang,c hi-ching	6H	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum.
Director	Pan,ying -jiuan	12H	2024/08/27	2024/08/28	Securities and Futures Market Development Foundation of the Republic of China	Practical Training Course for Directors and Supervisors (Including Independent Persons) and Corporate Governance Managers
Director	Ding, cheng-jr	12H	2024/07/30	2024/07/31	Securities and Futures Market Development Foundation of the Republic of China	Practical Training Course for Directors and Supervisors (Including Independent Persons) and Corporate Governance Managers
Independent director	Jang liang-ming	6H	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum.
Independent director	Tu,yi-yang	3H 3H	2024/06/18 2024/08/23	2024/06/18 2024/08/23	National Association of the Chinese Institute of Certified Public Accountants	1. International development trends and practices in money laundering prevention 2. Discussion on the establishment of internal control system for

						sustainable information management
Independent director	Chiang jung ch'ing	6H	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum.

For more information on preventing insider trading, operating with integrity, and major information handling procedures, please visit our company website - Sustainable Development - Preventing Insider Trading:

<https://www.kseco.com.tw/TC/responsibility.aspx?cid=114&cchk=2D06976A-17C0-441C-85C1-DABD967C8F0B>

And our company website - sustainable development - implementation of corporate integrity management:

<https://www.kseco.com.tw/TC/responsibility.aspx?cid=115&cchk=70AACCD8-FC40-452C-822C-378B234FF98A>

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

1. Composition: The Company has set up a Remuneration Committee and has three members of the Remuneration Committee on December 28, 2011, with the same term as the appointed Board of Directors.

2. Duties: The Committee shall, with the care of good management, faithfully perform the following functions and submit the recommendations to the Board for discussion.

(1) To formulate and regularly review the policies, systems, standards and structure of directors and managers' performance evaluation and payroll remuneration.

(2) to regularly assess and determine the remuneration of directors and managers.

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

<div> <div>Identity (Note 1)</div> <div> <div>condition</div> <div>Name</div> </div> </div>	Professional qualifications and experience (Note 2)	Independence situation (Note 3)	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
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Independent director (convener)	Jang liang-ming	Consultant of Guopiao Venture Capital Co., Ltd. Guopiao Venture Capital Co., Ltd. Investment Manager Taichung City Central District Freedom Section 4, Section 4, and 64 other land urban renewal units, Urban Renewal Committee alternate director He was a senior executive of Guopiao Venture Capital and has expertise in finance and accounting. He can provide the company with experience references on salary structure and remuneration system.	Remuneration committee members are all independent directors, please refer to P17-19 for details of independence	0
Independent director	Tu,yi- yang	Li Yang Certified Public Accountants Tianliang Biotechnology Enterprise Co., Ltd. Independent Director Served concurrently as a salary and remuneration committee member of other companies, and can provide company experience reference on salary structure, remuneration system, etc.		1
Committee Member	Chiang jung ch'ing	Yuan hsuan Construction Co., Ltd. Vice Chairman The company's experience can be used as a reference for other senior management in the construction industry regarding salary structure and remuneration system.		0

Note 1: Please specify in the form the relevant working years, professional qualifications and experience and independence of the members of the Compensation Committee. If they are independent directors, please refer to Appendix 1 on page 00 for directors and supervisors. Information (1) Related content. Please fill in the series as independent directors or others respectively (if it is the convener, please add a note).

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

Note 3: Condition of independence: state that the members of the Compensation and Remuneration Committee meet the conditions of independence, including but not limited to whether I, my spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliated companies; I, spouse, relatives within the second degree of relatives (or in the name of others) hold the number and proportion of the company's shares; whether it is a company that has a specific relationship with the company (refer to the listing of stocks or the establishment and exercise of powers of the company's compensation committee at the business office of a securities firm) The amount of remuneration received by the company or its affiliated companies for providing business, legal, financial, accounting and other services in the last two years.

B. Attendance of Members at Remuneration Committee Meetings

1. The Company's Remuneration Committee shall consist of 3 members.
2. Term of office of this committee: June 25, 2024 to June 24, 2027. The Remuneration Committee will hold four meetings in 2024 (June 25, 2024).
1 time before the re-election, 3 times after the re-election) [A], the attendance of members is as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Chen, chin-yueh	1	0	100%	dismissed on June 25, 2024
Convener	Jang liang-ming	3	0	100%	Newly appointed on June 25, 2024
Committee Member	Tu, yi-yang	4	0	100%	re-elected
Committee Member	Chiang jung ch'ing	4	0	100%	re-elected

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified):
None. See how it works below.
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to

members' opinion should be specified: None. See how it works below
--

In 2024 and as of the date of publication of the annual report, the operation of the salary and compensation committee:

(1) March 12, 2024 Salary and Remuneration Committee. (the 27th, first time of Board, 2024)

First case: Employee and director compensation distribution in 2023. (Stakeholders are advised to evade when voting on this case)

The result of the resolution: All the members present at the meeting was passed without any dispute.

After being passed by the Remuneration Committee, it was submitted to the Board of Directors for resolution. On March 12, 2024, the Board of Directors passed the resolution and proposed to set aside 4.46% of employee remuneration, totaling NT\$3,282,267, and 0% of director remuneration, totaling NT\$0. Employee remuneration will be in cash. The distribution is expected to be reported at the regular shareholders' meeting on June 25, 2024.

Second case: Review the remuneration of directors and managers in 2023 and the remuneration of the new executive deputy general manager and deputy general manager, and submit it for discussion. (Stakeholders please avoid when voting on this case)

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's business situation: After being approved by the Remuneration Committee, it will be submitted to the Board of Directors for resolution, and will be approved by the Board of Directors on March 12, 2024.

Council resolution passed. Remuneration matters shall be handled according to the result of the resolution.

(2) August 12, 2024 Remuneration Committee. (the 28th, threeth time of Board, 2024)

First case: Review the remuneration of new directors, compensation committee members, audit committee members, sustainable development committee members and new general manager, as well as the remuneration adjustment proposals for managers, and submit them for discussion. (Interested parties are requested to recuse themselves from voting on this case)

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's business situation: The resolution was approved by the Remuneration Committee and was reviewed and approved by the board of

directors on August 12, 2024.

Second case : The retirement pension application of the former chairman is submitted for discussion.

Resolution: After the Chairman consulted all the present members, this motion was not discussed for the time being. Considering that the retirement fund management method for appointed managers was established too long ago, in order to adapt to the current situation, it is planned to raise the salary after revising it. Remuneration Committee for review.

Company handling: As the Compensation Committee is not discussing this case for the time being, the proposal will not be submitted to the Board of Directors and will not be processed for the time being. It will be brought to the Compensation Committee for discussion after the relevant regulations are revised.

(3) November 11, 2024 Remuneration Committee. (the 28th, fourth time of Board , 2024)

Items for discussion retained from the last meeting: Proposal 2 of the Remuneration Committee on August 12, 2024, regarding the former chairman's retirement pension application, was withdrawn after consideration and was submitted for discussion as a bonus proposal this time (see the first proposal).

First case: The case of director Chen ,huang-ming's bonus is submitted for discussion.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's business situation: After approval by the Remuneration Committee, it was submitted to the Board of Directors for resolution and approved by the Board of Directors on November 11, 2024. Handle bonus matters according to the resolution results.

Second case : Review the salary and remuneration proposal for the new deputy general manager and submit it for discussion.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's business situation: After approval by the Remuneration Committee, it was submitted to the Board of Directors for resolution and approved by the Board of Directors on November 11, 2024. Handle remuneration matters according to the resolution results.

(4) December 31, 2024 Remuneration Committee. (the 28th, fifth time of Board , 2024)

First case : Directors' and managers' remuneration and execution of year-end performance evaluation .(Stakeholders are advised to evade when voting on this

case)

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's business situation: After being approved by the Remuneration Committee, it will be submitted to the Board of Directors for resolution, and passed by the Board of Directors on December 31, 2024. Handle the follow-up matters of the year-end performance evaluation according to the results of the resolution.

Second case : The annual work plan for 2025.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's business situation: Perform related tasks in accordance with the predetermined work plan.

(5) March 11, 2025 Salary and Remuneration Committee. (the 28th, first time of Board , 2025)

First case : Employee and director compensation distribution in 2023. (Stakeholders are advised to evade when voting on this case)

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's business situation:After the approval of the Compensation Committee, the board of directors passed the resolution, which was approved on March 11, 2025. It is proposed to set aside 5% of employee remuneration, totaling NT\$1,089,870, and 0% of director remuneration, totaling NT\$0. Employee remuneration will be paid in cash, with an estimated it is planned to be reported to the shareholders at the regular meeting on June 26, 2025.

Second case : Review the remuneration of directors and managers in 2025 and submit it for discussion. (Stakeholders please avoid when voting on this case)

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's business situation: After approval by the Remuneration Committee, it was submitted to the Board of Directors for resolution and approved by the Board of Directors on March 11, 2025. Handle remuneration matters according to the resolution results.

2.3.5 The composition, responsibilities and operations of the Sustainable Development Committee:

1. The company's sustainable development committee consists of 3 members.
2. Responsibilities:
 - (1) Promote and strengthen corporate governance and integrity management systems.
 - (2) Promote and develop matters related to corporate sustainability.
 - (3) Supervise other sustainability-related work matters approved by the board of directors.
3. The Sustainable Development Committee will hold three meeting in 2024 [A] (The election will be held on June 25, 2024. There will be one meeting before the election and two meetings after the election.). The attendance of the members is as follows:

Job title	Name	Actual attendance (B)	Number of delegated attendances	Actual attendance rate (%) (B/A) (Note)	Remark
Convener	Chen, chin- yueh	1	0	100%	Hsin Fu hsing Co., Ltd. independent directors Major: Corporate Governance
Convener	Chiang jung ch' ing	3	0	100%	Yuan hsuan Construction Co., Ltd. Vice Chairman Major: Corporate governance includes board operations, social responsibility includes employee compensation, benefits, occupational safety and health, etc.
Committee Member	Tu, yi- yang	3	0	100%	Li Yang Certified Public Accountants Expertise: IFRS sustainability standards, financial risks of climate change, etc.
Committee Member	Jang liang-ming	2	0	100%	National Ticket Venture Capital Consultant Specialties: Corporate governance and operating performance, social responsibility and employee compensation and benefits,

					education and training
<p>Other matters that should be recorded:</p> <p>The company's Sustainable Development Committee was established by the board of directors on August 11, 2023, and is expected to hold at least two meetings each year (at least once in the first half of the year and once in the second half of the year).</p>					

Operation status of the Sustainable Development Committee in 2024:

(1) Sustainable Development Committee on May 10, 2024, proposed for discussion.
(The 2th meeting of the 27th Board of Directors in 2024)

The first case: Please discuss the Company's sustainable development policy, risk assessment and sustainable development implementation.

Resolution result: passed without objection after consultation by the chairman and all members present.

Company's implementation status: After approval by the Sustainable Development Committee, a report will be submitted to the Board of Directors.

The Second case: The company's greenhouse gas inventory and verification schedule planning for 2024 is submitted for review.

Resolution result: passed without objection after consultation by the chairman and all members present.

Company processing and implementation status: reported to the board of directors on a quarterly basis. The expected execution situation is as follows:

Work projects	estimated finish time	Execution progress
Determine the establishment of full-time (part-time) units, full-time (part-time) personnel, number of full-time (part-time) personnel and their scope of duties of the parent company	End of December 2022	Has been completed
Determine the establishment of full-time (part-time) units, full-time (part-time) personnel, number of full-time (part-time) personnel, and scope of duties of the subsidiary.	End of March 2023	Has been completed
Complete greenhouse gas inventory and verification schedule planning.	End of June 2023	Has been completed
Trial inventory operation	From January 1, 2024 to	Arrange education

	December 31, 2024	<p>and training for seed personnel at each construction site, and pilot greenhouse gas inventories at each construction site.</p> <p>The first education and training was completed on 2024.03.08.</p> <p>*It is expected that the second round of education and training will be carried out in the second half of the year, and the implementation of inspections at each construction site will be reviewed.</p>
Complete the inventory	2026	Planning in progress
Complete verification	2028	Planning in progress

(2) Sustainable Development Committee on August 12, 2024, proposed for discussion.

(The 3th meeting of the 28th Board of Directors in 2024)

The first case: The Company's 2023 perpetual report is submitted for discussion.

Resolution: The Chairman consulted with all the present members and passed without objection.

Company's handling and execution status: After discussion and approval by the Sustainability Committee and the Board of Directors, it will be reported to the public information observatory.

The Second case: The company's greenhouse gas inventory and verification schedule

planning for 2024 is submitted for review.

Resolution result: passed without objection after consultation by the chairman and all members present.

Company processing and implementation status: reported to the board of directors on a quarterly basis. The expected execution situation is as follows:

Work projects	estimated finish time	Execution progress
Determine the establishment of full-time (part-time) units, full-time (part-time) personnel, number of full-time (part-time) personnel and their scope of duties of the parent company	End of December 2022	Has been completed
Determine the establishment of full-time (part-time) units, full-time (part-time) personnel, number of full-time (part-time) personnel, and scope of duties of the subsidiary.	End of March 2023	Has been completed
Complete greenhouse gas inventory and verification schedule planning.	End of June 2023	Has been completed
Trial inventory operation	From January 1, 2024 to December 31, 2024	Arrange education and training for seed personnel at each construction site, and pilot greenhouse gas inventories at each construction site. The first education and training was completed on 2024.03.08. *It is expected that the second education and training will be

		carried out on September 20, 2024, and the implementation of inspections at each construction site will be reviewed.
Complete the inventory	2026	Planning in progress
Complete verification	2028	Planning in progress

(3) Sustainable Development Committee on November 11, 2024, proposed for discussion. (The 4th meeting of the 28th Board of Directors in 2024)

The first case: The scope of the company's carbon inventory and carbon reduction targets for 2025 are submitted for discussion.

Resolution: The Chairman consulted with all the present members and passed it without objection.

The company's implementation status: Scopes 1 and 2 are the scope of the investigation, and organizational investigation is the boundary of the investigation. The carbon reduction target for 2025 is a 40% reduction compared to the base year.

The Second case: The company's greenhouse gas inventory and verification schedule planning for 2024 is submitted for review.

Resolution result: passed without objection after consultation by the chairman and all members present.

Company processing and implementation status: reported to the board of directors on a quarterly basis. The expected execution situation is as follows:

Work projects	estimated finish time	Execution progress
Determine the establishment of full-time (part-time) units, full-time (part-time) personnel, number of full-time (part-time) personnel and their scope of duties of the parent company	End of December 2022	Has been completed
Determine the establishment of full-time (part-time) units, full-time (part-time) personnel, number of full-time (part-time)	End of March 2023	Has been completed

personnel, and scope of duties of the subsidiary.		
Complete greenhouse gas inventory and verification schedule planning.	End of June 2023	Has been completed
Trial inventory operation	From January 1, 2024 to December 31, 2024	<p>Arrange education and training for seed personnel at each construction site, and pilot greenhouse gas inventories at each construction site.</p> <p>The first education and training was completed on 2024.03.08.</p> <p>*2024.09.20</p> <p>Completed the second round of education and training, and reviewed the implementation of inspections at each construction site.</p> <p>* It is expected that the quotation work of consulting companies will be completed before the end of the year, the consulting company</p>

		for greenhouse gas inventory guidance will be determined, and the inventory schedule for next year and the training of key personnel will be planned.
Complete the inventory	2026	Planning in progress
Complete verification	2028	Planning in progress

(4) Sustainable Development Committee on May 09, 2025, proposed for discussion.

(The 3th meeting of the 28th Board of Directors in 2025)

The first case: Please discuss the Company's sustainable development policy, risk assessment and sustainable development implementation.

Resolution result: passed without objection after consultation by the chairman and all members present.

Company's implementation status: After approval by the Sustainable Development Committee, a report will be submitted to the Board of Directors.

The Second case: The company's greenhouse gas inventory and verification schedule planning for 2024 is submitted for review.

Resolution result: passed without objection after consultation by the chairman and all members present.

Company processing and implementation status: reported to the board of directors on a quarterly basis. The expected execution situation is as follows:

Work projects	estimated finish time	Execution progress
Determine the establishment of full-time (part-time) units, full-time (part-time) personnel, number of full-time (part-time) personnel and their scope of duties of the parent company	End of December 2022	Has been completed
Determine the establishment of full-time (part-time) units, full-time (part-time) personnel, number of full-time (part-time) personnel, and scope of duties of the	End of March 2023	Has been completed

subsidiary.		
Complete greenhouse gas inventory and verification schedule planning.	End of June 2023	Has been completed
Trial inventory operation	From January 1, 2024 to December 31, 2025	<p>1.The 2024 inventory data is expected to be input by the end of April.</p> <p>2. The coaching team expects to launch the first phase of the review before the end of April 2025.</p> <p>3.Education and training is expected to be carried out in May 2025.</p> <p>4.Field audit planning.</p>
Complete the inventory	2026	Planning in progress
Complete verification	2028	Planning in progress

2.3.6 Promoting the implementation of sustainable development and the differences and reasons for the code of practice for sustainable development of listed OTC companies.

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
1. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	✓		The company's board of directors is the highest unit to supervise sustainable development. In August 2023, the board of directors established a sustainable development committee to guide and supervise the sustainable development (ESG) work promotion group. The ESG work promotion group serves as the driving force for the company. The dedicated unit for sustainable development (composed of middle- and senior-level managers of each unit) is responsible for formulating the company's sustainable development policy and regularly reviewing the appropriateness of the policy and the revision of relevant norms and systems for sustainable development. And report and discuss proposals to the Sustainable Development Committee at least every six months. The Sustainable Development Committee reports the implementation of sustainable development to the Board of Directors at least twice a year (reporting the next year's goals to the Board of Directors on November 11, 2024, and the Board of Directors reporting the implementation of sustainable development in 2024 in May 2025). For relevant operations and board of directors supervision, please refer to the file download at the bottom of the homepage of the sustainability section of the official website: Operation and Implementation of Promoting Sustainable Development. http://www.kseco.com.tw/tc/responsibility.aspx?cid=27&cck=A3450C32-ACF0-4D13-81C1-976EF7C59836	None

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
			Operation and implementation status of the Sustainable Development Committee in 2024: Please refer to P73-80of this annual report.	
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	√		<p>The company conducts risk identification on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, then conducts risk assessment, and formulates management strategies and risk countermeasures based on the actual risks that may arise.</p> <p>For detailed risk management strategies, please refer to the company's website: https://www.kseco.com.tw/tc/about1.aspx?cid=101&cchk=812E398D-DFC2-43B1-8AC0-83184FB23358</p> <p>For management and strategies based on ESG risk assessment, please refer to: https://www.kseco.com.tw/upload/9/2021010409562886490.pdf</p>	None
3.Environmental issues A. Does the company establish an appropriate environmental management system according to its industrial characteristics?	√		<p>A. The company passed the ISO14001 environmental management system verification, (https://www.kseco.com.tw/tc/about1.aspx?cid=37&cchk=151F51C0-C6CB-4D3B-9C77-3BD2A5C283CA) and formulated environmental protection measures in accordance with the local environment of the project location, and in accordance with the relevant environmental protection laws and regulations of the owners and government units, and cooperated with the implementation of environmental management</p>	None

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
B. Is the company committed to improving the utilization efficiency of various resources and using recycled materials with low impact on environmental load?	√		systems. B. a. Energy saving related to photovoltaics at each construction site of our company: (1) The warning lights for nighttime construction traffic maintenance and the warning lights for fences in the work area all use solar energy storage to reduce the use of alkaline batteries, protecting the environment and saving energy and reducing carbon emissions. (2) LED lamps are used for night lighting and construction machinery lighting during nighttime construction to reduce power consumption and achieve the benefits of energy saving and carbon reduction. b. Taipei Gangnan Pier C Reclamation Area Public Facilities and Permanent Bank Protection and S04~S05 Pier Project: 90% of recycled materials are reused, and the concrete practice of circular economy: through high-quality design techniques, the existing materials in the port area are recycled and reused (blocks, stones, soil and sand) to reduce project costs.	None
C. Does the company assess the potential risks and opportunities of climate change for the company now and in the future,			C. The company has carried out climate change impacts based on the currently contracted projects. Risk assessment and evaluation of future contracting opportunities Analyze and formulate management strategies and risk countermeasures to respond. (See The company's website:	None

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
<p>and take measures to address climate-related issues?</p> <p>D. Does the company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?</p>	<p>✓</p> <p>✓</p>		<p>http://www.kseco.com.tw/tc/about1.aspx?cid=101&cchk=812E398D-DFC2-43B1-8AC0-83184FB23358)</p> <p>And download the TCFD report from the sustainability area of our company's website:</p> <p>https://www.kseco.com.tw/tc/responsibility.aspx?cid=27&cchk=A3450C32-ACF0-4D13-81C1-976EF7C59836</p> <p>D. Please refer to the company's website - sustainable development - environmental protection area for the company's energy management policies, greenhouse gas reduction, water use reduction, waste management and other information.</p> <p>(http://www.kseco.com.tw/tc/responsibility.aspx?cid=29&cchk=0ADDA6B5-8F20-4780-BE4C-67A38E65EBC6)</p>	None

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
4. Social issues				
A. Has the company formulated relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		A. The company formulates personnel management measures in accordance with the Labor Standards Law and formulates human rights policies in accordance with international human rights conventions. Please refer to the company's website. http://www.kseco.com.tw//tc/responsibility.aspx?cid=104&cchk=5E6B22F6-16F2-4F18-82F2-0049D0F59A55	None
B. Does the company formulate and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?	✓		B. The company established the Employee Welfare Committee in June 1993, and each year sets an annual plan and budget to handle various activities. The company also plans internal and external education and training and adjusts employee salaries according to the annual performance appraisal and company operating conditions and allocates 3% -5% of the surplus for employee dividends. For other related welfare measures, please refer to the "Human Resources Zone-Good Health in Industry Credit" of our website. (http://www.kseco.com.tw//tc/humanResources.aspx?cid=13&cchk=EDA7FCF-1BBE-4AAC-978B-5737C87B3701)	None

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
C. Does the company provide a safe and healthy work environment for employees, and regularly implement safety and health education for employees?	√		<p>C. The company has passed the "ISO 45001" and "CNS 45001" occupational safety</p> <p>We have verified the full hygiene management system (disclosed on the company website: https://www.kseco.com.tw/tc/about1.aspx?cid=37&cchk=151F51C0-C6CB-4D3B-9C77-3BD2A5C283CA), and provide a safe, healthy and comfortable working environment. We have set employee working environment and personal safety protection measures (see P165-166), arrange employee health checks every year, and hold safety and health education and training regularly to ensure that colleagues are aware of safety and health related regulations. The 2024 employee health check-ups have been carried out at various construction sites and the head office since June.</p> <p>Each employee has a blood pressure record card, and the health of the employees is monitored by the safety and health department members. In response to labor health protection, four major plans are promoted. In 2024, a human injury questionnaire and an abnormal workload questionnaire will be conducted, and two health lectures will be held to care for employee health.</p> <p>For information on occupational safety and health policies, implementation of occupational safety and health education and training, labor working environment monitoring, occupational accident statistics, etc., please refer to our company's sustainability report: 4. Happy Workplace and Social Integration - Occupational Safety and Health Chapter.</p> <p>No fire incidents occurred in 2024.</p>	None

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
D. Does the company establish an effective career development training program for employees?	✓		<p>The previous years' sustainability reports are available on our website: https://www.kseco.com.tw/tc/responsibility.aspx?cid=27&cchk=A3450C32-ACF0-4D13-81C1-976EF7C59836</p> <p>D. The company has set up an education and training quality management manual to evaluate employee functions and conduct training so that employees' career planning can be integrated with the company's overall benefits grow together. For relevant functional training and succession plans, please refer to the company website: https://www.kseco.com.tw/tc/humanResources.aspx?cid=12&cchk=9304CF63-133B-4378-B83D-CB735992B21E</p>	None
E. With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant regulations and international standards, and formulated relevant consumer protection policies and appeal	✓		<p>E. Our company is a construction company, mainly engaged in government public projects. Therefore, we comply with government regulations, such as the Government Procurement Act, engineering warranty operations, and personal information, in accordance with the Personal Data Protection Act. "Compliance with the Personal Data Protection Act's obligation to inform and consent form" protects the privacy of stakeholders through management and internal audits. In terms of production, we follow the construction management system and relevant government regulations to protect the rights of consumers and stakeholders. We have set up a stakeholder area on the company website and a FB social network as a channel for complaints and</p>	None

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
<p>procedures?</p> <p>F. Does the company formulate supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?</p>	✓		<p>contacts.</p> <p>The company has set up supplier management in its internal control system, strictly requiring suppliers to follow relevant regulations on environmental protection, occupational safety and health, or labor human rights, and setting environmental safety and health in the contract.</p> <p>and social responsibility undertakings, and ask manufacturers to sign undertakings and have their personnel participate in occupational safety and health education and training.</p> <p>For information on supplier management, evaluation and auditing, please refer to our Sustainability Report: 2 Corporate Governance - Supply Chain Management.</p> <p>The previous years' sustainability reports are available on our website: https://www.kseco.com.tw/tc/responsibility.aspx?cid=27&cchk=A3450C32-ACF0-4D13-81C1-976EF7C59836</p>	None
<p>5. Does the company refer to the internationally accepted reporting standards or guidelines to prepare reports that disclose non-financial information of the company, such as sustainability reports? Has the previous disclosure report obtained the assurance or assurance opinion of the</p>	✓		<p>The company prepares the sustainability report with reference to the internationally accepted reporting standards (GRI Standards), and currently adopts the method of self-assurance.</p>	<p>The confirmation of the third-party verification unit has not yet been obtained.</p>

promote the project	Implementation Status			The reasons for the differences from the "Code of Practice for Sustainable Development of Listed Companies"
	Yes	No	Abstract Explanation	
third-party verification unit?				
<p>6. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation:</p> <p>The company's corporate social responsibility code of practice was approved by the board of directors on August 12, 2015, and was revised for the third time on December 28, 2021, and the revised name was "Sustainable Development Code of Practice".</p>				
<p>7. Other important information to facilitate better understanding of the company’s corporate social responsibility practices :</p> <p>Please refer to the company's website: sustainable development area and the company's sustainability report for the operation of the company's sustainable development. http://www.kseco.com.tw//tc/responsibility.aspx?cid=27&cchk=A3450C32-ACF0-4D13-81C1-976EF7C59836</p>				

2.3.7 Climate related information

1. Implementation of climate-related information

project	Execution situation
1. Describe the board and management's oversight and governance of climate-related risks and opportunities.	<p>The company has established a functional committee under the board of directors - the "Sustainability Development Committee", which is composed of three independent directors authorized by the board of directors to possess professional knowledge and capabilities in corporate sustainability. It holds at least two meetings a year and is responsible for formulating, promoting and strengthening the company's sustainability committee. Action plans and capital expenditures on important policies for sustainable development (including climate-related issues), review, track and revise the implementation and results of sustainable development, and report to the board of directors.</p> <p>The committee also has working groups composed of heads of departments:</p> <ol style="list-style-type: none"> 1. Environmentally Friendly Group: Promote energy conservation and carbon reduction measures, compliance with environmental laws and regulations, waste disposal, greenhouse gas management, conservation strategies for protected animals and plants at individual construction sites, ecological maintenance and other related measures. 2. Social Human Rights Group: Caring for and attaching importance to employee welfare and education and training, improving the company's external relations and social communication, promoting social welfare and social services, and establishing long-term partnerships with collaborators/suppliers. 3. Corporate Governance Group: Strengthen the operation of the board of directors, integrate various corporate governance rules and regulations, ensure information transparency, pay attention to risk management, protect shareholders' rights and interests, and practice the company's concept of honest management. <p>Other functional committees are also responsible for the governance of some climate-related issues, including:</p> <ol style="list-style-type: none"> 1. The "Audit Committee" holds meetings every quarter to review the effectiveness of the company's internal control system, ensure the effective implementation of the system and supervise the control of the company's existing or potential risks.

	<p>2 The "Remuneration Committee" holds meetings every six months to discuss, evaluate and review managers' compensation for ESG-related performance, and incorporate climate-related goals and goal achievement into managers' performance evaluation and compensation systems to monitor the achievement of goals on climate-related issues. .</p> <p>Through the reward system and the relevant results of climate change management, management is encouraged to operate the company's business in a way that makes the company profitable and achieves sustainable operations. In this way, the company's sustainable goals will be achieved and investors and stakeholders can Relationships bring value.</p>
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2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term).	Short term: 1-3 years, medium term: 3-10 years, long term: more than 10 years				
	Risk type	period	project	Risk Statement/ potential financial impact	coping strategies
	physical risks	Short term	Operation interruption or loss caused by extreme weather events (such as typhoons/floods and droughts)	1. Affect employees' work (health, safety, absence). 2. Affect the progress of the construction period. 3. Asset value decreases.	Develop contingency plans for emergency disasters such as typhoon and flood prevention (possible situations and handling measures). Establish an emergency disaster response team for typhoon and flood prevention (organizing personnel for various tasks, making rosters, and arranging day and night shift schedules). Establish disaster notification and emergency response procedures for typhoon and flood prevention (emergency disaster and accident notification phone numbers and windows for each unit) Regularly conduct emergency disaster response drills and training for typhoon and flood prevention.

		long term	water shortage	Operating costs increase.	Set up rainwater collection and recycling facilities on the roofs of offices and dormitories. Set up groundwater collection and recovery facilities for earth excavation and dewatering operations at the construction site.
		long term	Mandatory water conservation efficiency, recycling and other standard requirements	Operating costs increase.	Install water-saving toilets, spray faucets and shower facilities. Rainwater and groundwater are recycled, filtered and reused. Wastewater collection and recycling facilities for bathrooms and washing facilities are installed for filtering and reuse.
		long term	Global warming causes increased water and electricity consumption and thermal injuries to employees	Operating costs increase.	Use power-saving LED light bulbs and energy-saving air conditioning equipment. Sprinkler systems are installed on the roofs of offices and dormitories, and indoor air conditioners are equipped with electric fans to reduce indoor temperatures. The outdoor passage lighting at the

					<p>construction site uses solar energy storage equipment.</p> <p>Sun-shaded rest stations are set up at the construction site, drinking water and salt tablets are provided for workers, and necessary emergency treatment equipment and medicines for heat stroke and other heat treatment are provided.</p>
	轉型風險	Short term	Total greenhouse gas control and carbon tax and carbon fee	<p>The government has proposed a draft amendment to the Greenhouse Gas Reduction and Management Act in 2022. It is expected to achieve the net-zero emission target by 2050 and develop a carbon trading market and carbon fees.</p>	<p>Formulate short, medium and long-term energy conservation and carbon reduction strategies. It is expected that in the short term (within 1-3 years) half of the official vehicles will be replaced by hybrid vehicles; in the medium term (3-10 years) all official vehicles will be replaced by hybrid vehicles; in the long term (10 years) -25 years) to replace all official vehicles with electric vehicles to achieve the goal of energy conservation and carbon reduction.</p> <p>The company's short, medium and long-term energy saving and carbon reduction strategies are written into the subcontracting contract,</p>

					requiring the manufacturer's vehicles and machinery entering and exiting the construction site to comply with the company's energy saving and carbon reduction strategies.	
		Short term	Increased regulations related to renewable energy	Operating costs increase.	The temporary power contract capacity application for the construction site is lower than the 800kW (watt) stipulated in the regulations. If there is a shortage, the zoning application method shall be adopted; the construction site shall use solar power storage equipment as much as possible, such as warning lights, street lighting, etc.; power-consuming equipment shall adopt energy-saving first-class products. , such as: air conditioning and refrigeration; our company and subcontractors use power-saving products for machinery and equipment.	

		medium 、 long term	Uncertainty in the development of energy-saving and carbon-reducing construction technology	1. Increase in operating costs. 2. Capital expenditure increases.	Use mature energy-saving and carbon-reducing construction technologies, such as replacing temporary RC construction access roads with steel trestles. Use furnace stone powder to replace a certain proportion of cement in the concrete mix. The cement mortar used in construction masonry projects will be replaced by "ready-mixed mortar".
		medium 、 long term	Increased use of renewable energy equipment	Capital spending increased.	Use solar power storage equipment, such as warning lights, street lighting, etc.
		Short 、 medium 、 long term	Environmental Assessment Commitments and Voluntary Agreements	Operating costs increase.	"Environmental Assessment Commitment" is a promise made by the owner or builder in the construction industry. The company is the contractor or builder and must comply with the contract requirements to achieve the above-mentioned owner or builder's promise. The relevant costs must be included in the contract amount between both parties.

	Opportunity type	period	project	Risk Statement/ potential financial impact	coping strategies
	Resources and energy	Short term	Reduce paper usage	1. Electronicize documents, change and enhance management models, and strengthen information security. 2. Reduced operating costs.	Electronic management: Establish an electronic document management center to convert original written materials such as contract documents, construction drawings, receipts, signatures, inspection and verification reports, etc. into electronic files for construction site personnel and related personnel to use IPAD and other equipment online Read, inspect and check, sign, sign for receipt, sign for, process and store.
		medium 、long term	Energy-saving buildings used in construction	Operating costs are reduced.	Introduce relevant building materials and equipment for energy-saving buildings into building development projects.
		long term	Use low carbon energy	Operating costs are reduced.	Carbon Inventory collects, analyzes and summarizes the carbon energy content of various materials and machines during the construction process, and then selects low-carbon energy materials and machines.

	market	medium 、 long term	Increased public sector incentives	Operating costs are reduced.	Construction sites and departments are required to actively participate in various award submissions and competitions in the public sector.
		medium 、 long term	Become a green supply chain and gain exposure and chances of winning bids	Revenue increased.	<p>The processes from procurement, construction, safety and health management, and environmental protection are in line with greening.</p> <p>When purchasing, choose environmentally friendly raw material suppliers to supply environmentally friendly and energy-saving materials.</p> <p>During the construction process, construction tools and components should be selected that are energy-saving, disassembly, reusable, long-lasting, and recyclable.</p> <p>In terms of safety and health management, efforts should be made to avoid or reduce harm to the human body to the greatest extent, such as: reducing the harm to the human body caused by radiation, noise, abnormal high and low temperatures, abnormal air pressure, and harmful solid, gas,</p>

					and liquid chemical substances. In terms of environmental protection, efforts should be made to avoid or reduce environmental pollution to the greatest extent, such as reducing air and water pollution caused by construction waste, residual soil, dust, wastewater and oil pollution.	
	reputation/ resilience	medium 、 long term	Improve corporate reputation	Revenue increased.	Actively participate in various green supply chain-related certifications and ISO verifications.	
		medium 、 long term	Improve climate adaptability and emergency response capabilities	1. Reduced operating costs. 2. Capital expenditures are reduced.	In view of the impact of various climate anomalies and changes on the construction process of the project, the impact is classified through risk analysis, and emergency response measures are implemented according to the impact situation to reduce losses.	

<p>3. Describe the financial impact of extreme climate events and transition actions.</p>	<p>1. The financial impact of extreme weather events:</p> <ul style="list-style-type: none"> (1) Affecting employees' work (health, safety, absence from work). (2) Affects the progress of the construction period. (3) Asset value decreases. <p>Response measures and actions:</p> <p>Develop contingency plans for emergency disasters such as typhoon and flood prevention (possible situations and handling measures).</p> <p>Establish an emergency disaster response team for typhoon and flood prevention (organizing personnel for various tasks, making rosters, and arranging day and night shift schedules).</p> <p>Establish disaster notification and emergency response procedures for typhoon and flood prevention (emergency disaster and accident notification phone numbers and windows for each unit)</p> <p>Regularly conduct emergency disaster response drills and training for typhoon and flood prevention.</p> <p>2. Financial impact of transformation actions:</p> <p>In response to the increasingly stringent regulations related to greenhouse gas reduction, if the intensity of supervision continues to increase, greenhouse gas emissions generated during corporate operations may be levied with carbon taxes and carbon fees, thus increasing operating expenses. The company has formulated short, medium and long-term energy conservation and carbon reduction strategies. It is expected that half of the official vehicles (excluding engineering vehicles) will be replaced by gasoline-electric hybrid vehicles in the short term; in the medium term, all official vehicles (excluding engineering vehicles) will be replaced by gasoline and electric vehicles; In the long term, all official vehicles (excluding engineering vehicles) will be replaced by electric vehicles to achieve the goal of energy conservation and carbon reduction.</p>
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4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	The functional committees under the company's board of directors: the audit committee and the sustainable development committee are responsible for assessing and controlling various internal risk policies, structures, systems, norms, review and response to major risk events, and reporting the operation status and results. Board of Directors.	
	The company's climate risk management process is as follows:	
	Collection of data on climate-related risks	The Sustainable Development Committee has an ESG work promotion group established by the heads of various departments of the company, which is responsible for collecting domestic and foreign climate change-related information and classifying risks.
	Risk identification and analysis assessment	Analyze the climate risks that may affect the company, identify them by risk type and degree of occurrence, assess the company's financial impact, and then analyze and evaluate possible opportunities. Risk section: 4 items of entity risks and 5 items of transformation risks. Opportunity section: divided into 3 items: resources and energy, 2 items: market, and 2 items: reputation/resilience.
	Risk control and response strategies	9 risks and 7 opportunities will be discussed to discuss risk control and response strategies for continuous improvement and review.
	Risk monitoring and reporting	The ESG work promotion team implements the aforementioned process and reports the implementation status to the Sustainability Development Committee every six months, which is continuously monitored by the Sustainability Development Committee and reported to the Board of Directors every six months.

<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.</p>	<p>Scenarios, parameters, assumptions, analytical factors and key financial impacts:</p> <p>The Company's scenario analysis is constructed using publicly available data sources, including assessments and reporting on climate emission pathways by the United Nations Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). The time frame used is 2023 to 2050.</p> <p>According to the assessment report released by the United Nations Intergovernmental Panel on Climate Change (IPCC), four climate change scenarios are proposed using the "Representative Concentration Pathway" (RCP):</p> <p>(1) RCP2.6 is a low-emissions scenario that limits global warming to less than 2° C (compared to pre-industrial times), also known as the 2° C scenario.</p> <p>(2) RCP4.5 is a moderate emissions scenario that still falls short of the 2° C limit and 1.5° C target, and is considered likely to produce about 2.4° C of warming.</p> <p>(3) RCP6.0 is a medium-to-high emissions scenario in which greenhouse gas emissions peak around 2060 and begin to decline towards the end of this century, and are considered likely to produce a warming of 2.8°C.</p> <p>(4) RCP8.5 is a high-emissions scenario consistent with current policies, with possible warming of up to 4.3° C.</p> <p>Under the IPCC RCP (Representative Concentration Pathway) 2.6, the Taiwanese government's "Taiwan Climate Change Estimation Information and Adaptation Knowledge Platform Project" (TCCIP) proposed an analysis of extreme climate events (such as typhoons and heavy rains) indicating the number of typhoons that will invade Taiwan in the future. will decrease, but the proportion of strong typhoons will increase, the rainfall intensity will increase, and the frequency and intensity of heavy rains will continue to increase. Therefore, the increased severity of extreme weather events such as typhoons</p>
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	<p>and floods will lead to damage to facilities/equipment, and the impact of extreme weather events on suppliers' operations and production will lead to product supply interruptions/delays, thereby increasing operating costs. It is initially estimated that operating costs will increase slightly. Under the IPCC RCP8.5 scenario, countries do not take any measures, resulting in higher and higher temperature rises, resulting in intensified climate extreme events. The severity of extreme weather events such as typhoons and floods will be higher, resulting in more severe damage to facilities/equipment. Extreme weather events will also impact suppliers' operations and production, resulting in product supply interruptions/delays, thereby increasing operating costs. Preliminary estimates indicate a significant increase in operating costs.</p>
<p>6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation</p>	<p>The company will respectively reduce direct emissions from operating activities (Scope 1) and indirect emissions from energy use (Scope 2).</p> <p>1. Reduction of direct emissions: Half of the official vehicles (excluding engineering vehicles) will be replaced by gasoline-electric hybrid vehicles in the short term, all will be replaced by gasoline-electric hybrid vehicles in the medium term, and electric vehicles will be replaced in the long term.</p> <p>2. Reduction of indirect energy carbon emissions: (1) The warning lights for nighttime construction traffic maintenance and the warning lights for fences in the work area use solar energy storage to reduce the use of alkaline batteries and protect the environment.</p>

risks.	<p>environmental protection, energy conservation and carbon reduction.</p> <p>(2) Night lighting and construction equipment lighting during night construction use LED lamps to reduce power consumption and achieve energy conservation and carbon reduction.</p> <p>Indicators and targets for physical risk and transition risk:</p> <p>The company uses operating costs as an indicator of entity and transformation risks, and whether it can reduce operating costs as a target of entity and transformation risks. For relevant content, please refer to the TCFD report prepared by our company. The download URL is as follows:</p> <p>https://www.kseco.com.tw/tc/responsibility.aspx?cid=27&cchk=A3450C32-ACF0-4D13-81C1-976EF7C59836</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company does not yet use internal carbon pricing.
8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule,	<p>The company has started conducting greenhouse gas inventory since 2018, with individual companies as the inventory boundary, and Category 1 and Category 2 as the inventory scope, and reporting the plan implementation status to the Board of Directors every quarter.</p> <p>Currently, 2018 is used as the base year. In order to comply with the regulations of the Financial Supervisory Commission, third-party assurance of greenhouse gas inventories will be completed from 2027. Therefore, future base years will be revised to match the assurance.</p> <p>Before the base year is revised, the current target is to reduce greenhouse gas emissions by more</p>

<p>annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed.</p>	<p>than 2% each year starting from 2018, with a cumulative carbon reduction of 50% expected by 2030 and net zero carbon emissions by 2050.</p>
<p>9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).</p>	<p>not applicable. (According to the provisions of Article 10, Item 2 of the Guidelines for Matters to Be Recorded in the Annual Reports of Publicly Offering Companies, the Company shall complete disclosure starting from 2027)</p>

1-1 The company's greenhouse gas inventory and confirmation status in the last two years: not applicable (according to the provisions

of Article 10, Item 2 of the Standards for Matters Recorded in the Annual Report of Publicly Issuing Companies, the company should complete disclosure starting from 2027)

1-1-2 Greenhouse gas assurance information: Not applicable (according to the provisions of Article 10, Item 2 of the Standards for Matters to Be Recorded in Annual Reports of Publicly Offered Companies, the company should complete disclosure starting from 2028)

2.3.8 Ethical Corporate Management

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Formulate integrity management policies and plans (1) Has the company formulated the integrity management policy approved by the board of directors, and stated in the regulations and external documents the policies and practices of integrity management, as well as the commitment of the board of directors and	✓		(1) The company has established an "integrity management policy", which was approved by the board of directors on November 12, 2019, and expressly stated in the employee handbook, supplier contract documents and the company's website. Please refer to the	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>senior management to actively implement the management policy?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of dishonesty, regularly analyzes and evaluates business activities with a high risk of dishonesty in the business scope, and accordingly formulates a plan to prevent dishonesty, and at least covers the "honest management of listed companies "Code" Article 7, paragraph 2 of the prevention measures?</p>	√		<p>company's website for the company's integrity management and operation in 2023: https://www.kseco.com.tw/tc/responsibility.aspx?cid=115&ccchk=70AACCD8-FC40-452C-822C-378B234FF98A</p> <p>(2) The company has formulated the "Guidelines for Operational Procedures and Behaviors of Integrity Management" and "Risk Assessment and Preventive Measures for Dishonest Behaviour" to set clear norms and precautionary measures for preventing dishonest acts, the scope of which includes (but not limited to) the behaviors specified in Article 7, Paragraph 2 of the Code of Integrity Management, and establish a risk assessment mechanism for regular analysis and assessment</p>	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3)Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	√		in internal control. (3)On November 12, 2019, the Board of Directors of the Company approved the "Guidelines for Operational Procedures and Behaviors of Integrity Management", which was revised for the first time on March 26, 2020, and was discussed and approved by the Board of Directors. There is also a "Reporting Measures for Cases of Illegal and Immoral or Dishonest Behavior", which has a complete disciplinary and appeal system for violations, implements honest management and conducts regular reviews (by the end of March every year).	None
2. Implement integrity management (1)Does the company evaluate the honest and credit records of the counterparty and specify the terms	√		(1)The company's internal control system has strict specifications, establishes a supplier data	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>of honesty and credit in its long contract with the counterparty?</p> <p>(2) Does the company set up a special unit under the board of directors to promote the integrity management of the enterprise, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent dishonest behaviors and supervision and implementation?</p>	√		<p>management model, conducts market surveys and manufacturers' credit investigation in accordance with regulations, and incorporates the company's integrity management policy with the signing of the integrity management clause in the contract.</p> <p>(2) The Company shall use the Administration Department as the unit to promote honest management and report to the Board of Directors at the first meeting of the Board of Directors each year. The 2023 integrity management and related prevention plans and supervision implementation status will be reported to the Board of Directors on March 12, 2024. The operating status for 2024 will</p>	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company formulate a policy to prevent conflicts of interest, provide appropriate presentation channels, and implement them?	✓		<p>be reported to the Board of Directors on March 11, 2025.</p> <p>Please refer to the company's website for the relevant implementation status of integrity management:</p> <p>https://www.kseco.com.tw/tc/responsibility.aspx?cid=115&cchk=70AACCD8-FC40-452C-822C-378B234FF98A</p> <p>(3) The company has provisions for avoiding interests in the code of good faith operation and the rules of procedure for board meetings, and provides appropriate channels for directors, independent directors, managers and other stakeholders who attend or attend the board of directors to actively indicate whether they have potential conflicts of interest with</p>	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Whether the company has established an effective accounting system and internal control	√		<p>the company . The directors, supervisors, managers and other stakeholders of the company present or attending the board of directors, who are interested in the bills listed by the board of directors and their own or their legal persons, should explain the important content of their interests at the current board of directors If it is harmful to the interests of the company, it shall not join the discussion and voting, and shall be avoided during the discussion and voting, and shall not act for other directors to exercise their voting rights.</p> <p>(4)The company has established an effective accounting system and internal control system.</p>	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>system for the implementation of integrity management, and the internal audit unit has formulated relevant audit plans based on the results of the assessment of the risk of dishonesty, and checked the compliance with the plan to prevent dishonesty Or entrust an accountant to perform the audit?</p> <p>(5) Does the company regularly conduct internal and external education and training on integrity management?</p>	√		<p>The audit unit has also formulated a risk assessment of dishonesty in the audit plan to check compliance with the plan to prevent dishonesty.</p> <p>(5) The company regularly organizes (at least once a year) internal and external education and training on integrity management. In 2023, in addition to inviting directors to participate in the course organized by the Securities and Foundation, an internal training course on "Insider Trading, Integrity Management Law and Analysis of Court Insights" will be held</p>	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			on November 11, 2024. Directors and managers are invited to participate, 2 hours in total, 13 people. After the meeting, the course materials will be published on the company's intranet EIP. All colleagues are invited to download and watch by themselves, so as to achieve the purpose of education and publicity for all staff.	
3. The operation of the company's whistleblowing system (1) Does the company formulate a specific reporting and reward system, and establish a convenient reporting channel, and assign appropriate personnel to handle the object of reporting?	√		(1) The company has "Employee Complaint Handling System" and "Handling Methods for Reporting Cases of Illegal and Unethical or Dishonest Conduct", which clearly lists the reporting channels and assigns a special person	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Has the company set the standard operating procedures for the investigation of the complaint, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	√		<p>to be responsible.</p> <p>(2) Standard operating procedures for the investigation and prosecution matters related security mechanisms:</p> <ol style="list-style-type: none"> 1. On receipt of report telephone or mail, receiving personnel record made, Chen reported immediately processed. 2. If an interested party rights are infringed or when there are other opinions, to report the matter in writing, the contractor should immediately identify each process, or layer packet processing, and handling the case by return results or prosecutors. 3. Prosecutors funded under the provisions of a Personal Data Protection Act, the 	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide proper whistleblower protection?	✓		investigation also absolutely confidential, and may not disclose (3)The company strictly prohibits retaliation for good faith communications or persons who assist in the investigation of any kind.	None
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		The Company MOPS and the company's official website Jie public integrity management Code of Practice for New staff integrity of business-related workshops, business units evaluate suppliers assessments on good faith behavior, and Administration and audit chamber to promote part of the integrity management unit, reporting to the Board of Directors. company’s website : http://www.kseco.com.tw/tc/regulations.aspx	None

promote the project	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Operation situation and effectiveness: https://www.kseco.com.tw/tc/responsibility.aspx?cid=115&cchk=70AACCD8-FC40-452C-822C-378B234FF98A	
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies). In the contract between the company and the manufacturer, the main clause is to clearly define the relevant provisions of the principle of integrity, and the manufacturer is welcome to submit comments on the company's integrity management code for review and amendment. The Company formulated the Integrity Management Code on July 4, 2012. The first amendment was adopted on March 27, 2015, and the Board of Directors approved the amendment to the Integrity Management Code (second amendment) on August 13, 2019 The report of the regular shareholders meeting was submitted on 2020.06.17.				

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

2.3.9 Other Important Information Regarding Corporate Governance

In order to improve the implementation of corporate governance operations, the company has successively reviewed and cooperated with the competent authorities, and formulated relevant procedures and internal operating procedures as necessary. If there are "Code of Practice on Corporate Governance", "Procedures for Board of Directors", "Procedures for the Acquisition or Disposal of Assets", "Procedures for Dealing with Derivatives", "Procedures for Shareholders' Meetings", "Measures for Election of Directors and Supervisors", "Derivatives Trading Operations", "Budget Management Measures", "Subsidiary Management Measures", "Insider Transaction Prevention Management System", "Public Information Reporting Control Operations", and review and revise the "Corporate Governance Self-Assessment Report" every year. Among them, "Insider Transaction Prevention Management System" and "Public Information Reporting Control Operation" are the relevant procedures for major information processing operations. All relevant departments and colleagues shall abide by relevant procedures and laws and regulations when handling major information and disclosure.

The company's internal control system is placed in the company's EIP online system for colleagues to refer to or download personal documents to perform operations, and immediately notify colleagues, managers and directors when revisions and additions are made.

2.3.10 Internal Control Systems

A. Internal Control Statement:

Kung Sing Engineering Corporation Internal Control Statement

Date: March 11, 2025

The company's internal control system for 2024, based on the results of its own assessment, would like to state the following:

- I. The Company is aware that the establishment, implementation and maintenance of the internal control system is the responsibility of the board of directors and managers of the Company. The Company has established this system. The purpose is to provide reasonable results in terms of operational effectiveness and efficiency (including profitability, performance and asset security, etc.), reporting reliability, timeliness, transparency, compliance with relevant regulations and compliance with relevant laws and regulations. Ensure.
- II. The internal control system has its inherent limitations. Regardless of how well the design is perfected, an effective internal control system can only provide reasonable

assurance of the achievement of the above three objectives. Moreover, due to changes in the environment and conditions, the effectiveness of the internal control system may Change. However, the company's internal control system has a self-monitoring mechanism. Once the identification is missing, the company takes corrective action.

- III. The company judges whether the design and implementation of the internal control system is effective based on the judgment of the effectiveness of the internal control system as stipulated in the “Guidelines for the Establishment of Internal Control Systems for Public Offering Companies” (hereinafter referred to as “Processing Guidelines”). The internal control system judgment project used in the “processing criteria” is based on the process of management control, and the internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervised operations. Each component also includes several items. Please refer to the “Handling Guidelines” for the above items.
- III. The Company has adopted the above internal control system to judge the project and evaluate the effectiveness of the design and implementation of the internal control system.
- IV. Based on the results of the previous assessment, the Company believes that the internal control system (including the supervision and management of subsidiaries) of the Company on December 31, 2024, including the understanding of the effectiveness and efficiency objectives of the operation, and the reporting are reliable. The design and implementation of the internal control system, such as timely, transparent and in compliance with relevant regulations and relevant laws and regulations, is effective and can reasonably ensure the achievement of the above objectives.
- V. This statement will become the main content of the company's annual report and public statement, and will be made public. If the content of the above disclosure is illegal or concealed, it will involve legal liabilities such as Articles 20, 32, 171 and 174 of the Securities Exchange Law.
- VI. This statement was approved by the board of directors of the Company on March 11, 2025. Among the 6 directors, 0 were dissent, and the rest agreed to the contents of this statement.

Kung Sing Engineering Corporation
Chairman: Pan,ying-jiuan
General Manager: Ding, cheng-jr

- B. Entrusted accountant project to review the internal control system, should disclose the accountant review report: None.

2.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

A. Important resolutions and implementation of the shareholders' meeting:

The 2024 Annual Shareholders' Meeting of the Company was held on June 25, 2024. The matters and implementation of the shareholders' resolutions were as follows:

a. 2023 annual business report and financial report.

Implementation: It is submitted to the shareholders' meeting for recognition and resolution.

b. 2023 annual profit distribution case.

Implementation : Submit to the shareholders meeting for approval and resolution.

Due to the consideration of too little surplus this year, the shareholders meeting approved not to distribute shareholder dividends.

c. Comprehensive re-election of directors.

Execution status: The elected list is as follows:

Director:

Account name or full name	Voting rights
Ch'uan Fu Investment Co. Ltd. Representative: Chen ,huang-ming	363, 267, 917
Ju hsiang Investment Co. , LtdRepresentative: Pan,ying-jiuan	336, 973, 191
Ch'uan Fu Investment Co. Ltd. Representative: Chen ,huang-ming	319, 282, 873
Ju hsiang Investment Co. , Ltd Representative: Ding, cheng-jr	296, 898, 449

Independent Director:

Account name or full name	Voting rights
Tu, yi- yang	269, 005, 865
Jang liang-ming	258, 092, 373
Chiang jung ch'ing	245, 108, 698

d. Lifting the non-competition restriction on new independent directors.

Implementation status: The shareholders' meeting passed the case. Projects permitted to engage in competing activities: Projects similar to the company's business scope. The period during which the person is permitted to engage in

competing conduct is the period during which he/she serves as a director of the Company.

B. Important resolutions of the board of directors:

The summary of the important resolutions of the board of directors of the company for 2024 and as of the printing date of the annual report is as follows: (Proposals belonging to 14-3 of the Securities and Exchange Act are indicated after each resolution.)

a. Board of Directors, March 12, 2024 (the 27th, first time of Board , 2024)

First case : The 2023 annual business report and financial report approval proposal is submitted for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Second case : The company issued the "Declaration of Internal Control System" for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Third case : Revision of some provisions of the Company's "Rules of Procedure for Board of Directors" for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Fourth case : The 2023 employee and director remuneration distribution plan is submitted for discussion. (Securities Act 14-3)

Content: It is proposed to provide 4.46% of employee remuneration at NT\$3,282,267, and 0% of directors' remuneration at NT\$0.

Resolution: When voting on this case, the interested party abstained, and other directors voted. The case was passed without objection by all directors present.

Fifth case : Review the remuneration and salary adjustments of directors and managers in 2024. (Securities Act 14-3)

Content: Regularly review the policies, systems, standards and structures of remuneration for directors and managers, and approve the current remuneration items for the company's directors (including independent directors) and managers.

Resolution: When voting on this case, the interested party abstained, and other directors voted. The case was passed without objection by all directors present.

Sixth case : Comprehensive re-election of directors.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Seventh case : Accept the nomination period and location cases of the company's

director candidates for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Eighth case : Matters related to the company's 2024 general meeting of shareholders are held for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

ninth case : The company regularly evaluates the independence and competency of certified accountants for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

tenth case : The company plans to change the appointed stock agency starting from August 1, 2024 for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Eleventh case : Regarding the extension of the company's bank guarantee limit and working capital comprehensive limit for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

b. Board of Directors, May 10, 2024 (the 27th, second time of Board , 2024)

First case : The financial report for the First quarter of 2024 is submitted for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Second case : The 2023 earnings distribution proposal is submitted for consideration.

Content: The undistributed surplus at the beginning of the current period is NT\$255,626,384, plus the after-tax surplus for 2023 NT\$ 67,323,670, losses NT\$ 4,533,164 for other comprehensive gains and losses in 2023, deducting 10% of the statutory surplus reserve of NT\$ 6,279,051, the distributable surplus for the current period is NT\$312,137,839 yuan, considering that the surplus is too small, it is proposed not to distribute dividends to shareholders.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Third case : Review the qualifications of candidates for directors and independent directors and submit for discussion. (Securities Act 14-3)

Content: 1% shareholders nominate candidates and the board of directors reviews them. (All nominated candidates are qualified. The independent director Mr. Du

Yiyang has stated the reasons for his nomination for three consecutive terms by the nominating shareholder at the time of nomination. A major information announcement for the renewal of the nomination will be made after the board of directors. In this case, after consultation by the chairman, all directors present did not Objection passed.)

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Fourth case : Lifting the non-competition restrictions of new directors and their representatives, for discussion. (Securities Act 14-3)

The directors of the company (including independent directors) may invest in or operate other companies with the same or similar business scope as the company and serve as directors. This is to recruit professionals to serve as directors of the company without harming the interests of the company. Under such circumstances, it is planned to request the shareholders' meeting to agree to lift the non-competition restrictions on newly elected directors (including independent directors) and their representatives to facilitate business promotion.

After the case was approved by the board of directors, it was submitted to the 2024 regular shareholder meeting for discussion, and its scope and content were supplemented on the spot.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Fifth case : Lifting the manager's non-competition restrictions for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Sixth case : Authorization case regarding subsidiary name change, appointment of legal person director and equity transfer for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Seventh case : Cases concerning the application, extension and ratification of the company's bank guarantee limit and working capital comprehensive limit for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

c. Board of Directors, June 25, 2024 (the 28th, First time of Board , 2024)

First case : Election of the chairman of the board of directors of the company.

Resolution: After consulting with all the directors present, the Chairman jointly nominated Ms. Pan,ying-jiuan, the representative of Ju hsiang Investment Co.,

Ltd., as the current Chairman.

d. Board of Directors, June 25, 2024 (the 28th, second time of Board , 2024)

First case : The case for appointing the Remuneration Committee is submitted for appointment.

Resolution: After consulting with all the directors present, the Chairman resolved to appoint three independent directors, namely Tu,yi- yang, Jang liang-ming and Chiang jung ch'ing, as members of the Sixth Remuneration Committee. The three members of the Remuneration Committee will nominate one person from each other and agree to nominate Jang liang-ming as the convener of this Remuneration Committee.

Second case : The proposal to appoint the Audit Committee is submitted for appointment.

Resolution: After consulting with all the directors present, the Chairman decided to appoint three independent directors, Tu,yi- yang, Jang liang-ming and Chiang jung ch'ing, as members of the Fourth Audit Committee. The three audit committee members will nominate one person from each other and agree to nominate Tu,yi- yang as the convener of this Audit Committee.

Third case : The proposal to appoint a Sustainable Development Committee is submitted for appointment.

Resolution: After consulting with all the directors present, the Chairman resolved to appoint three independent directors, namely, Tu,yi- yang, Jang liang-ming and Chiang jung ch'ing, as members of the Second Sustainable Development Committee.

The three members of the Sustainable Development Committee shall nominate one person from each other and agree to nominate Chiang jung ch'ing as the convener of this Sustainable Development Committee.

Fourth case : The proposal of changing the general manager is submitted for review. (Securities and Exchange Act 14-3)

Content: In line with the company's operational planning, the former general manager, Mr. Jiang Qijing, will be appointed by the board of directors as deputy general manager, Mr. Ding Chengzhi, as general manager due to job adjustments, effective July 1, 2024.

Resolution: During the voting on this case, interested parties shall abstain from voting, and the voting shall be conducted by other directors. The proposal was approved without objection by all directors present.

e. Board of Directors, August 12, 2024 (the 28th, Third time of Board , 2024)

First case : The financial report for the second quarter of 2024 is submitted for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Second case : The proposal to appoint the audit chief of our company is submitted for discussion. (Securities and Exchange Act 14-3)

Content: Mr. Liu Dezhang, the current Audit Director of the Company, will retire on August 31, 2024. The Audit Committee has been requested to agree that Mr. Hou Jixian, the former deputy Audit Director, will be promoted to Audit Director, effective September 1, 2024.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

Third case : Review the remuneration of new directors, compensation committee members, audit committee members, sustainable development committee members and new general manager, as well as the remuneration adjustment proposals for managers, and submit them for discussion. (Securities and Exchange Act 14-3)

Content: Regularly review the policies, systems, standards and structure of directors' and managers' remuneration, and approve the current remuneration items for the company's directors (including independent directors) and managers. Review the remuneration of new directors, audit committee members, remuneration committee members and sustainable development committee, as well as the remuneration adjustments of new general managers and managers.

Resolution: During the voting on this case, interested parties shall abstain from voting, and the voting shall be conducted by other directors. The proposal was approved without objection by all directors present.

Fourth case : The company's 2023 perpetual report is submitted for discussion.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

Fifth case : We plan to participate in the bidding for the Kaohsiung City Government's MRT joint development land development investment project and bring it up for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

f. Board of Directors, November 11, 2024 (the 28th, fourth time of Board , 2024)

First case : Financial report for the third quarter of 2024, submitted for discussion.

Resolution: After consultation by the chairman, all directors present passed the

resolution without objection.

Second case : Revise some of the provisions of the Company's "Corporate Governance Practice Guidelines" for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Third case : Revise some of the provisions of the Company's "Audit Committee Organization Charter" for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Fourth case : The case of director Chen ,huang-ming's bonus is submitted for discussion. (Securities and Exchange Act 14-3)

Content: Mr. Chen ,huang-ming, a director of the company, resigned from the position of Chairman after the re-election of the current board of directors. Director Chen retired in 2018 to settle his seniority. However, at that time, the company was contracted to undertake the Tamkang Bridge project and still needed to rely on his expertise, so he continued to serve as the company's chairman in June 2018. He served as Chairman from June 2018 to June 2024 and made continuous contributions to the Company's operations and development. Therefore, the bonus is issued to thank him for his hard work for the Company.

Resolution: When voting on a proposal, interested parties shall abstain from the proposal and the vote shall be conducted by other directors. The Chairman consulted with all the directors present and passed the resolution without objection.

Fifth case : Review the salary and remuneration proposal for the new deputy general manager and submit it for discussion.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

Sixth case : The dissolution and liquidation case of the subsidiary Zhan Bang Industrial Co., Ltd. is submitted for discussion.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

Seventh case : The extension and confirmation of the bank guarantee limit and working capital comprehensive limit of our company are submitted for discussion.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

Eighth case : The Company's 2025 carbon inventory scope and carbon reduction targets are submitted for discussion.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

g. Board of Directors, December 31, 2024 (the 28th, fifth time of Board , 2024)

First case : The company's "2025 annual business plan" is for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Second case : The company's "2025 Audit Plan" is for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Third case : The “Sustainable Information Management System” is newly added to the Company’s internal control system, and some provisions of the “Financial Statement Preparation Process Management System”, “Internal Audit System” and “Audit Committee Meeting and Operation Management System” are revised for review. (Securities and Exchange Act 14-3)

Content: Content: Added the "Sustainable Information Management System" control operation, revised the internal control system's "Financial Statement Preparation Process Management System", "Internal Audit System", and "Audit Committee Meeting Operation Management System".

Resolution: Passed by all directors present without objection after consultation with the Chairman.

Fourth case : Established the company's "Operational Guidelines for Financial Affairs between Related Parties".

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Fifth case : The implementation of directors’ and managers’ remuneration and year-end performance evaluation is submitted for discussion. (Securities and Exchange Act 14-3)

Content: The performance evaluation of directors and functional committees shall be carried out in accordance with the company's "Board of Directors and Functional Committee Performance Evaluation Methods" and related regulations. Managers' year-end performance evaluation will be carried out in accordance with the "2024 Employee Performance Evaluation Implementation Rules". Review the remuneration of the new deputy general manager and the remuneration of directors and managers.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

h. Board of Directors, March 11, 2025 (the 28th, first time of Board , 2025)

First case : The 2024 employee and director remuneration distribution plan is submitted for discussion. (Securities Act 14-3)

Content: It is proposed to set aside 5% of employee remuneration, equivalent to NT\$1,089,870, and 0% of director remuneration, equivalent to NT\$0.

Resolution: During the voting on this case, interested parties shall abstain from voting, and the voting shall be conducted by other directors. The proposal was approved without objection by all directors present.

Second case : The company issued the "Declaration of Internal Control System" for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Third case : The 2024 annual business report and financial report approval proposal is submitted for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Fourth case : Review the remuneration of directors and managers in 2025 and submit it for discussion. (Securities and Exchange Act 14-3)

Content: Regularly review the policies, systems, standards and structure of directors' and managers' remuneration, and approve the current remuneration items for the company's directors (including independent directors) and managers.

Resolution: During the voting on this case, interested parties shall abstain from voting, and the voting shall be conducted by other directors. The proposal was approved without objection by all directors present.

Fifth case : Matters related to the company's 2024 general meeting of shareholders are held for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Sixth case : The company regularly evaluates the independence and competency of certified accountants for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Seventh case : Please discuss the joint bank credit line case for our company's YC02 project.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

i. Board of Directors, April 30, 2025 (the 28th, second time of Board , 2025)

First case : Proposal 1: Regarding investment in real estate in Taipei City, please discuss it.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

j. Board of Directors, May 09, 2025 (the 28th, third time of Board , 2025)

First case : The financial report for the First quarter of 2025 is submitted for discussion.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Second case : The 2024 earnings distribution proposal is submitted for consideration.

Content: The undistributed surplus at the beginning of the current period is NT\$312,137,839, plus NT\$9,675,688 after-tax surplus for 2024, plus NT\$6,724,170 for other comprehensive gains and losses in 2024, and deducting 10% of the statutory surplus reserve of NT\$1,639,986. The distributable surplus is NT\$326,897,711. Considering that the surplus is too small, it is proposed not to distribute dividends to shareholders.

Resolution: After consultation by the chairman, all directors present passed the resolution without objection.

Third case : Amend some articles of the Company's Articles of Association for discussion.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

Fourth case : Please discuss the application, extension and confirmation of the bank guarantee limit and working capital comprehensive limit of our company.

Resolution: Passed by all directors present without objection after consultation with the Chairman.

C. The results of the major resolutions of the Audit Committee and the handling of the situation:

a. Audit Committee, March 12, 2024 (the 27th, first time of Board , 2024)

First case : 2023 annual business report and financial report. (Securities and Exchange Act 14-5)

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: the proposal of the board of directors, the board of directors of all attendance was passed without any dispute, and the proposal

shareholders often passed.

Second case : The company issued the "Internal Control System Statement".

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: The proposal of the board of directors, through the participation of all the directors, without any dispute, uploading a public information observatory report.

Third case : The company regularly evaluates the independence and suitability of certified accountants and submits them for approval.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: It was submitted to the board of directors and approved by the directors present without objection. Continuing to appoint if independence and eligibility are met.

b. Audit Committee, May 10, 2024(the 27th, second time of Board , 2024)

First case : Consolidated financial report for the first quarter of 2024.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: The report was submitted to the board of directors, and it was approved by all directors present without objection, and the first quarter financial report was reported to the public information observation station after the meeting.

Second case : The 2023 surplus distribution case.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: Considering that the surplus is too small, the board of directors approved not to distribute dividends to shareholders, and submitted the proposal to the regular shareholders' meeting for approval.

c. Audit Committee, August 12, 2024(the 28th, third time of Board , 2024)

First case : The financial report for the second quarter of 2024 is submitted for consideration. (Securities and Exchange Act 14-5)

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: the proposal to the board of directors was approved by all the directors present without objection, and reported to the public information observatory.

Second case : The company's audit chief appointment proposal. (Securities and Exchange Act 14-5)

Resolution: The Chairman consulted with all the present members and passed it without objection.

Company handling situation: The proposal was submitted to the board of directors and passed without objection by all directors present. The important information was released and reported to the public information observation station.

Third case : Plans to participate in the bidding for the Kaohsiung City Government's MRT joint development land development investment project.

Resolution: The Chairman consulted with all the present members and passed it without objection.

Company handling situation: The proposal was submitted to the board of directors and passed without objection by all directors present, authorizing the chairman to handle it with full authority.

d. Audit Committee, November 11, 2024(the 28th, fourth time of Board , 2024)

First case : The financial report for the third quarter of 2024 is submitted for consideration.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: the proposal to the board of directors was approved by all the directors present without objection, and reported to the public information observatory.

Second case :Dissolution and liquidation case of subsidiary Zhan Bang Industrial Co., Ltd.

Resolution: The Chairman consulted with all the present members and passed it without objection.

Company handling: The proposal was submitted to the board of directors and passed without objection by all directors present, and the chairman was authorized to handle it.

e. Audit Committee, December 31, 2024(the 28th, fifth time of Board , 2024)

First case : Added the "Sustainable Information Management System" to the Company's internal control system and revised some provisions of the "Financial Statement Preparation Process Management System", "Internal Audit System" and "Audit Committee Meeting and Operation Management System". (Securities and Exchange Act 14-5)

Resolution: The Chairman consulted with all the present members and passed it without objection.

Company handling: The proposal was submitted to the board of directors and passed without objection by all directors present. The relevant operations were carried out in accordance with the approved internal control system.

f. Audit Committee, March 11, 2025 (the 28th, first time of Board , 2025)

First case : 2024 annual business report and financial report. (Securities and Exchange Act 14-5)

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: the proposal of the board of directors, the board of directors of all attendance was passed without any dispute, and the proposal shareholders often passed.

Second case : The company issued the "Internal Control System Statement".

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: The proposal of the board of directors, through the participation of all the directors, without any dispute, uploading a public information observatory report.

Third case : The company regularly evaluates the independence and suitability of certified accountants and submits them for approval.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: It was submitted to the board of directors and approved by the directors present without objection. Continuing to appoint if independence and eligibility are met.

g. Audit Committee, April 30, 2025 (the 28th, second time of Board , 2025)

First case : A case regarding investment in real estate in Taipei City is being discussed.

Resolution result: The chairman of the board was authorized to handle the matter with full authority, and the resolution was passed without objection by all directors present after the chairman consulted.

Company handling: The proposal was approved by the board of directors, and the relevant content of the major information announcement was reported after the meeting.

h. Audit Committee, May 09, 2025(the 28th, third time of Board , 2025)

First case : Consolidated financial report for the first quarter of 2025.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: The report was submitted to the board of directors, and it was approved by all directors present without objection, and the first quarter financial report was reported to the public information observation station after the meeting.

Second case : The 2024 surplus distribution case.

The result of the resolution: All the members present at the meeting was passed without any dispute.

The company's handling situation: Considering that the surplus is too small, the board of directors approved not to distribute dividends to shareholders, and submitted the proposal to the regular shareholders' meeting for approval.

2.3.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors

None

2.4 Information Regarding the Company's Audit Fee and Independence

2.4.1 The amount of public audit fees and non-audit public fees paid to the certified public accountants, their affiliated firms and related enterprises, and the content of non-audit services should be disclosed

Visa Accountant Public Expenses Information

Unit: NT\$ thousands

Accounting firm name	Accountant name	Accountant audit period	Audit public expenses	Non-audit public fees	total	Remark
PWC Accounting Firm	Lin, Se-kai	2024.1.1~2024.12.31	3,740	860	4,600	Non-audit public expenses include tax audit and special case audit fees.
	Wen, Ya-Fang	2024.1.1~2024.12.31				

2.4.2 If the accounting firm is changed and the audit fee in the year of change is lower than the audit fee in the year before the change, the amount of the audit fee before and after the change and the reasons shall be disclosed:

None

2.4.3 If the public audit fee is reduced by more than 10% compared with the previous time, the amount, proportion and reason for the reduction of the public audit fee shall be disclosed: None

2.5 Change accountant information: None

2.6 The company's chairman, general manager, manager of financial or accounting affairs, who has worked in a visa accountant's office or its related business in the past year, should disclose his or her name, title and employment in the office of the visa accountant. Or the period of its relationship with the company.

None

dismissed on June 25, 2024

Newly appointed on June 25, 2024

2.7 Changes in equity transfers and equity pledges by directors, supervisors, managers and shareholders holding more than 10% of the shares in the most recent year and up to the date of publication of the annual report

2.7.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

job title	Name	2024		As of April 28, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman of the board	Ch'uan Fu Investment Co. Ltd.	0	0	0	0
Director Representative	Chen ,huang-ming	0	0	0	0
Director Representative	Chiang,chi-ching	0	0	0	0
Director	Ju hsiang Investment Co., Ltd	0	0	0	0
Director Representative (dismissed on June 25, 2024)	Li, shu-hsü	0	0	(1,898,600)	0
Director Representative (dismissed on June 25, 2024)/ major shareholder	Pan, kuan-ju	0	0	0	0
Director Representative (Newly appointed on June 25, 2024)	Pan,ying-jiuan	0	0	0	0
Director Representative (Newly appointed on June 25, 2024)	Ding, cheng-jr	0	0	0	0
The major shareholder holds shares in the name of another person	Honghui Development and Construction Co., Ltd.	49,500,000	0	1,898,600	0
Independent Directors	Tu,yi- yang	0	0	0	0
Independent Directors (dismissed on June 25, 2024)	Chen, chin- yueh	0	0	0	0
Independent Directors (Newly appointed on June 25, 2024)	Jang liang-ming	0	0	0	0

Independent Directors	Chiang jung ch'ing	0	0	0	0
General manager	Chiang,chi-ching	0	0	0	0
Executive Deputy General Manager(New appointment on February 10, 2023)	Chan ming-t'ang	0	0	0	0
Vice- General Manager	Liu, Yung-ching	5,000	0	0	0
Financial Officer	Huang, li-wang	0	0	0	0
Accounting Supervisor	Wen, Shu Chiao	0	0	0	0
Corporate Governance Supervisor	Li, kuei- chung	0	0	0	0

Unit: Shares

2.7.2 Shares Trading with Related Parties

None

2.7.3 Shares Pledge with Related Parties

None

2.8 Relationship among the Top Ten Shareholders

As of 4/28/2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Honghui Development and Construction Co., Ltd. Person in charge: Pan, kuan-ju	72,282,100	14.68	0	0	0	0	Pan, kuan-ju	Person in charge	
							person in charge : Li, kuei- mei	Mother and son	
							Ch'uan Fu Investment Co. Ltd	Sister and brother	
	27,099,963	5.50	14,160,000	2.87	72,282,100	14.68	person in charge : Pan, ying- hsun		
							Hung yi Investment Co. Ltd person in charge : Pan chi ru	Sister and brother	
Pan, kuan-ju	27,099,963	5.50	14,160,000	2.87	72,282,100	14.68	Honghui Development and Construction Co., Ltd.	Holding shares in the name of another person	
							person in charge : Li, kuei- mei	Mother and son	
							Ch'uan Fu Investment Co. Ltd	Sister and brother	
							person in charge : Pan,		

							ying- hsun		
							Hung yi Investment Co. Ltd person in charge : Pan chi ru	Sister and brother	
Weng, ling yi	14,315,000	2.91	3,805,000	0.77	0	0	None	None	
Ch'uan Fu Investment Co. Ltd	13,321,163	2.71	0	0	0	0	None	None	
person in charge : Pan, ying- hsun	0	0	0	0	0	0	person in charge : Li, kuei- mei	Mother and daughter	
							Honghui Development and Construction Co., Ltd. person in charge : Pan, kuan-ju	Sister and brother	
							Hung yi Investment Co. Ltd person in charge : Pan chi ru	Sister	
							Pan, kuan-ju	Sister and brother	
Jang, li ling	10,703,000	2.17	0	0	0	0	None	None	
Shiue,shu han	9,826,000	2.00	0	0	0	0			
Hung yi Investment Co. Ltd	7,519,847	1.53	0	0	0	0	None	None	
person in charge : Pan chi ru							person in charge : Li, kuei- mei	Mother and daughter	
	5,968	0.00	0	0	0	0	Ch'uan Fu Investment Co. Ltd person in charge : Pan, ying- hsun	Sister	
							Honghui Development and Construction Co., Ltd. person in charge : Pan, kuan-ju	Sister and brother	
							Pan, kuan-ju	Sister and brother	
Wang, feng jen	6,625,000	1.35	0	0	0	0	None	None	
Ju hsiang Investment Co., Ltd	5,507,594	1.12	0	0	0	0	None	None	
person in charge : Li, kuei- mei							Pan, chun- jung	spouse	
	4,876,076	0.99	640,062	0.13	0	0	Hung yi Investment Co. Ltd person in charge : Pan chi ru	Mother and daughter	
							Ch'uan Fu Investment Co. Ltd person in charge : Pan, ying- hsun	Mother and daughter	
							Honghui Development and Construction Co., Ltd. person in charge : Pan,	Mother and son	

							kuan-ju		
							Pan, kuan-ju	Mother and son	
Jang li, shiou-shiang	4,941,800	0	0	0	0	0	None	None	

2.9 Ownership of Shares in Affiliated Enterprises

2024/12/31 Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Chan Pang Industrial Co., Ltd. (Note1)	59,000	100%	0	0	59,000	100%
Kung Sing International Holding Company Limited	70,000	100%	0	0	70,000	100%

Note 1: Chan Pang Industrial Co., Ltd. was dissolved on December 13, 2024 with the approval of the directors, and the share capital of NT\$588,062 was returned in December of the same year.

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

A. Issued Shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1947.02	10	1,600,000	16,000,000	1,600,000	16,000,000	Original set-up	None	
1987.09	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash capital increase	None	
1991.07	10	19,800,000	198,000,000	19,800,000	198,000,000	Cash capital increase	None	
1993.09	10	120,000,000	1,200,000,000	80,000,000	800,000,000	Cash capital increase	None	Note 1
1995.11	10	120,000,000	1,200,000,000	84,000,000	840,000,000	Capital increase via earnings	None	Note 2
1996.12	10	120,000,000	1,200,000,000	89,040,000	890,400,000	Capital increase via earnings	None	Note 3
1997.07	18	180,000,000	1,800,000,000	140,000,000	1,400,000,000	Cash capital increase and capital increase via earnings	None	Note 4
1998.07	10	180,000,000	1,800,000,000	147,000,000	1,470,000,000	Capital increase via earnings	None	Note 5
1999.07	10	180,000,000	1,800,000,000	154,350,000	1,543,500,000	Capital increase via earnings	None	Note 6
2000.09	10	180,000,000	1,800,000,000	162,067,500	1,620,675,000	Capital increase via earnings	None	Note 7
2004.09	13.2	205,000,000	2,050,000,000	187,067,500	1,870,675,000	Cash capital increase	None	Note 8
2005.09	10	250,000,000	2,500,000,000	216,663,076	2,166,630,760	Capital increase via earnings, employee bonuses, capital surplus	None	Note 9

2006.09	10	250,000,000	2,500,000,000	227,321,230	2,273,212,300	Capital surplus transferred to common stock	None	Note 10
2007.09	10	350,000,000	3,500,000,000	274,018,814	2,740,188,140	Capital increase via earnings, employee bonuses, capital surplus	None	Note 11
2007.09	15	350,000,000	3,500,000,000	324,018,814	3,240,188,140	Cash capital increase	None	Note 12
2008.09	10	350,000,000	3,500,000,000	347,527,413	3,475,274,130	Capital increase via earnings, employee bonuses, capital surplus	None	Note 13
2019.09	10	600,000,000	6,000,000,000	447,527,413	4,475,274,130	Cash capital increase	None	Note 14
2021.10	10	600,000,000	6,000,000,000	492,280,155	4,922,801,550	Surplus capital increase	None	Note 15

Note 1: Approved by (82) TaiTsaiCheng(1)30906, Securites and Futures Bureau, Financial Supervisory Commission, August 7th 1993.

Note 2: Approved by (84) TaiTsaiCheng(1)39282, Securites and Futures Bureau, Financial Supervisory Commission, July 3rd, 1995.

Note 3: Approved by (85) TaiTsaiCheng(1)41856, Securites and Futures Bureau, Financial Supervisory Commission, July 13th, 1996.

Note 4: Approved by (86) TaiTsaiCheng(1)49306, Securites and Futures Bureau, Financial Supervisory Commission, June 26th, 1997; (86) TaiTsaiCheng(1)58455, Securites and Futures Bureau, Financial Supervisory Commission, July 22nd, 1997.

Note 5: Approved by (87) TaiTsaiCheng(1)59553, Securites and Futures Bureau, Financial Supervisory Commission, July 13th, 1998.

Note 6: Approved by (88) TaiTsaiCheng(1)63392, Securites and Futures Bureau, Financial Supervisory Commission, July 9th, 1999.

Note 7: Approved by (89) TaiTsaiCheng(1)61307, Securites and Futures Bureau, Financial Supervisory Commission, July 15th, 2000.

Note 8: Approved by TaiTsaiCheng1Tze0930125632, Securites and Futures Bureau, Financial Supervisory Commission, June 16th, 2004.

Note 9: Approved by TaiTsaiCheng1Tze0940124898, Securites and Futures Bureau, Financial Supervisory Commission, June 22nd, 2005.

Note 10: Approved by TaiTsaiCheng1Tze0950132742, Securites and Futures Bureau, Financial Supervisory Commission, July 26th, 2006.

Note 11: Approved by TaiTsaiCheng1Tze0960031153, Securites and Futures Bureau, Financial Supervisory Commission, June 21st, 2007.

Note 12: Approved by TaiTsaiCheng1Tze0960030934, Securites and Futures Bureau, Financial Supervisory Commission, June 26th, 2007.

Note 13: Approved by TaiTsaiCheng1Tze0970033529, Securites and Futures Bureau, Financial Supervisory Commission, July 4th, 2008.

Note 14: Approved by TaiTsaiCheng1Tze1080326773, Securites and Futures Bureau, Financial Supervisory Commission, September 9th, 2019.

Note 15: Jing Shun Shang Zi No. 11001180390 on October 13, 2021.

B. Type of Stock

Share Type	Authorized Capital			Remark
	Issued Shares	unissued shares	Total Shares	
Common shares	492,280,155	107,719,845	600,000,000	

C. Information for Shelf Registration

None

3.1.2 Status of Shareholders

As of 04/28/2025

Shareholder's Name	Shareholding	
	Shares	Percentage
Honghui Development and Construction Co., Ltd.	72,282,100	14.68
Pan, kuan-ju	27,099,963	5.50
Weng, ling yi	14,315,000	2.91
Ch'uan Fu Investment Co. Ltd	13,321,163	2.71
Jang, li ling	10,703,000	2.17
Shiue,shu han	9,826,000	2.00
Hung yi Investment Co. Ltd	7,519,847	1.53
wang feng jen	6,625,000	1.35
Ju hsiang Investment Co., Ltd	5,507,594	1.12
Jang li, shiou-shiang	4,941,800	1.00

3.1.3 Dividend Policy and Implementation Status

A. Dividend Policy

Dividend policy: According to the Corporate charter and related laws and regulations, earnings in the final accounts, should it exist, should be used to pay tax and duties, with the remainder being used to cover loss of previous year first, If there is still surplus, 10% of the amount should be appropriated for legal reserves and special legal reserves according to the law, and in accordance with Article 41 in Securities and Exchange Act, the reminder after transferred into the capital surplus could be allocated in accordance with the Corporate charter and the Board's resolution. The dividend policy is based on the industry environment the company is located at and its financial planning, and considerations for the company's sustainable management and stable development, as well as the maximum protection of the interests of shareholders, thus the policy is as follows:

1. Condition and timing of the dividend payout:

The company is currently in the growth stage, in a number of major public works projects are being carried out, the demand for capital for ardent. To support the required business growth, the company paid dividends to meet the future operation and development of the principle of sound financial structure and comprehensive consideration, after maintaining a stable dividend and protection of shareholders' reasonable remuneration and other conditions, and then the board of directors will begin to stimulate the distribution of earnings, and through approvals from the general shareholders' meeting and authorities, the dividend payout will take place accordingly.

2. Payout ratios of cash dividend and stock dividend

Earnings in the final accounts, should it exist, should be used to pay tax and duties, with the remainder being used to cover loss of previous year first, and then 10% of the amount should be appropriated for legal surplus reserve, and if there is still surplus, after the board's discussion, resolution will take place during the general shareholders' meeting, and there are two ways of dividend payout, which are stock dividend and cash dividend, the ratio of cash dividend cannot be lower than 10% of the total dividend for shareholders.

To sum up, the dividend policy for this year is as follows: due to the fact that the surplus is too small and there are many major public projects in progress, there is a strong demand for funds, so it is proposed not to distribute cash dividends and stock dividends.

B. Proposed Distribution of Dividend

- (1) The company's 2024 dividend distribution has been approved by the board of directors on May 9, 2025, and it has been decided not to distribute dividends to shareholders.
- (2) The case will be reported at the general meeting of shareholders on June 26, 2025.

C.Expected significant changes in the dividend policy. Explanation: None.

3.1.4The impact of the proposed free share allotment on the company's business performance and earnings per share

The Company has no free rights issue and has no impact on the company's operating performance and earnings per share.

3.1.5 Employee Bonus and Directors' and Supervisors' Remuneration

- A. Employee bonus and directors and supervisors Reward specified in the company's corporate charter:

When the Company in accordance with the annual profit after deducting accumulated deficit situation, as there are balance, employee compensation should be set aside 3-5%, not more than 3% of the remuneration of directors.

Employee compensation in the preceding paragraph to whom shares or cash, the payment must include the object in line with the conditions set by the Board of Directors of subordinate employees, to authorize the Board to develop the relevant measures, only to cash remuneration of directors whom.

After the above provisions of the Board of Directors resolution, and then report to the general meeting of shareholders.

- B. The Estimated Basis for Calculating the Employee Bonus and Directors' and Supervisors' Remuneration:

The staff remuneration and the reward to directors and supervisors, based on the current net profit before tax to make up for losses in previous post, taking into consideration the relevant laws and regulations, the Articles of Association, and past experience of the appropriate estimate. Actual allotment amount if there are

differences and estimated the number of columns, depending on changes in accounting estimates process, as the annual shareholders' meeting resolution adjustment recorded.

C. Profit Distribution for Employee Bonus and Directors' and Supervisors' Remuneration for 2024 Approved in Board of Directors Meeting

(1) Recommended Distribution of Employee Bonus and Directors' and Supervisors' Remuneration: (NT\$ thousands)

Employee Bonus – in Cash	\$1,089,870
Employee Bonus – in Stock	0
Directors' and Supervisors' Remuneration	0
Total	\$1,089,870

(2) Ratio of Recommended Employee Stock Bonus to Capitalization of Earnings: Unallocated Employee stock Bonus dividend.

(3) Recounted EPS after Recommended Distribution of Employee Bonus and Directors' and Supervisors' Remuneration: Diluted earnings per share were NT\$0.02.

D. The actual distribution of employee dividends and directors' remuneration in the previous year (including the number of shares allotted, amount, and share price), and the discrepancies between the recognized employee dividends and directors' remuneration, and the number of differences, reasons, and handling conditions should be stated: None difference.

The surplus of the previous year is used to distribute the remuneration of employees and directors:

	2023 year		difference
	The actual number of allotments as resolved by the shareholders' meeting	The original board of directors approved the proposed allotment	
Employee Compensation - Cash Bonus	3,282,267	3,282,267	None
Employee Compensation - Stock Bonus	0	0	None
Director's Remuneration	0	0	None

3.1.6 Buyback of Treasury Stock

None

3.2 Bonds

None

3.3 Special stock handling situation

None

3.4 Global Depository Receipts

None

3.5 Employee Stock Options

None

3.6 Handling of new shares with restrictions on employee rights:

None

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions

None

3.8 Fund utilization plan execution situation

There was no private placement before the company's annual report was printed. As of the end of the annual report, there have been no cases where project benefits have not yet occurred.None

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

A. Main areas of business operations

1. E101011 General Construction
2. E401010 Dredging
3. E599010 Plumbing
4. E801010 Interior Renovation
5. E801020 Doors and Windows Installation
6. E801030 Interior Light Steel Frame Engineering
7. E801040 Glass Installation
8. E801070 Kitchen and Bathroom Equipment Installation
9. E901010 Painting Works
10. E903010 Corrosion and Rust-Proof Works
11. EZ02010 Crane Engineering
12. EZ207010 Drilling Engineering
13. EZ99990 Other Engineering
14. C901040 Ready-Mix Concrete Manufacturing
15. C901050 Cement and Concrete Manufacturing
16. CD01020 Rail Vehicles and Parts Manufacturing
17. CD01990 Other Vehicles and Parts Manufacturing
18. F111090 Building Materials Wholesale
19. F113010 Machinery Wholesale
20. F401010 International Trade
21. F113030 Precision Instruments Wholesale
22. H701010 Residences and Buildings Development, Sale and Lease
23. H701020 Industrial Factory Buildings Development, Sale and Lease
24. H701040 Specialized Fields Construction and Development
25. H701050 Public Works Construction and Investment
26. H701060 New County and Community Development
27. H701070 Zone Expropriation and Urban Land Consolidation Agencies
28. H703090 Real Estate Trading
29. H703100 Real Estate Lease
30. H701080 Urban Renewal
31. J101040 Wastes Treatment
32. J101990 Other Sanitation and Pollution Protection Services
33. E501011 Water Supply Piping
34. E601010 Electrical Equipment Installation
35. E602011 Frozen and Air-conditioning Engineering
36. E603040 Fire Safety Equipment Installation Engineering
37. ZZ99999 In addition to licensed businesses, the company may operate those businesses that are not prohibited or restricted by law.

Revenue distribution

Unit : NT\$ thousands

Major Divisions	Total Sales in Year 2024	(%) of Total Sales
Engineering contract	6,981,374	98.34
real estate sales	116,910	1.65
others	822	0.01
total	7,099,106	100.00

B. Main products

1. Civil engineering: Railway reconstruction projects, bridge projects using special construction methods such as advanced supports, cantilever segment advancement, segment lifting, and Air Force H007 projects.
2. Maritime engineering : Taipei Port South Pier S04, S05 revetment and rear dike land reclamation project, Qianzhen Fishing Port berth area dredging project, Kaohsiung City Xingda Fishing Port recreational waters dredging and marine disposal project.
3. Bridge engineering : New construction of the Tamkang Bridge and its connecting roads, and reconstruction of the Mugua Creek Bridge.
4. Construction works : Sin-Dian case construction project.
5. Peripheral projects of natural gas thermal power plants: newly built gas-fired units in Taichung Power Plant plan circulating water pumping machine room and new construction of culverts.
6. MRT projects: The civil engineering and water, electricity and environmental control section project of the northern section of the loop line Y19 (excluding) ~ Y20 (inclusive), the civil engineering, facility electromechanical and track turnkey project of the Kaohsiung Metropolitan Mass Rapid Transit System Metropolitan Line (Yellow Line) YC03, and the civil engineering and facility electromechanical turnkey project of the Kaohsiung Metropolitan Mass Rapid Transit System Metropolitan Line (Yellow Line) YC02.

C. New products development

To query the projects released from the Executive Yuan's website and related press, and to select the most favored, high-tech, and value-added projects and include them into the company's annual business plan in order to prepare to be participating in the bidding, including large-scale civil constructions such as road, bridge, and MRT organized by the Ministry of Transportation and Communications, the Ministry of the Interior, and the Taipei City Government.

4.1.2 Industry Overview

A. Current status and development of the industry:

The construction industry is an important people's livelihood industry. The materials and raw materials needed for construction are supplied by other industries. In the planning, design and management, it is often necessary to cooperate with related industries. In addition, the construction industry is a labor-intensive, capital-intensive industry. There are quite a lot of employment opportunities. Therefore, the development of the construction industry is not only related to the rise and fall of industry and commerce, but also closely related to the national

livelihood and the overall national economic development. Therefore, advanced countries are all eager to cultivate the sound development of the construction industry and to improve the quality of construction projects.

After years of baptism in the construction industry, some poorly constructed factories have been eliminated by the market mechanism. According to the statistics of the Construction Department of the Ministry of the Interior, as of the end of 2024, there were 20,021 domestic construction plants, including 3,343 Class A construction plants. The construction industry is highly competitive in public works. In recent years, the Government has actively promoted the domestic public works standards to adopt "the lowest standard for heterogeneous procurement", "the most favorable standard" and "the most favorable standard for the turnkey package". One is to avoid the vicious competition in the domestic industry and affect the quality of the project and the efficiency of implementation. Industrial competitiveness; in addition, the combination of design and construction can be handled in the most favorable way, in addition to cultivating domestic manufacturers to integrate design, construction, mechanical and electrical equipment, financial management and other capabilities, and can introduce innovative materials through turnkey. Technology and engineering methods drive industrial R&D energy and technology improvement, and then achieve sufficient performance and familiarity with international standard procurement methods, and establish the competitiveness of the engineering industry to open up markets abroad.

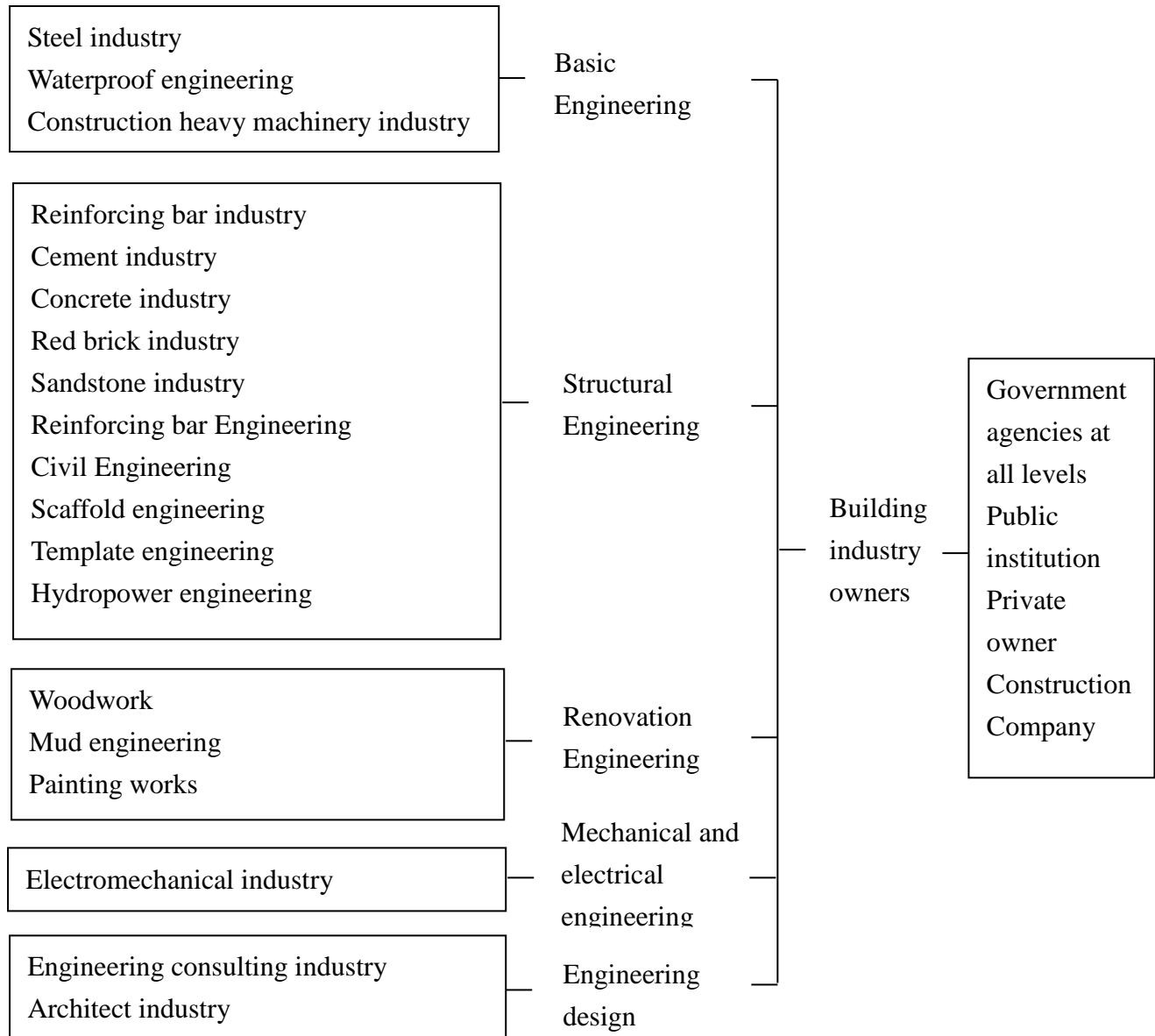
B. Industry, upper, middle and lower reaches:

In this industry, its main business sources are government public works, private construction investment companies, citizen camps and other owners to contract construction projects, so the downstream is government units, citizen camps, civil construction companies and other types of owners, and its upstream industry includes the foundation Engineering, structural engineering, renovation engineering, electrical and mechanical engineering and engineering design.

In terms of the relationship between the construction industry and the upstream industry, the fluctuation of construction materials prices, the increase in contracting costs of professional contractors, the increase in labor costs, and the increase in equipment costs due to price fluctuations are all related to the construction cost of the construction industry. The development of the upstream industry is deeply affected by the prosperity of the construction industry, and the relationship between the two is very close.

In terms of the relationship between the construction industry and the downstream industry, there is no specific source of business in the construction industry, mainly through open bidding or comparison and bargaining, in which public works commissioned by construction operators and open tenders by government agencies are The industry's main business source is the main business source, so the industry's prosperity is mainly affected by the construction industry boom and the government's promotion of public works policies.

construct industry relationship chart



C. Various development trends and competition situations of products:

1. Development trend

Looking at the development results of overseas advanced state construction industry, for example, the construction industry in Europe, the United States and Japan has many financial institutions supporting each other. The capital cost is lower than that of China, and major engineering or engineering construction will be commissioned by the engineering company to handle the package. . In response to many major national construction projects, the Chinese government

has also planned to adopt BOT. The domestic construction plants have responded to this trend and prevented the foreign construction plants from entering the domestic market to divide the public engineering market. We are developing towards large-scale and enterprise-oriented operations, and we are committed to improving the research and development of construction technology. The important development trends in the future of the construction industry are as follows:

(1). The establishment of the system of the system

In the case of short-term government finances, the public will be encouraged to participate in public construction investment in the future. The construction of public works will be carried out in the form of BT. and BOT. The construction industry will be transformed in response to this development trend, and the overall planning and design of the case will be carried out. Integration of investment, construction, operation, etc., and joint ventures with the consulting industry, the financial industry and other operating professions, so the scale will be larger in the future, and the business level will also include industry, commerce, and services. Industry, etc., become a corporate complex.

(2). Internationalization and liberalization of public works

After China's accession to the World Trade Organization (WTO), the future will inevitably sign a government procurement agreement (GPA) with other countries, and open up foreign construction industry players to enter the domestic construction market, and domestic players will also take the opportunity to come to Taiwan to respond to this trend. Foreign companies collaborating or exploring ways to cooperate with foreign local players in the international market, thus deriving international cooperation contracts, international fund scheduling and national construction regulations and other related issues and issues, will affect the future business strategy of the construction industry.

(3). Building automation

Due to the problems of engineering resource allocation, industrial physique and ecological environment change, the construction industry is bound to promote industrial automation. Through construction mechanization and automation, scientific engineering management and engineering refinement, it can reduce manpower demand, increase production capacity, ensure environmental quality and enhance The effect of competitiveness to break through the current difficulties.

(4). Technology research and development

As the construction industry will develop towards large-scale development, in the fierce market competition, technology research and development will inevitably be paid more and more attention, and the competitiveness of the market will be enhanced by research and development of new work methods and new materials.

(5). The formation of professional manufacturers

For the small and medium-sized construction industry, it will move towards a specialized market segment, introduce new construction methods and machinery for a professional project, engage in professional work, coordinate with large manufacturers, and exert the overall construction effect.

(6). Enterprise management

Since the construction industry will transform itself from a

technically-oriented service industry to a composite enterprise, its business model will be different from the past. The bidding decision will be transformed from the perspective of investment, introducing new technologies, and focusing on efficiency. Cost and talent use, with scientific management, long-term enterprise management as the ultimate goal.

In summary, after joining the WTO, the domestic construction market will be fully open to the outside world, and the Taiwanese construction industry will face greater challenges as foreign players join the competition. As foreign manufacturers are superior in scale and automation to domestic players, it is necessary for operators to further enhance their competitiveness. In the future, apart from the large-scale development of the DPRK and the cooperation with foreign technology, the project will be contracted to resolve foreign competition. Quality, cost and the use of automated construction machinery, etc., must also be given more attention to enhance their competitiveness and become the future development trend of the domestic construction industry.

2. Competition situation

The company's main business projects are the contracting and construction of public works. At present, there are more than 18,000 construction plants in China, and the difference between capital and business scale is very different. At present, the business scope of the top 20 domestic construction plants includes residential Engineering and public works, the same business projects of the company include listed China Engineering, Xinlu Engineering, Jianguo Engineering, Foundation Construction, Huangchang Construction, Daxin Engineering and Xinya Construction, and have been on the company Changhong Construction, Germany Chang Construction, Double Happiness Construction, and the recently converted privately owned company from the public to the private sector are the main competitors. In addition, Honghua and Dongpi Construction a maritime engineering major, has become a major competitor.

4.1.3 Research and Development

1. Research expenses for the most recent year and the end of the annual report:

The company is in the construction industry and it aims on the enhancement of technology, thus there is no direct research cost.

2. Develop successful technologies or products:

Entry	category	Technical research project name	Implementation results
1	Management	Research on the practical application of BIM in construction engineering	Planning for the use of Tamkang Bridge and Taichung Power Plant.
2	Design + construction	Research on Anti-corrosion Construction Method of Spraying Polyurethane Concrete on Pier Column and Foundation of Danjiang Bridge	The trial spraying operation of concrete samples for the piers of the Tamkang Bridge has been completed.
3	construction	Tamkang Bridge Water Steel Bridge	Processing of agglomerated steel plates for steel bridge structures is currently in progress

Entry	category	Technical research project name	Implementation results
4	Design + construction	Cable-stayed steel cables of Tamkang Bridge	At present, wire rope inspection, inspection and processing operations are in progress.
5	Design + construction	Research on the Climbing Formwork Construction Method for the Tower Column of Tamkang Bridge	Climbing mold construction method critical assessment submission work is currently in progress.
6	construction	Research on Binding Steel Bars in Tower Columns of Tamkang Bridge.	At present, the critical assessment of steel lashing is being submitted for review.
7	Design + construction	Research on Self-balanced Load of Foundation Piles of Tamkang Bridge.	P100 foundation pile test of Tamkang Bridge has been completed.
8	construction	Research on Concrete Temperature Control of Tamkang Bridge.	The temperature control construction of the foundation and pier column concrete of the land end of the Tamkang Bridge has been completed.
9	Design + construction	Research on full casing pile removal construction method	Designed for removal of foundation piles of Gaojieyuan Ziqiang Viaduct
10	Design + construction	Research on Damping System of Tamkang Bridge.	The critical assessment of the damping system is currently being submitted for review.
11	Design + construction	Research on Ball Support System of Tamkang Bridge.	At present, the critical assessment of the spherical support system is in progress.
12	construction	Research on Elevator in the Construction of Tamkang Bridge.	The critical assessment of construction elevators is currently being submitted for review.
13	Design + construction	Research on Transportation and Hoisting of Steel Bridge Segments of Tamkang Bridge.	At present, the critical assessment submission operation of steel bridge segment transportation and hoisting has been carried out.
14	Design + construction	Double arch horizontal steel formwork method	Designed for Air Force H007 twin hangars

Entry	category	Technical research project name	Implementation results
15	Design + construction	Underpinning construction method	Used for Taichung Power Plant drainage box culvert through 161KV underground pipe diameter

4.1.4 Long-term and Short-term Development

1. Short-term Development

With the rapid growth of the company's business and the fierce competition environment, and in order to improve the construction quality, reduce the construction cost and enhance the construction technology, the company will continue to develop and improve its own technology, and actively promote automation, standardization and safety. Shorten the development of the construction period, the short-term plan will continue to cooperate with the government policy, continue to focus on the contract of public works, the future will appropriately expand the proportion of construction projects, and collect various construction methods for the development and application of domestic construction plants,

- A. Establish project (internal and external) numbering system
- B. Interface (internal and external) cutting and process establishment
- C. Selection and application of geological improvement methods
- D. Research on tunnel construction method and rock rock stability
- E. Study on construction of earth excavation support
- F. Research on the composite construction method of super high-rise residential buildings using PC
- The use of G.BIM technology enables real-time monitoring of the establishment of the system.
- H. Research on port dredging method and machine tool improvement.
- I. Research on the sea connection and lifting of the rocks of the breakwater.

And by cooperating with foreign construction plants, we will introduce various advanced construction methods, research and develop the strengths of each family, and strengthen our own technical capabilities. In the quality policy, we will continue to implement the existing ISO 9001 operating systems, and implement the construction plan accordingly, so that the implementation of each project not only has a comprehensive planning beforehand, but also the quality, cost, duration, and safety of the actual application. Effectively control, and lay the foundation for the future to undertake new cases and expand the scale of operations, towards the goal of improving competitiveness and sustainable operation.

2. Long-term Development

The company will actively participate in the bidding for various new projects while planning to implement the government's plan to expand domestic demand. It plans to gradually explore the contracting of private projects and large-scale overseas projects, and leverage the opportunities of technical cooperation with foreign construction plants to extend the reach of its business overseas. With a view to the gradual increase in the international economic cycle and the increasing emphasis on public construction, countries have embarked on the international stage and developed into an international construction factory, moving the scale of operations to a world-class direction.

4.2 Market and Sales Overview

4.2.1 Market Analysis

1. Sales (Service) Region

The company is mainly focused on undertaking the national public constructions, supplemented by the and public civil engineering and architectural engineering, major products comprise the road construction, bridge construction, and tunnel construction, etc. construction sites are throughout the northern, central, and southern parts. In recent years, in response to the government's "Look East" policy, the company has been participated actively in the eastern part of development plan, which will enable the company to be unrestricted in the tender area. Our services are throughout the province, all businesses are within the country.

2. Market Share (%) of Major Product Categories in the Last Two Years

Year	Turnover in the construction industry	Turnover of the company	Market share (%)
2024	4,355,301 millions	7,099 millions	0.16

The future supply and demand situation and growth of the market:

(1) At the end of 2023, the Directorate-General of Budget, Accounting and Statistics, Executive Yuan predicted that the GDP in 2024 would be 3.35%. However, on November 29, 2024, it announced that the GDP forecast for 2024 would be revised up to 4.27%. As inflation pressure in various countries eases and demand gradually recovers, the global economy is expected to continue to grow steadily; however, due to factors such as the severe acute respiratory syndrome coronavirus 2 (COVID-19) and respiratory syncytial virus (RSV) epidemics, the Russia-Ukraine war, the war in the Middle East, the US presidential election, the intensification of US-China trade frictions, and fluctuations in the supply chain and prices of raw materials, the global economic sentiment will still be disrupted next year.

By 2025, the government will strengthen economic and industrial strength, increase public construction investment, expand international cooperation and exchanges, implement the net zero transformation goal, cultivate cross-domain capabilities in AI scientific research, affirm the value of multiculturalism, strengthen the development of outlying islands, Hualien and Taitung, and implement execution benefits to promote steady economic growth.

The government's public construction plan for 2025 has a total of NT\$648.3 billion, an increase of approximately NT\$59.7 billion from the same basic budget of NT\$588.6 billion in 2024. Among them, the three major subcategories of "transportation construction", "environmental resources" and "urban and regional development" that are within the scope of construction industry contracts have a total of NT\$344.6 billion, and the most important transportation construction category has a total of NT\$226.9 billion.

In 2025, the company will continue to focus on public works such as roads, rail transportation, bridges, tunnels and ports as its main targets.

(2) Growth

A. According to the website of the Public Works Committee of the Executive Yuan, the government will expand public construction investment, boost the economy, and implement the “Love Taiwan 12 Construction Master Plan” to give priority to the promotion of 12 infrastructures, including:

(A). In terms of transportation, through the construction of convenient transportation network, Kaohsiung Port City Reconstruction and Taoyuan International Aviation City, it will greatly enhance Taiwan's global transportation energy.

(B). In terms of industrial development, through the new settlement of high-tech industries in the central region, smart Taiwan and industrial innovation corridors, it will accelerate the accumulation of intellectual capital and build Taiwan's future competitiveness.

(C). In terms of urban and rural development, it will promote the renewal of urban and industrial areas, as well as rural regeneration, revitalize the economic vitality of old and backward areas, and create a new look of urban and rural areas.

(D). In terms of environmental conservation, it will give priority to environmental protection projects such as coastal renewal, green afforestation, flood control and sewer construction, and implement environmental and ecological protection and carbon reduction effects through practical actions.

The above-mentioned infrastructure construction, the company's convenient transportation network for transportation, Kaohsiung Port Redevelopment and environmental protection

Basic projects such as flood prevention and water control and sewer construction in the field of education have certain business opportunities in the next few years.

B. The government actively plans to expand the comprehensive infrastructure investment and start to build the infrastructure needed for the country's future development. It proposes a “forward-looking infrastructure design painting”, including eight major construction paintings, which will lay the foundation for Taiwan's development in the next 30 years and accelerate Taiwan's economic transformation. And upgrading, boosting the country's long-term competitiveness, drawing a blueprint for happiness for the people, and building various soft and hard bodies, most of which are related to the construction industry.

(A) Construction of a safe and convenient "track construction":

a. Construction Content: Promote 5 "High-speed Rail Railways into a Network", "Taiwan Railway Upgrade and Improvement of Eastern Services", "Three-dimensional Railway or Commuter Speed", "Urban Push-Mart" and "Central-South Tourism Railway" The main axis has a total of 38 track design drawings.

b. Objective: To build Taiwan's rail system into a backbone transportation service that is friendly, seamless, industrial, safe, reliable, easy to operate, sustainable, and attractive.

(B) "Water Environment Construction" in response to climate change:

a. Construction content: Accelerate water treatment, water supply and hydrophilic infrastructure.

b. Objective: Stable water supply, continuous cycling, permeable city, land security, water and green integration, and a happy environment of quality water in Taiwan.

- (C) "Green Energy Construction" to promote environmental sustainability:
- a. Key points: Solar, wind power and Sharon Green Energy Science City and other related research and development and long-term development bases.
 - b. Objectives:
 - Energy transformation benefits: Strengthen energy security, innovate green economy, promote environmental sustainability and social equity.
 - Industrial Benefits: To build Taiwan's important base for the development of green energy industry in Asia, and to make Taiwan a place in the global green energy industry within 5-10 years.
- (D) Creating a "digital construction" of the wisdom of the country:
- a. Key construction: Accelerate the promotion of social ultra-wideband network social related construction.
 - b. Objectives: Broadband and ultra-wideband use network connection smooth and secure, network users' human rights to obtain basic security, cultural creativity and high-value products into the industry, introduce smart urban and rural construction and establish a learning environment, and promote the creation of cultural and creative industries. Zhaoyuan industry.
- (E) Strengthening the "urban and rural construction" of regional balance:
- a. Construction content: Promote people's sense of construction, including improving parking problems, improving road quality, urban heart project, developing in-ground industrial parks, building cultural living circles, campus community transformation, public service bases, and creating leisure sports Ten projects including environment, Hakka romantic platform 3, and original tribe construction.
 - b. Objective: To improve the quality of the public environment, improve the living conditions of the people, and enhance the overall image of the country.
- (F) In response to the need for child-friendly parenting, "space construction":
- a. Construction content: Promote the publicity of childcare and education in children aged 0 to 5, and create a space for friendly parenting.
 - b. Objective: Accelerate the expansion of the publicity of child care and education, to create a friendly parenting space, provide affordable and quality-supported childcare and education services, reduce the financial burden on parents, reduce women's employment barriers, and reverse minority births. crisis.
- (G) "Food Safety Construction":
- a. Construction content: build a state-level experimental building and education and training building for modern food and medicine, improve the efficiency of the border inspection and customs management system, strengthen the food safety inspection and inspection capacity of health units, and strengthen the central food safety inspection capacity.
 - b. Objective: To improve the inspection capacity and improve the safety management system to improve food safety in China.
- (H) "Talent Cultivation to Promote Employment Construction":
- a. Construction content: Promote the international industry-academic alliance, the establishment of youth science and technology innovation and entrepreneurship bases, the training and employment of high-level talents in key industries, the development of "young researchers", and the optimization of the implementation environment of vocational schools.
 - b. Objective: To build Taiwan's international standard entrepreneurial settlement as the core, to promote the development of youth entrepreneurship,

employment and international industry-university-research cooperation by attracting international talents to Taiwan, and to assist China's innovation and entrepreneurship ecosystem to further integrate with the international community.

- C. Government's New South-South Policy: China's engineering industry strives for new south-facing national infrastructure construction opportunities, and selects petrochemical, power plant, intelligent transportation ETC, Metro Rapid Transit and environmental protection five teams as the main output. With reference to the practices of various governments and previous successful cases, the first and foremost conditions must first assist our business to obtain the project performance, and then the conditions for the independent construction of the infrastructure by the manufacturers. Therefore, the subsidy manufacturers will be selected and the foreign aid cases will be selected. The engineering projects with technical advantages are limited by the bidding of our business, assisting the engineering industry to achieve actual results, and the follow-up can continue to open branches and leaves, and compete in the local or neighboring countries to compete for the bidding.

The engineering industry has entered the new south to the market. In addition to integrating the resources of various ministries and departments to promote cooperation, it is necessary for the government to cooperate with the people to create a new blue ocean for the engineering industry.

3. Competitive niche:

The company has been awarded as an excellent construction manufacturer by government agencies at all levels over the years. It will have a competitive advantage for the company's overall corporate image and the most favorable public engineering selection process. The company will continue to develop into a comprehensive large-scale construction industry in the future. In addition to the current major public works, the company will gradually expand its business of building, environmental protection, building materials and machinery. The goal of building business contracts is still based on public works, supplemented by civil construction projects and land development, and actively participate in the island's transportation backbone construction plan. For public projects that are tendered by turnkey, actively seek for better quality and better financial cooperation. Vendors participate in the development of financial planning, overall construction, design, maintenance, operations, investment and other diversified business strength.

4. Favorable and Unfavorable Factors in the Long Term

1. Favorable factors

- (1) The government continues to promote the significant CEPD plan.
- (2) The domestic economy gradually recovers, and continues to grow.
- (3) The Government promulgated the "Government Procurement Law.
- (4) The government is actively engaging in the rewards of excellent construction companies in order to create more competitiveness for excellent construction companies through incentives.
- (5) In order to stabilize the domestic economy, the government promoted "the expansion of domestic demand programs" and introduced the BOT models to significant constructions in order to stimulate the private capital investment.
- (6) Since 1999, regarding new project tenders above \$50 million, vendors could receive prepayments of 30% after they have provided the same amount of

guarantee.

- (7) Government to expand public construction investment, boost the economy, the implementation of "12 major construction overall plan" is expected from the Republic of China from 1999 to 2016 only, priority to promote 12 infrastructure.

- (8) Accession to the WTO to expand overseas market.

2. Unfavorable factors

- (1) Rigorous labor safety penalties, increase in the labor safety cost.

Countermeasure – Strengthen the labor safety educational training, enhance the labor safety concept, impose a self-inspection system, reduce labor safety fines, and enhance safety.

- (2) Instability of the bulk material prices of construction projects.

Countermeasure – As a result of bulk materials (such as: gravel, concrete, steel, earth, oil, etc.) accounted for a high proportion of the entire cost of the project, and in order to reduce the risk, work contracts the company undertakes are still mainly public works, because after winning the bid, the price adjustment amount can be used to pay to vendors for materials, or materials can be used to make up the increased cost expenditure, raw materials reduction or increases in prices.

- (3) People's wisdom grows, projects being protested, a delay in the construction progress.

Countermeasure –Actively engaged in establishing good interpersonal relationships in order to establish a common living body and reduce the opposition.

- (4)People are more environmentally conscious now, thus the cost of environmental protection expenditure increases.

Countermeasure –The company has passed the "ISO14001" International Environmental Management System Certification, through the implementation of the system, and with the additional provision of pollution control equipment, to increase environmental operating manpower, as well as measures to enhance staff environmental education training.

- (5) Construction regulations are not perfect, finalized contracts unfair terms still exist.

Countermeasure –In addition to coordinate with the owner, may as well apply for the conciliation from the Public Construction Commission, Executive Yuan, or arbitration from the Arbitration Association.

- (6) Malignant low price bidding

Countermeasure –To strengthen the cost control, do careful assessments in advance, to tender with technical, special construction methods and specific qualifications, and improve the Bid rate.

- (7) After entering into the WTO, foreign vendors get to bid independently, competitive forces thus have formed.

Countermeasure –Will work to improve the quality of construction, construction management capabilities of high-efficiency, and high standards of construction technology in order to expand the overseas market.

4.2.2 Production Procedures of Main Products

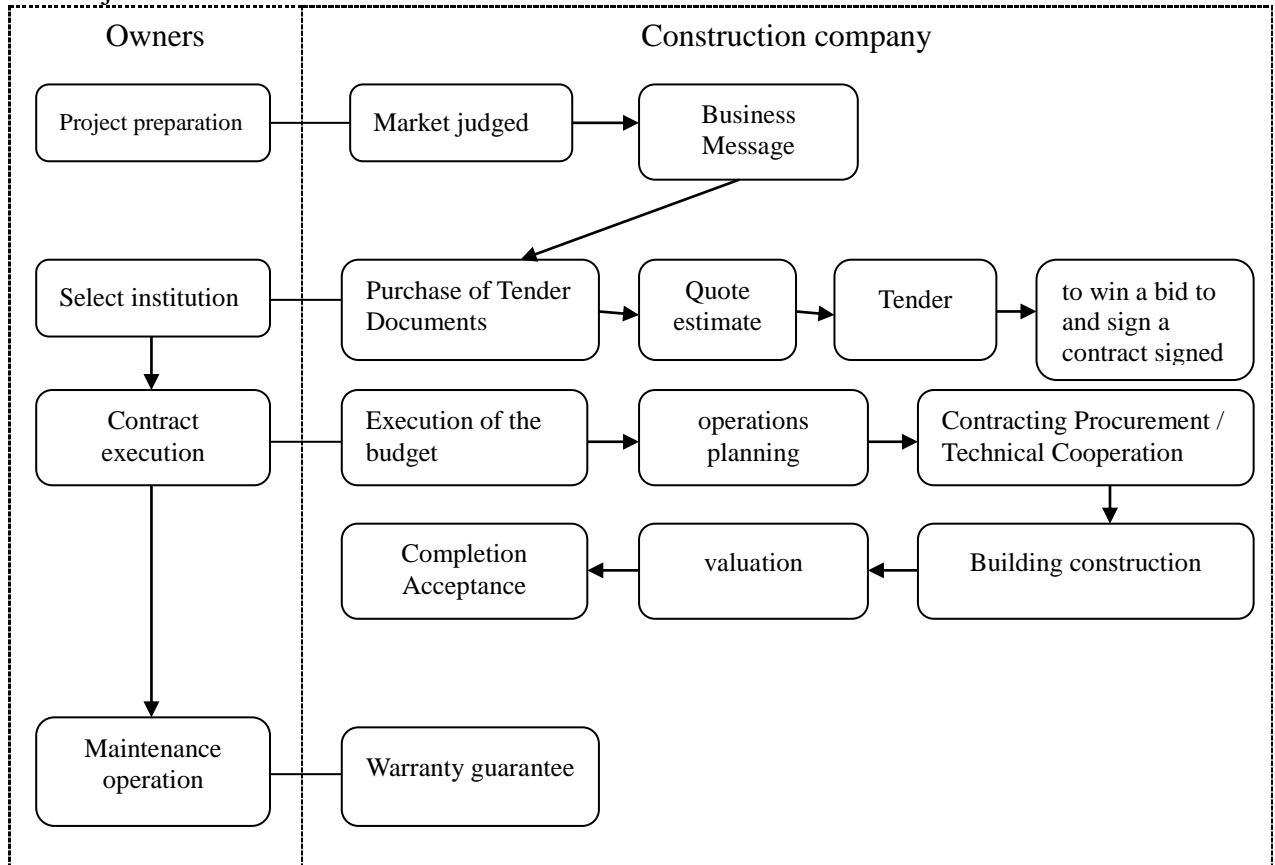
A. Major Products and Their Main Uses

- (1) Civil engineering

The second expressway, the North City MRT project, the Zhongshan high widening project, the Tamkang Bridge, the cantilever section to promote the new Austrian construction method and other special construction method bridges, tunnel projects and regional elevated express roads, Linkou power plant cylindrical coal bunker system projects. The purpose is to provide public facilities for public transportation and basic livelihood needs, and to improve the quality of life of the people.

- (2) Marine works : Linkou power plant renewal and expansion project. Taichung harbor dock No.106 new construction project.
- (3) Tunnel Project : Su-Hua Highway Guanyin Valley Wind Tunnel. Providing convenient public transportation.
- (4)Orbital Engineering → Taitung Nanping-Wanrong Double-track Civil Engineering and Tram Line Project, “Electrical Engineering Construction Plan of Taitung Chaozhou Section of Taitung South Hui Railway” C811Z Chaozhou Section of Civil Engineering and General Mechanical and Electrical Engineering.

B. Major Products and Their Production Processes



4.2.3 Supply Status of Main Materials

The company's engineering construction is contract for labor and materials-based, except some are provided by the owner according to the contract, the rest is procured by the company itself, and its main bulk building materials are offered by domestic suppliers, some special materials are ordered from abroad. The company has been in

the market for 70 years, only the national gravel and earth are in shortage, and the price of Petroleum oil rises, the upstream and downstream raw material supply chain is very solid, if events of huge ups and downs in the prices of bulk materials take place during the construction, the company may be able to control materials and vendors, as well as to effectively control the duration period, construction quality, and costs of materials via the floating price adjustment mechanism signed with suppliers, thus no shortages or interruptions could occur.

4.2.4 Major Suppliers and Clients

The name of the customer who has accounted for more than 10% of the total (sales) of goods in the previous two years of the previous year and the amount and proportion of the goods entered and sold, and explains the reasons for the increase or decrease.

1. Information on major suppliers in the last two years:

A. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2023				2024				2025 (As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Jianshan Machinery	723,163	17.83%	None	Jianshan Machinery	1,288,437	23.20%	None	Jianshan Machinery	242,192	14.94%	None
2	Tung Ho Steel Enterprise Corp.	516,234	12.73%	None	Chao Shen company	730,578	13.15%	None	Chao Shen company	164,684	10.16%	None
3	Chao Shen company	364,137	8.98%	None	Tung Ho Steel Enterprise Corp.	512,086	9.22%	None	Tung Ho Steel Enterprise Corp.	155,630	9.60%	None
	Others	2,451,988	60.46%		Others	3,023,092	54.43%		Others	1,059,005	65.30%	
	Net Total Supplies	4,055,522	100.00%		Net Total Supplies	5,554,193	100.00%		Net Total Supplies	1,621,511	100.00%	
Reasons for the increase or decrease: No significant change, not applicable												

Note 1: The name of the supplier and the purchase amount and proportion of the purchase amount of more than 10% of the total purchase amount in the last two years are listed. However, the contract name may not disclose the name of the supplier or the transaction object is an individual and is not related, and can be coded as .

Note 2: As of the date of publication of the annual report, companies that have been listed or whose stocks have been traded in the securities firm's business premises should be disclosed if they have the most recent financial information verified by the accountant.

B. Major Clients in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2023				2024				2025(As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Directorate General of Highways	2,525,489	47.24%	None	Directorate General of Highways	2,516,816	35.45%	None	Directorate General of Highways	827,783	38.44%	None
2	Taiwan International Ports Corporation, Ltd	1,170,717	21.90%	None	Taiwan Power Company	1,439,717	20.28%		Railway Bureau, MOTC	404,843	18.80%	
3	Taiwan Power Company	1,035,896	19.38%	None	Taiwan International Ports Corporation, Ltd	992,652	13.98%	None	Taiwan Power Company	268,648	12.47%	None
4	Railway Bureau, MOTC	97,326	1.82%	None	Railway Bureau, MOTC	422,681	5.95%	None	Taiwan International Ports Corporation, Ltd	217,284	10.09%	None
	Others	516,693	9.66%		Others	1,727,240	24.33%		Others	434,977	20.20%	
	Net Sales	5,346,121	100.00%		Net Sales	7,099,107	100.00%		Net Sales	2,153,534	100.00%	
Reasons for increase or decrease: The change in the ratio was mainly due to the increase in contracted projects, which resulted in an increase in total net sales and a decrease in the ratio of individual cases to net sales. The amount of the Railway Bureau increased mainly because the construction and pricing of the CB02 project began.												

Note 1: The name of the customer and the sales amount and proportion of the sales volume of more than 10% of the total sales in the last two years are listed. However, the contract name may not disclose the customer name or the transaction object is personal and non-relevant. .

Note 2: As of the date of publication of the annual report, companies that have been listed or whose stocks have been traded in the securities firm's business premises should be disclosed if they have the most recent financial information verified by the accountant.

4.3 Human Resources

Year		2023	2024	Data as of ending data in the current year 2025(As of March 31)
Number of Employees	Manager	12	14	15
	General staff	208	306	318
	Foreign labor	396	540	568
	Total	616	860	901
Average Age		47.45	46.12	46.27
Average Years of Service		9.67	7.02	6.96
Education	Ph.D.	1.36	0.63	0.60
	Masters	15.91	16.56	16.82
	Bachelor's Degree	43.64	43.44	42.94
	College	24.09	22.50	22.52
	Senior High School	13.64	16.25	16.52
	Below Senior High School	1.36	0.62	0.60

4.4 Environmental Protection Expenditure

4.4.1 In the most recent year and up to the date of publication of the annual report, the losses suffered due to environmental pollution (including the violation of environmental protection laws and regulations as a result of compensation and environmental protection audit results, the date of punishment, the name of the punishment, the provisions of the violation of laws and regulations, the content of the violation of laws and regulations, and the content of punishment) and The total amount of punishment:

Unit: NT\$ thousands

	2023	2024(Note)	The current year as of March 31st, 2025
Pollution	Violations of environmental law	Violations of environmental law	Violations of environmental law
Amount of penalty	\$60	\$300	\$0

Note : Environmental fines for 2024 are as follows :

Date	Number	Violation of legal	Content that violates laws	Punishment
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		provisions	and regulations	content
2024/07/09	New Taipei City Environmental Inspection No. 20113070013	Article 32, Paragraph 1, Item 1 of the Air Pollution Control Act and Article 6, Item 1 of the Air Pollution Control Implementation Guidelines	The open-air burning project used waste wood, but no equipment was installed to collect and treat particulate pollutants, resulting in significant particulate pollutants being dispersed in the air.	Fine of NT\$100,000
2024/11/27	Haishoubaozi No. 1130009377	Article 25, Paragraph 3 of the Marine Pollution Prevention Act and Article 21 of its Enforcement Rules	Delay in submitting the marine disposal operation record report.	Fine of NT\$200,000

4.4.2 Future response measures (including improvement measures):

Our company has always attached great importance to environmental protection. In addition to using low-noise equipment to perform work and laying related facilities to improve road pollution, the construction site also hired employees to strengthen cleaning to maintain a clean environment. Measures such as continuous watering and laying dust-proof nets to prevent air pollution have been effective. In 2024, the Tamkang Bridge project was fined for burning construction waste and has stepped up publicity on waste disposal methods to avoid air pollution. In addition, the Qianzhen Fishing Port Project has delayed submitting the declaration of abandonment operations and has submitted it as soon as possible. In the future, it will submit the relevant declaration information according to the prescribed schedule to avoid penalties.

4.4.3 Possible future expenditures:

Based on the recent general awareness of environmental protection and the concept of sustainable management, the company has been regarded as the responsibility of business operations for the prevention and control of pollution and environmental protection. In the construction process of each project, it is in accordance with labor safety and health regulations, and strict requirements for contractors. Do a good job in environmental protection to reduce the penalty for pollution. At present, the environmental protection work of the existing construction sites has been implemented and won the praise of the surrounding residents, which has invisibly enhanced the corporate image of the company. And the company obtained the ISO 14001 international environmental management verification in March 2009, which shows that the company attaches great importance to the prevention and control of environmental pollution. Under the premise of the company's efforts to implement

various pollution prevention and control work, there should be no environmental pollution in the future. Significant expenses incurred.

4.4.4 In accordance with relevant laws and regulations, the impact of the “EU Directive on Restriction of Hazardous Substances” (RoHs) on the Company is disclosed:

According to the company's industry characteristics, it is not affected by RoHs.

4.5 Labor Relations

A. The company's various employee welfare measures, training, training, retirement system and its implementation, as well as the agreement between labor and management and the maintenance measures of various employee rights:

1. Welfare measures:

The Company established the Staff Welfare Committee in June 1993. Each year, the annual plan and budget are set up to handle various activities, including: emergency relief, wedding support, annual gift money, employee travel and regular health check, except for labor insurance. In addition, the company insured group accident insurance and medical insurance, so that the colleagues enjoy multiple protection.

In order to enable all employees to work together to create profits, after the end of the fiscal year, if the company has a surplus, in addition to giving priority to the past years of losses and legally submitting the statutory reserves, then 3%-5% bonus will be paid from the surplus to all employees. Dividends, and each time the cash increase, a certain percentage of the funds are provided for employees to buy shares.

2. Training

Education and training is one of the key points of the company's human resources management. The development of new employees from general education to professional technology is carried out according to the plan. Through on-the-job and extra-training to enhance their technical capabilities, leadership and career development. And there are incentives added by the license to encourage employees to actively pursue further studies, strengthen their management skills and cultivate their concentration and sincere work attitude. In the future, the company will continue to carry out personnel training programs, so that the career planning of employees can grow together with the overall interests of the

company.

(1) The company's 2024 annual education and training statistics

project	Course Title	Number of people	Hours	Training cost(NT\$)
Engineering courses (quality control, labor safety and health, field directors and other technical courses)	External training for each major	102	1,916.5	494,488
Human Resources, Administration, Audit, Legal, Information Courses	External training for each major	23	162	25,276
Financial accounting, director education training course	Director training and staff training	9	78	31,000
Internal education training	Prevention of insider trading and integrity management (including online education and promotion), education and training for new employees, and general education courses	516	2,298	148,741
total		650	4,454.5	699,505

(2) The company and the financial information transparency related personnel obtained the training hours of the competent authority:

Date		Title/name	organizer	Course Title	Hours
Start	End				
2024/09/27	2024/09/27	Director, Auditing Office Hou, ji-shian	Financial assets of the corporation Futures Development Foundation	Production cycle audit practice training	6
2024/10/08	2024/10/08			How to audit ESG risks and submit effective audit reports	6
2024/12/09	2024/12/09	Accounting Supervisor Wen, Shu Chiao	Republic of China Accounting Research and Development Foundation	Continuing training courses for accounting supervisors of issuers, securities companies and stock exchanges	12

(3) Manager training situation: (including training and training related to corporate governance)

Date		Title/name	organizer	Course Title	Hours
Start	End				
2024/07/30	2024/07/31	General manager Ding, cheng-jr	Financial assets of the corporation Futures Development Foundation	Practical Training Course for Directors and Supervisors (Including Independent Persons) and Corporate Governance Managers	12
2024/05/02	2024/05/03	Corporate Governance Supervisor Li, kuei- chung	Financial assets of the corporation Futures Development Foundation	Sustainable Disclosure Practice Study	9
2024/06/06	2024/06/06		Taiwan Stock Exchange	GHG Protocol Corporate Standards and Scope 3 Standards Promotion Course Create a Carbon Age Promotion Meeting with Sustainable Knowledge	7

3. Retirement system and its implementation

(1). The old labor pension system of the Labor Standards Law:

The Company has established a Labor Retirement Reserves Supervision Committee and has set a monthly retirement reserve to be deposited in the Central Trustee's Pension Reserve Account. The retirement methods are handled in accordance with the provisions of the Labor Law.

(2). New Labour Pension System under the Labour Pensions Ordinance:

Since July 2005, the new system of labor pension has been implemented. The company has stipulated in accordance with the law to allow employees to voluntarily elect the "new and old" system (regardless of whether employees choose new or old systems, the seniority of the people before June 2005 will be retained and applicable. Baseline), for the selection of new employees, the company pays 6% of the monthly salary of the workers as labor pensions and deposits them into individual labor pension accounts.

For other related welfare measures, please refer to the company's website - human resources area. URL:

<https://www.kseco.com.tw/tc/humanResources.aspx?cid=13&cchk=EDDA7FCF-1BBE-4AAC-978B-5737C87B3701>

4. The situation of the labor agreement:

The agreement between the employer and the employee of the company is in accordance with the provisions of the Labor Law and the company's personnel management regulations, which are stipulated when employees enter the company's services, so the implementation is in good condition. Any new or amended measures related to labor relations will be finalized after the labor and management have fully agreed to communicate, so no disputes have occurred.

B. The losses suffered by labor disputes in the most recent year and the end of the annual report, and the estimated amount and corresponding measures that may occur in the current and future:

1. Losses suffered due to labor disputes in the most recent year and the end of the annual report.

Since the company has always attached importance to labor-management relations, there have been no labor disputes and no losses due to labor disputes.

2. Estimated amount and possible measures that may occur at present and in the future:

- (1) Strengthen the shaping of the ethical concept of large family-owned labor.
- (2) Establish an interactive communication and appeals pipeline.
- (3) Fully comply with labor laws and strengthen welfare measures.

The company still operates in a rational and harmonious management concept. If there are no other external variables, the labor-management relationship should be normal and harmonious, and no monetary losses will occur.

C. The company's employee behavior or ethics code:

The company has a staff manual, which is issued to each new employee when they enter the company, as a yardstick for the conduct of all employees. Its main content is:

1. Employees shall accept the command and supervision of the superior supervisor and shall not arbitrarily defy.
2. Employees should abide by laws and regulations and company regulations, and should be honest, clean, cautious, and diligent. Colleagues should respect each other to ensure the company's reputation and to make progress in the company's business.
3. In addition to the regulations in accordance with the regulations, if there is no stipulation or ambiguity in the case of an employee, the employee shall consider

the relevant provisions and their purposes, and shall not be afraid to evade or push the shackles.

4. Employees should respect the company's reputation and must not use the company's name except for the company's designated tasks. Anyone whose personal opinions involve the company may not be published without permission.
 5. Employees are not allowed to use personal convenience to engage in malpractice.
 6. Employees should be dedicated and keep all confidentiality in the business.
 7. Employees should handle the business with the concept of cost, and cherish the public property, and must not arbitrarily waste, destroy, encroach or sell.
 8. Employees in the office should abide by the order and must not talk about or hinder the work or other bad behavior of others.
 9. Employees should cooperate with each other and cooperate with each other. There must be no quarrels, fiddling between right and wrong, and other situations that disturb the order and hinder the discipline.
 10. Employees should be humble and sincere to customers and guests. There must be no arrogance, ignorance or rudeness that would damage the reputation of the company.
 11. Employees should be honest and self-contained, must not be corrupt or corrupt, and must not borrow from the company's customers in the name of the company or position.
 12. During the office hours, employees shall not leave their posts without the approval of the competent personnel.
 13. Employees are not allowed to arbitrarily read account cards, lists, documents, correspondence, etc. that are not their own duties. They may not bring the company's chapters, accounts, documents, etc. out of the office or for viewing.
 14. Employees shall be responsible for stratification, and supervisors at all levels shall perform their duties as supervisors.
 15. The employee leaves the company, except for the trial personnel, the company may issue a certificate of separation.
- D. Work environment and employee personal safety protection measures
- The company regularly and irregularly conducts security and propaganda, and has a working environment and employee personal safety protection measures on site

construction safety protection. The main contents are as follows:

1. Self-management: Establish safety and health management plans, automatic inspection plans, emergency response plans, and fall disaster prevention plans. The mechanical equipment must have a certificate of inspection, the operator (including the commander) must have a certificate of conformity, and the supervisors of each sub-project must also obtain a license.

2. Second, there is a risk of falling during construction:

(1) In the edge and opening part of the workplace with a height difference of more than two meters, the guardrail and protection should be set up in accordance with the regulations.

Cover, safety net or protective measures for hanging seat belts.

(2) In workplaces with a height difference of more than 1.5 meters, safety equipment shall be provided in accordance with the regulations.

(3) When working on a roof constructed of easy-to-wear materials such as stone wool board, iron sheet, tile, and wood board, it should be in the house.

The rack is provided with a pedal that prevents stepping and width of more than 30 cm, a safety net or a safety belt.

3. In the construction, there is a risk of collapse or collapse:

(1) The vertical direction of the construction frame is 5.5 meters and the horizontal direction is 7.5 meters. It should be properly connected with the stable structure.

(2) When the excavation depth of the open excavation site is more than 1.5 meters, or there is a ground collapse and the earth and stone are falling, the facilities for retaining soil support, slope protection or fence protection shall be provided.

4. there are people who have a sense of electricity during construction:

Wires should be elevated, use wire, wire covered insulation, and welding work in accordance with CNS standards. Workers should use protective gloves and goggles.

5. Other:

Workers entering the work area should wear safety helmets and reflective vests, and the exposed steel bars in the work area should be used for protection, limited space operation checkpoints, tunnel project access

control, lighting and ventilation checkpoints.

4.6 Information security management

4.6.1 Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.

The information room is an independent department not affiliated to the user unit, responsible for coordinating and implementing information security policies, promoting information.

Information security information to enhance employees' information security awareness. The internal control system - electronic computer management is reviewed by the audit office every year management system, conduct information security audits, and evaluate the effectiveness of the internal control of the company's information operations.

For detailed information on the company's information security risk management structure, information security policy and management plan, please refer to the official website company website. URL:

<https://www.kseco.com.tw/tc/serviceInfo.aspx?cid=98&cchk=7fa6fd7b-3669-48b8-8d74-3caf9342fa45>

The resources invested in the security management of Zitong:

- (1) Network hardware devices such as firewalls, email antivirus, spam filtering, Internet behavior control, network-managed integrated circuits, intrusion prevention, etc.
- (2) Software systems such as antivirus software, backup management software, VPN authentication, regular log records of information security equipment, etc.
- (3) Telecom services such as multiple lines, traffic monitoring, etc.
- (4) Investing in manpower such as: daily system status inspection, weekly regular backup and implementation of backup media in different places, publicizing information security information at any time, enhancing employee information security awareness, annual system disaster recovery execution drill, annual information cycle Internal audit, accountant audit, etc.

4.6.2 List the losses, possible impacts and countermeasures caused by major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the

fact that it cannot be reasonably estimated shall be stated.

In recent years and the date of publication of the annual report, the company has not suffered losses due to major information security incidents. In order to avoid future incidents that may cause losses due to information security, we will increase the resources devoted to information security management year by year.

4.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Engineering contract	Temporary Engineering Office of the North District of Western Binhai Highway, General Administration of Highways, Ministry of Communications	2019. 2. 23~2025. 7. 8	Construction of Tamkang Bridge and Connecting Road Network 5K+000~7K+035	None
Engineering contract	Suhua Improvement Engineering Office, Directorate General of Highways, Ministry of Transportation and Communications	2020. 12. 2~2025. 5. 30	Taiwan Line 9 212K + 800~214K + 685 Papaya River Bridge Reconstruction Project	None
Engineering contract	Central Taiwan Construction Office, Nuclear Thermal Power Engineering Office, Taiwan Electric Power Co., Ltd.	2021. 03. 01~2026. 11. 30	Taichung Power Plant's new gas-fired unit plans to recycle water pumping machine room and underdrain construction	None
Engineering contract	Taiwan Ports Co., Ltd. Keelung Port Branch	2022. 7. 21~2027. 5. 30	Public facilities and permanent revetment and S04~S05 wharf project of Taipei Gangnan Wharf reclamation area	None
Engineering contract	Air Force 7th Tactical Fighter Wing (original contract name: Air Force 7th Flying Training Wing)	2023. 03. 14~2027. 12. 22 (Construction period: 1,745 calendar days)	Air Force H007 Project	None
Engineering contract	Taipei City Government Rapid Transit Engineering Bureau District 1 Engineering Office	2023. 10. 5~2032. 4. 5 (Construction period: 3,106 calendar days)	The CF681 sub-construction standard civil engineering of the Y19 (exclusive) ~ Y20 (inclusive) civil engineering and water and electricity environmental control section of the northern ring section of the ring line	None
Engineering contract	Ministry of Agriculture and Fisheries Administration	2023. 11. 16~2025. 3. 9 (Construction period: 480 calendar days)	Qianzhen Fishing Port Area Dredging Project	None

Engineering contract	Eastern Engineering Branch of the Railway Bureau of the Ministry of Transport	2023. 12. 21~2028. 5. 26 (Construction period: 1,619 calendar days)	Huadong area railway double-track electrification plan CB02 bid is restored to Ruisui civil engineering and track engineering	None
Engineering contract	Kaohsiung City Government Rapid Transit Engineering Bureau	2024. 04. 08~2033. 03. 07 (Construction period: 3,256 calendar days)	Kaohsiung Metropolitan Area Mass Rapid Transit System Metropolitan Line (Yellow Line) YC03 Standard Civil Engineering and Facilities Mechanical and Electrical Turnkey Project	None
Engineering contract	Kaohsiung City Government Rapid Transit Engineering Bureau	2024. 09. 18~2033. 08. 17 (Construction period: 3,256 calendar days)	Kaohsiung Metropolitan Area Mass Rapid Transit System Metropolitan Line (Yellow Line) YC02 Standard Civil Engineering and Facilities Mechanical and Electrical Turnkey Project	None
Engineering contract	Kaohsiung City Government Ocean Affairs Bureau	2025. 01. 10~2025. 08. 31	Kaohsiung City Xingda Fishing Port Recreational Area Dredging and Cleaning Marine Abandonment Project	None

V. Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	11,105,456	7,728,803	3,376,653	43.69
Fixed Assets	514,829	521,299	(6,470)	(1.24)
Other Assets	457,691	498,007	(40,316)	(8.10)
Total Assets	12,077,976	8,748,109	3,329,867	38.06
Current Liabilities	6,509,217	3,169,253	3,339,964	105.39
Long-term Liabilities	193,176	178,757	14,419	8.07
Total Liabilities	6,702,393	3,348,010	3,354,383	100.19
Capital stock	4,922,802	4,922,802	0	0.00
Capital surplus	519	519	0	0.00
Retained Earnings	419,409	403,009	16,400	4.07
Other Adjustments	32,853	73,769	(40,916)	(55.47)
Attributable to the owners of the parent company	5,375,583	5,400,099	(24,516)	(0.45)
Total Stockholders' Equity	5,375,583	5,400,099	(24,516)	(0.45)

Analysis of changes in financial ratios:

1. Increase in current assets and total assets: mainly due to the increase in advance payments for new projects in this year.
2. Increase in current liabilities and total liabilities: Mainly due to the advance payment for new projects in this year, which increased current liabilities and total liabilities.
3. Decrease in other equity: The reason is that the market value of financial assets decreased, resulting in a decrease in other equity.

5.2 Analysis of Financial Performance

A. Business results comparison analysis table

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Gross Sales	7,099,106	5,346,121	1,752,985	32.79
Operating cost	(6,791,587)	(5,028,658)	(1,762,929)	35.06
Operating margin	307,519	317,463	(9,944)	(3.13)
Operating expenses	(380,689)	(272,775)	(107,914)	39.56
Operating profit	(73,170)	44,688	(117,858)	(263.74)
Operating income and expenses	93,980	25,626	68,354	266.74
Pre-tax net profit	20,810	70,314	(49,504)	(70.40)
Income tax expense	(11,134)	(2,990)	(8,144)	272.37
The current net profit	9,676	67,324	(57,648)	(85.63)
This issue other comprehensive income net of tax	(34,192)	48,386	(82,578)	(170.67)
Issue comprehensive income	(24,516)	115,710	(140,226)	(121.19)
Net profit attributable to owners of the parent company	9,676	67,324	(57,648)	(85.63)
Comprehensive profit attributable to owners of the parent company	(24,516)	115,710	(140,226)	(121.19)

Analysis of changes in financial ratios:

1. Increase in operating income and operating costs: The main reason is that the new projects have entered the initial project pricing period, and some of the original projects are still in the peak period, so both operating income and operating costs have increased compared with the previous year.
2. Increase in operating expenses, decrease in net operating profit, decrease in net profit before tax, decrease in net profit after tax and decrease in net profit attributable to owners of the parent company: the main reason is that losses were recognized due to litigation this year, resulting in increase in operating expenses and decrease in various net profits.
3. Increase in non-operating income, expenses and income tax: Mainly due to the increase in non-operating income, expenses and income tax as a result of the compensation awarded this year.
4. The decrease in other comprehensive profit or loss, net of tax, comprehensive profit or loss and comprehensive profit or loss attributable to owners of the parent company for the current year was mainly due to the decrease in the market value of financial assets.

B. Analysis of changes in operating gross profit:

Since our company belongs to the construction industry, price-volume analysis is not applicable.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

1. Operating activities: inflow \$2,809,533
2. Investing activities: outflow \$2,406,793
3. Financing activities: inflow \$ 43,432

Description:

1. Net cash inflow from operating activities for the year: Mainly due to the increase in advance payments from owners of large new tenders, resulting in an increase in capital inflow.
2. Net cash outflow from investing activities in this year: The increase in deposits pledged as project security deposits for major new tenders resulted in an increase in capital outflow.
3. Net cash inflow from financing activities this year: mainly due to bank working capital loans.

5.3.2 Remedy for Cash Deficit and Liquidity Analysis

Item \ Year	2024	2023	Variance (%)
Cash Flow Ratio (%)	43.16%	4.18%	38.98%
Cash Flow Adequacy Ratio (%)	1134.21%	377.19%	757.02%
Cash Reinvestment Ratio (%)	48.46%	2.30%	46.16%
<p>1. Cash flow ratio and cash flow adequacy ratio: The main reason for the increase in cash flow ratio and cash flow adequacy ratio was the increase in advance payments from owners of large new tenders.</p> <p>2. Cash reinvestment ratio: mainly due to the increase in project volume and deposits pledged as collateral.</p>			

5.3.3 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
1,912,422	298,493	(839,752)	1,371,163	-	-

1. Analysis of expected cash flow changes in 2025:

(1) Business activities:

The estimated net cash inflow from operating activities is mainly due to the advance payment from owners of larger new tenders, which will result in an increase in cash inflow.

(2) Investment and financing activities:

This is mainly due to the increase in pledged deposits for project security deposits for large new tender cases, resulting in the expected net cash outflow from investing and financing activities.

5.4 Major Capital Expenditure Items

None.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

(1) Reinvestment policy:

The company's reinvestment is mainly based on the core business.

(2) Situation of making profits from reinvestment business:

The company's 2024 equity method appraisal recognized investment gains and losses amounted to 0 yuan.

(3) Investment plan for the next year:

In the coming year, the company will continue to develop the Daxin store project, and engage in investment projects such as reconstruction of old buildings and urban renewal plans.

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

(1) Interest rate

In 2024, the interest expenses of the Company represented 0.38% of annual revenue. Going forward, the Company will continue to carefully monitor interest rate movements, adopt proper hedging strategies, and make use of capital markets financing instruments to ensure that our financing costs are at a comparatively low level.

(2) Foreign exchange rates

The company is an engineering corporation, undertaking various domestic significant public constructions, the source of raw materials are mostly within the domestic market, thus impacts of exchange rate changes are minor.

(3) Inflation

Most of the company purchases domestically. In recent years, raw materials have risen sharply. Because the owner has subsidy for material transfer, inflation has little impact on the company's profit and working capital this year.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The company is committed to the development of the industry and is not engaged in high-risk, high-leverage investment and derivative commodity transactions. Fund loans and affiliated companies are required for operation. The endorsement guarantee is mainly required for the factors of the joint ownership of the land and is handled in accordance with relevant regulations and management methods, and it will not cause losses due to the endorsement guarantee. The company's fund loans to others and endorsement guarantees are all handled in accordance with the company's policies and corresponding measures stipulated in the "Operation Measures for Funds Loans to Others" and the "Implementation Measures for Endorsement Guarantees", and the relevant operations have been carefully implemented in consideration of risk conditions and related regulations. .

5.6.3 Future Research & Development Projects and Corresponding Budget

The company's relevant construction technology is independently developed by the Ministry of Works and various construction sites or imported from abroad by professional third-party manufacturers. There is no special R&D department set up, and no R&D expenses are incurred.

This year, the company undertook the Tamkang Bridge project located at the mouth of the Danshui River under the jurisdiction of the General Administration of Highways of the Ministry of Transport. This bridge is an asymmetrical single-span oblique-tensioned steel bridge design. In addition to the complex and uncertain geological topography of the riverbed, it still needs to face the northeast monsoon and typhoon for half a year. Severe weather impacts such as rising and falling tides. In addition to the design study of cable-stayed steel cables, steel bridges and 200M-high main tower columns, the construction adopts PDCA (plan, do, check, action), step by step is the camp cycle operation, and cooperates with BIM (build information model) information estimation and inspection , Committed to the integration and research of construction methods, and more advanced special construction methods.

In addition, since 2000, Taiwan's industrial structure has changed, which has led to rapid changes in the distribution of human resources throughout Taiwan.

As a result, the manpower demand of the construction industry is obviously insufficient. In view of this, how to guide the construction industry to automation,

Systematization, modularization, shortening the construction period, reducing manpower, and improving efficiency; at the same time, in order to improve

Management efficiency, how to digitize and informatize construction industry site management are all topics for future development.

It has been listed as future research plans stated as follows:

item	category	Technology Research Project
1	management	Research on the practical application of BIM 4D and 5D measurement in construction engineering
2	management	Research on the Application of Large Quantity Material Management Module in the Construction of Public Works System
3	design	Research on Construction Method of Steel Pipe Pile Cofferdam in Water
4	construction	Research on the Construction Method of Filling and Forming Platform Used in the

		Construction of Foundation Piles of Piers in Water
5	design	Research on using IP cement in concrete
6	design	Analysis of Optimizing the Number of Steel Formwork Sets of Bridge Pier Columns
7	construction	A Study on the Shipping and Offshore Hoisting Methods of Steel Bridge Segments
8	design	Research on Hot Dip Galvanizing Process of Galvanized Steel Bar
9	design	Research on the Construction Tower Crane of Tamkang Bridge
10	construction	Tamkang Bridge Water Steel Bridge
11	Design+ construction	Cable-stayed steel cables of Tamkang Bridge
12	construction	Research on the formwork of the tower column of the Danjiang Bridge (modeling module)
13	construction	Application and Research of Double Arch Retaining Support

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The company's operations follow the relevant current laws and regulations of domestic and foreign reinvestment countries. The relevant personnel usually maintain a high degree of attention to the development of domestic and foreign political and economic situations and legal changes, and the ability to respond appropriately, and should not have a significant impact on the company's financial business. The impact.

5.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The company obtains the industrial information and has a full grasp of the newest messages circulating in the market through seminars organized by industrial and professional organizations, plus the existing outstanding technical capabilities and advantages of the basis of competition, supplemented by innovative and groundbreaking development strategies, surely will create better performances in the future.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Since its inception, the Company has consistently maintained an ethical business philosophy and fulfilled its social responsibilities. Aside from working to strengthen internal management and conforming to all relevant corporate governance requirements, the Company has also organized numerous public welfare activities.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

The Company has no ongoing merger and acquisition activities. In considering future M&A activities, the Company will evaluate their efficiency, risks, vertical integration and other factors in accordance with its internal control system.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

NA

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

Project main raw material for steel, concrete, cement, sand, brick, in addition to part of the contract by the owners according to the feed, the main bulk of the domestic large building material can be supplied, some special materials are ordered from abroad, mostly various construction equipment purchase or lease to foreign to domestic manufacturers, and uphold sustainable business philosophy, over the years has established good relations and interaction with various third-party manufacturers, the supply situation is normal, so there is no danger of the main raw material purchase concentrated.

And the company's engineering contract, nor confined to a single nature covered the tunnel engineering, bridge engineering, MRT project, roads and general residential buildings, etc., are the source of its operating income, plus stage a letter project itself general civil engineering contract also gradually, therefore, it is in terms of operating income, there is no general risk concentrated in manufacturing sales.

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

None

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights

The company does not have operate the situation changed

5.6.12 Litigation or Non-litigation Matters

- (1) Major ongoing lawsuits, non-lawsuits or administrative lawsuit: In terms of the construction engineering controversies, appropriate loss of all cases has been entered into the accounting book.
- (2) Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings: None.

5.6.13 Other Major Risks

None

5.7. Other important matters : None

VI. Special Disclosure

6.1 Summary of Affiliated Companies

6.1.1 Affiliate enterprise merger report: reported to the Public Information Observatory when filing the annual financial report. Query link

The knot is as follows:

https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=5521&year=&mtype=K&isnew=true

6.1.2 Consolidated financial statements of related enterprises: The consolidated financial statements of the Company's related enterprises are consistent with the consolidated financial statements of the parent and subsidiary companies, and the consolidated financial statements have been submitted to the Public Information Observation Station. The query method is as follows:

<https://mops.twse.com.tw/mops/#/web/home>

6.1.3 Relationship Statement: Not applicable.

6.2 Private Placement Securities in the Most Recent Years: None

6.3 Other necessary supplementary notes: None

**VII. In the most recent year and up to the date of publication of the annual report,
stipulated in the second paragraph of Article 36, paragraph 2 of the Securities Exchange
Act: None**