

Stock Code: 3313

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

2024

Annual report

Published on April 18, 2024

Annual Report is available at: <http://mops.twse.com.tw/>

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**V. Name of any exchanges where the Company's securities are traded offshore,
and the method by which to access information on said offshore securities:
None.**

VI. Company Website: <http://www.fce.com.tw/>

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

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One. A Message to Shareholders

Dear Shareholders:

We welcome all shareholders and distinguished guests to participate in today's general shareholders' meeting. We would like to express our sincerest gratitude to all shareholders and distinguished guests for your participation and long term support to the Company.

The consolidated revenue of the Company in 2024 was NT\$36,764 thousand, a decrease of 18.20% from the consolidated revenue of NT\$44,944 thousand in 2023. The decrease was mainly attributable to a decrease in sales of building materials and the construction income of consolidated subsidiaries. In 2024, the gross profit margin was -1.05%, and the net operating loss was NT\$56,724 thousand. Due to various factors including the profit from sale of financial assets, the non-operating profit was NT\$243,894 thousand. Therefore, the overall pre-tax profit was NT\$187,170 thousand, and the current profit was NT\$173,091, an increase of NT\$175,384 thousand from the net loss of NT\$2,293 thousand in the same period in 2023. The accumulated loss is NT\$613,408 thousand.

The Company's management team has timely adjusted its operations strategy according to the current status. In the future, the Company will not only focus on the existing bulk raw material trading business, but also dedicate efforts to adding new resources, expanding new businesses, and timely adjusting labor force. In addition, the Company has also continued to reduce various costs to enhance its operational efficiency and effectiveness. We look forward to continual support and confidence from all shareholders. The 2024 financial performance and the outlook for 2025 are as follows:

I. 2024 Operating Performance (Consolidated Financial Statements)

(I) Comparative Financial Statements

Unit: NT\$ Thousand

Item	Year	2024.12.31	2023.12.31	Amount of increase (decrease)	Variance (%)
Current Assets		2,814,716	1,477,037	1,337,679	90.57
Financial assets at fair value through other comprehensive income - non-current		-	148,264	(148,264)	(100.00)
Non-current financial assets at amortized cost		148,653	-	148,653	-
Property, plant and equipment		3,645	3,932	(287)	(7.30)
Investment property		66,070	74,007	(7,937)	(10.72)
Intangible assets		10,647	12,018	(1,371)	(11.41)
Other assets		4,142	3,427	715	20.86
Total assets		3,047,873	1,718,685	1,329,188	77.34
Current Liabilities		1,031,577	287,136	744,441	259.26
Non-Current Liabilities		377,575	302	377,273	124,924.83
Total liabilities		1,409,152	287,438	1,121,714	390.25
Total equity attributable to owners of the parent		1,637,859	1,431,194	206,665	14.44
Share Capital		1,687,708	1,687,708	-	0.00
Capital surplus		564,951	530,568	34,383	6.48
Retained Earnings		(613,408)	(785,690)	172,282	(21.93)
Other equity		(1,392)	(1,392)	-	-
Non-controlling equity		862	53	809	1,526.42
Total Equity		1,638,721	1,431,247	207,474	14.50

(II) Comparative Operating Results

The net operating revenue for 2024 was NT\$36,764 thousand, a decrease of NT\$8,180 thousand or 18.20% from NT\$44,944 thousand in 2023. The 2024 gross operating profit was NT\$(385) thousand, a decrease of NT\$3,267 thousand or 113.36% from NT\$2,882 thousand in 2023. The 2024 gross profit margin was (1.05%), a decrease of (116.38%) from 6.41% in 2023. The details are as follows:

Unit: NT\$ Thousand

Item	Year	2024	2023	Amount of increase (decrease)	Variance (%)
Operating revenue, net		36,764	44,944	(8,180)	(18.20)
Operating Costs		37,149	42,062	(4,913)	(11.68)
Operating profits		(385)	2,882	(3,267)	(113.36)
Operating expenses		56,339	64,820	(8,481)	(13.08)
Operating loss, net		(56,724)	(61,938)	5,214	(8.42)
Non-operating income and expenses		243,894	60,407	183,487	303.75
Profit (loss) before income tax		187,170	(1,531)	188,701	(12,325.34)
Income tax revenue (expense)		(14,079)	(762)	(13,317)	(1,747.64)
Profit (loss) for the current period		173,091	(2,293)	175,384	(7,648.67)
Other comprehensive income (loss, net)		0	346	(346)	(100.00)
Other comprehensive income/loss for the year		173,091	(1,947)	175,038	(8,990.14)

(III) Financial and profitability analysis

1. Financial analysis

Scope of analysis	Year	2024	2023	Increase (decrease) %
Financial structure	Liability to asset ratio (%)	46.23	16.72	176.50
	Long-term funds to PPE ratio (%)	55,316.76	36,407.66	51.94
Solvency	Current ratio (%)	272.86	514.4	(46.96)
	Quick ratio (%)	68.24	288.63	(76.36)
	Interest coverage ratio	18.33	0.8	2,191.25

2. Profitability analysis

Scope of analysis		Year	2024	2023	Increase (decrease) %
Profitability	ROA (%)		7.63	0.22	3,368.18
	ROE (%)		11.28	(0.19)	(6,036.84)
	Income (loss) before tax to paid-in capital (%)		11.09	(0.09)	(12,422.22)
	Profit margin (%)		470.82	(5.10)	(9,331.76)
	Basic earnings (loss) per share (after tax) (NT\$)		1.03	0.01	10,200.00

3. Research and development (R&D):

Given that the Company does not currently have a R&D department, and is mainly engaged in the businesses in construction industry; therefore, R&D investment is not applicable.

II. 2024 Business Plan Overview

(I) Business policy

In 2024, the Company actively invested in land and housing development, purchased construction land, and increased construction projects to improve shareholders' profits. The Company expects to gradually expand into other business areas to improve operational flexibility and efficiency, effectively control expenses and various expenditures, and pursue the maximum effectiveness of resources.

(II) Important production and marketing policies

1. Continue to develop new businesses.
2. Improve and control the quality to protect the rights and interests of customers.
3. Integrate internal resources that are commonly shared to increase operational efficiency.

(III) Future development strategies

The Company will continue to purchase and develop lands actively. In the future, the focus will be on the renovation of dilapidated and old houses and urban projects. At present, the reserved lands have the advantages of location, transportation and living functions, in a hope to bring rich revenue and profits to the Company through the Group's "brand power" and "product power".

(IV) Effects of external competition, legal environment, and overall business environment

The Company's daily operations are based on relevant domestic and foreign laws and regulations, keeping in line with domestic and foreign policy trends and changes in laws and regulations. Relevant information is collected to provide reference for the management's decision-making and adjustment of operational strategies.

The Company has always been flexible to changes in the overall economy by timely reviewing strategic policies, and pursues effective implementation. Although it continues to face environmental challenges, it has sustained robust performance in response to various challenges and changes, with the hope to become profitable again, achieve employee care, fulfill social responsibilities, and provide shareholder returns.

We hope that all shareholders and VIPs will continue to express opinions to the Company, and provide support to the Company to achieve growth and improve business performance.

We would like to wish all shareholders and distinguished guests
Good Health! Good Luck!

Chairman Yu-Ming Chang



President Tung-Hung Li



Accounting Manager Han Yuan-Hsiang



Two. Corporate Governance Report

〈 1 〉 Information About Directors, Presidents, Vice Presidents, Assistant Vice Presidents, Managers of All the Company's Divisions and Branch Units:

(I) Information on the Company's directors

Information on the Company's directors (I)

March 25, 2025; unit: share, %

Job Title	Nationality or place of domicile	Name	Gender/age	Date of election (appointment)	Term of office	Date of the initial election	Shareholding while elected		Current shares held		Current shares held by spouse and underage children		Shares held in the names of others		Major experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remark
							Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Job Title	Name	Relationship	
Chairman	R.O.C.	U-Best Innovative Technology Co., Ltd.	-	2021.08.18	3 years	2020.06.30	16,430,000	16.63%	28,396,121	13.85%	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Yu-Ming Chang	Male 52	2022.04.01	3 years	2022.04.01	3,000,000	3.04%	45,000,000	21.94%	3,000,000	1.46%	-	-	MBA, National Taiwan University	Chairman and President of Sun Yad Construction Co., Ltd. Chairman of U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Chairman of Hsin-Li Chemical Industrial Corp. Chairman of Myson Century, Inc.	President	Chang Shuo-Wen	Relative within 2nd degree of kinship	Note 1
Chairman	R.O.C.	Meisen Holdings Co., Ltd.	-	2024.05.24	3 years	2024.05.24	100,000	0.06%	100,000	0.05%	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Yu-Ming Chang	Male 52	2024.05.24	3 years	2022.04.01	45,000,000	26.66%	45,000,000	21.94%	3,000,000	1.46%	-	-	MBA, National Taiwan University	Chairman and President of Sun Yad Construction Co., Ltd. Chairman of U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Chairman of Hsin-Li Chemical Industrial Corp. Chairman of Myson Century, Inc.	President	Chang Shuo-Wen	Relative within 2nd degree of kinship	Note 2 Note 3
Director	R.O.C.	Meisen Holdings Co., Ltd.	-	2023.05.26	3 years	2023.05.26	100,000	0.06%	100,000	0.05%	-	-	-	-	-	-	-	-	-	

Job Title	Nationality or place of domicile	Name	Gender/age	Date of election (appointment)	Term of office	Date of the initial election	Shareholding while elected		Current shares held		Current shares held by spouse and underage children		Shares held in the names of others		Major experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remark
							Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Job Title	Name	Relationship	
	R.O.C.	Representative: Chang Shuo-Wen	Male 47	2023.05.26	3 years	2023.05.26	-	-	-	-	-	-	-	-	Computer Science and Information Engineering, Shu-Te University Senior Software Engineer of Advanced View Inc.	Juristic person representative of the director of Sun Yad Construction Co., Ltd. Juristic person representative of the director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Chairman of Boromi Optronics Corp. Chairman of Shang Yu Construction Ltd.	Chairman	Yu-Ming Chang	Relative within 2nd degree of kinship	Note 1
Director	R.O.C.	Meisen Holdings Co., Ltd.	-	2024.05.24	3 years	2023.05.26	100,000	0.06%	100,000	0.05%	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Tseng Peng-Kuang	Male 54	2021.11.12	3 years	2021.11.12	-	-	-	-	-	-	-	-	Doctor, Department of Architecture, NCKU	Director of Sun Yad Construction Co., Ltd. Director of Myson Century, Inc.	None	None	None	Note 2
Director	R.O.C.	U-Best Innovative Technology Co., Ltd.	-	2021.08.18	3 years	2020.06.30	16,430,000	16.63%	28,396,121	13.85%	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Tseng Peng-Kuang	Male 54	2021.11.12	3 years	2021.11.12	-	-	-	-	-	-	-	-	Doctor, Department of Architecture, NCKU	Director of Sun Yad Construction Co., Ltd. Director of Myson Century, Inc.	None	None	None	Note 1
Director	R.O.C.	U-Best Innovative Technology Co., Ltd.	-	2024.05.24	3 years	2020.06.30	28,882,121	17.11%	28,396,121	13.85%	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Nan-Hao Huang	Male 51	2025.05.24	3 years	2021.08.18	-	-	-	-	-	-	-	-	Department of Transportation Engineering and Management, Feng Chia University President of Boromi Optronics Corp. Assistant Vice President of Optoelectronics Business Group of SUN YAD TECHNOLOGY CO., LTD.	President & Director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	-	-	-	Note 2
Director	R.O.C.	Chi Fu Investment Co., Ltd.	-	2024.05.24	3 years	2016.09.29	10,000,000	5.93%	10,000,000	4.88%	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Chien-Hsien Tsai	Male 64	2024.05.24	3 years	2018.06.21	-	-	-	-	-	-	-	-	Master of Law, National Taiwan University College of Law, National Taiwan University Lawyer of Huei Li Attorneys-at-Law	Lawyer of Huei Li Attorneys-at-Law	None	None	None	Note 1 Note 2

Job Title	Nationality or place of domicile	Name	Gender/age	Date of election (appointment)	Term of office	Date of the initial election	Shareholding while elected		Current shares held		Current shares held by spouse and underage children		Shares held in the names of others		Major experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remark
							Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Job Title	Name	Relationship	
Independent Director	R.O.C.	Chi Hsuan	Female 57	2021.08.18	3 years	2019.06.21	-	-	-	-	-	-	-	-	Master of Accountancy, George Washington University Department of Public Finance and Tax Administration, College of Law and Business at National Chung Hsing University (renamed as National Taipei University) General Manager/Director of Sheng Kang Capital Ltd. Senior Assistant Vice President of the Investment Banking Department at Fubon Securities Co. Ltd. Capital Markets Division, Yuanta Securities Co., Ltd. (formerly Polaris Securities) /Assistant Vice President Assistant Vice President of GC Capital Taiwan Branch	General Manager/Director of Sheng Kang Capital Ltd.	None	None	None	Note 1
Independent Director	R.O.C.	Ching-Hsi Hu	Male 61	2024.05.24	3 years	2021.08.18	-	-	-	-	-	-	-	-	Department of Economics, Tunghai University	None	None	None	Note 1 Note 2 Note 4	
Independent Director	R.O.C.	Chen Yu-Wen	Male 55	2024.05.24	3 years	2021.08.18	-	-	-	-	-	-	-	-	Master of Civil and Commercial Law, School of Law, Fu Jen Catholic University Partnership Attorney of Tai Yang Law Firm	Chief Attorney/ Director of Shin Ruei Attorneys at Law	None	None	None	Note 1 Note 2
Independent Director	R.O.C.	Ju-Hui Yang	Female 49	2024.05.24	3 years	2024.05.24	-	-	-	-	-	-	-	-	Representative of Corporate Director, CTBC Investments Co., Ltd. Independent Director of BEDDING WORLD CO., LTD	Same as left	None	None	None	Note 2 Note 5
Independent Director	R.O.C.	Chung-Yueh Lien	Male 51	2024.10.21	3 years	2024.10.21	-	-	-	-	-	-	-	-	Consultant of Leon Energy Co., Ltd.	Same as left	None	None	None	Note 6
Independent Director	R.O.C.	Cheng-Chen Yeh	Female 61	2024.10.21	3 years	2024.10.21	-	-	-	-	-	-	-	-	CEO of Huangyi Development and Construction Co., Ltd. Vice President of Gao Deng Advertising Co., Ltd.	Same as left	None	None	None	Note 6
Independent Director	R.O.C.	Yi-Chun Tuan	Female 58	2024.10.21	3 years	2024.10.21	-	-	-	-	-	-	-	-	Part-time Lecturer, Department of Information Management, National Sun Yat-Sen University Doctoral Candidate, Department of Business Administration, National Sun Yat-Sen University Consultant of Direct Sales Channel Department, TransGlobe Life Insurance Inc. Vice President, Nan Shan Life Insurance	Part-time Lecturer, Department of Information Management, National Sun Yat-Sen University Doctoral Candidate, Department of Business Administration, National Sun Yat-Sen University	None	None	None	Note 6

Note 1: Resigned on May 24, 2024 after the re-election of directors.
Note 2: Took office on May 24, 2024 after the re-election of directors.
Note 3: Elected as Chairman on May 24, 2024.
Note 4: Resigned from independent director position on July 12, 2024.
Note 5: Resigned from independent director position on August 21, 2024.
Note 6: Newly elected as independent director on October 21, 2024.

Major Shareholders of Juristic Person Shareholders

Name of juristic person shareholder	Major Shareholders of Juristic Person Shareholders	Shareholding
Chi Fu Investment Co., Ltd.	Chih-Ming Yang	80%
	Tsai Mei-Chuan	20%
U-Best Innovative Technology Co., Ltd.	Sun Yad Construction Co., Ltd.	12.64%
	Tseng Chun-Jung	1.08%
	Cheng-Chuan Lin	0.82%
	Chen Su-Ling	0.78%
	Tseng Chen Tui-Yu	0.44%
	Citibank as Custodian for the Special Investment Account of Barclays Capital SBL/PB	0.40%
	Chia-Hung Chen	0.39%
	Lun-Yin Yeh	0.38%
	Shu-Chuan Ou	0.37%
	Tsuo-Sheng Fan	0.34%
	Yu-Ming Chang	20%
	Chang Hui-Feng	20%
Meisen Holdings Co., Ltd.	Chang Pai-Hung	30%
	Chang Jen-Wei	30%

Major Shareholders of Major Shareholders Who are Juristic Persons

Name of Juristic Person	Major Shareholders of Juristic Person	Shareholding
Sun Yad Construction Co., Ltd.	U-Best Innovative Technology Co., Ltd.	5.44%
	Ho Jui Investment Co., Ltd.	1.42%
	Rung-Te Kao	1.35%
	Voyage Investment Ltd.	1.31%
	Sheng-Chang Shi	1.09%
	Citibank as Custodian for the Special Investment Account of Barclays Capital SBL/PB	1.04%
	Jing Hong Ltd.	0.71%
	Wen-Ching Yang	0.54%
	SinoPac Bank as Custodian for the Special Investment	0.47%

	Account of San Dong Investment Co., Ltd.	
	JPMorgan Chase Bank as Custodian for the Special Investment Account of JPMorgan Securities Co., Ltd.	0.42%

Information about directors and supervisors (II)

1. Disclosure of directors' and supervisors' professional qualifications and independent directors' independence:

Qualifications	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director
Name			
Legal Representative of Meisen Holdings Co., Ltd.: Yu-Ming Chang	<p>Master of Business Administration, National Taiwan University; specializing in technology entrepreneurship, technology business management and practice, business planning for new ventures, and venture capital.</p> <p>Has practical experience, strategic management, leadership and educational background related to business management in the petrochemical and construction industries for more than 20 years, with financial accounting, business, marketing, operations planning in technological industry, and practical skills on business management to achieve corporate governance.</p> <p>No breach of Article 30 of the Company Act has occurred.</p>	<p>1. Currently serving as the Chairman of the Company and concurrently Chairman of the Group's parent company Sun Yad Construction Co., Ltd., and U-Best Innovative Technology Co., Ltd., Hsin-Li Chemical Industrial Corp., and Myson Century, Inc.</p> <p>2. The other parts were verified in accordance with the independence requirements referred to in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission (FSC) and held satisfying such requirements.</p>	None
Legal Representative of Meisen	Ph.D. in the Department of Architecture, National Cheng Kung University; obtained an architect license; an adjunct assistant professor in Chang Jung Christian University and Kun Shan University; rich professional skills and management skills.	1. Representative of Sun Yad Construction Co., Ltd. concurrently elected as director.	None

Qualifications Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director
Holdings Co., Ltd.: Peng-kuang Tseng	No breach of Article 30 of the Company Act has occurred.	2. Representative of Myson Century, Inc. concurrently elected as director. 3. The other parts were verified in accordance with the independence requirements referred to in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by Financial Supervisory Commission (FSC) and held satisfying such requirements.	
U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Legal Representative : Nan-Hao Huang	Bachelor's degree from Department of Transportation, Feng Chia University; having served as President of Boromi Optronics Corp., Assistant VP of Optoelectronics Business Group of Sun Yad Development Co., Ltd., and President of U-BEST Inno.Tech Co., Ltd. Specializes in the operation and strategic management of optoelectronic and technology industries, and communicates and interacts with all directors in the role of a manager at board meetings on related operation and management strategies, and provides relevant operation and management opinions; has business, marketing and industrial technology capacity. No breach of Article 30 of the Company Act has occurred.	1. Verified in accordance with the independence requirements in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by Financial Supervisory Commission (FSC), and compliant with related independence requirements.	None

Qualifications	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director
Name			
Legal Representative of Chi Fu Investment Co., Ltd.: Chien-Hsien Tsai	Master of the College of Law, National Taiwan University; Lawyer of Huei Li Attorneys-at-Law; expertise in law, finance, management, and corporate governance in order to improve the Board of Directors' corporate governance and supervisory functions. No breach of Article 30 of the Company Act has occurred.	Verified in accordance with the independence requirements referred to in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission (FSC) and held satisfying such requirements.	None
Yu-Wen Chen	Master of Civil and Commercial Law, School of Law, Fu Jen Catholic University; Partnership Attorney of Tai Yang Law Firm; and Chief Attorney/ Director of Shin Ruei Attorneys at Law; with law work experience and corporate governance expertise in order to improve the corporate governance and supervisory functions of the Board of Directors and audit committee. No breach of Article 30 of the Company Act has occurred.	According to the Company's Articles of Incorporation and "Corporate Governance Best Practice Principles," the directors shall be elected under the candidate nomination system. When nominating and electing the Board members, the Company has received the written statement, information about work experience, current certificate of employment, and kinship chart from each director and, therefore, already verified the independence of them, their spouses, and relatives within 3rd degree of kinship as to the Company. Meanwhile, upon verification, the three independent directors identified in the left column	None

Qualifications Name	Professional qualifications <u>and experience</u> (Note 1)	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director
		were held to satisfying the qualification requirements under the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by FSC and Article 14-2 of the Securities and Exchange Act within two years before they assume the positions and during their term of office. The independent directors have also been empowered to participate in the decision-making and express opinions under Article 14-3 of the Securities and Exchange Act, in order to perform their job duties independently.	
Chung-Yueh Lien	<p>Master of High-level Business Administration, National Kaohsiung University; currently a consultant for Leon Energy Co., Ltd., with expertise in finance and accounting, business and marketing, investment management and corporate governance to improve the quality of corporate governance management and the supervision function of the Board of Directors and Audit Committee.</p> <p>No breach of Article 30 of the Company Act has occurred.</p>	Same as above	None

Name Qualifications	Professional qualifications <u>and experience</u> (Note 1)	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director
Cheng-Chen Yeh	<p>Bachelor's degree from Department of Business Administration, Open University of Kaohsiung; currently CEO of Huang Yi Development and Construction Co., Ltd. and Vice President of Golden Advertising Co., Ltd.; has expertise in commerce, marketing, operation planning, operation and management, and corporate governance to improve the quality of corporate governance management and the supervisory function of the Board of Directors and Audit Committee.</p> <p>No breach of Article 30 of the Company Act has occurred.</p>	Same as above	None
Yi-Chun Tuan	<p>EMBA, National Sun Yat-Sen University; former Consultant of Direct Distribution Division of TransGlobe Life Insurance Inc. and Vice President of Nanshan Life Insurance; currently adjunct lecturer of Department of Business Management, National Sun Yat-Sen University and Doctoral Candidate of Business Management Doctoral Program of Department of Business Management, National Sun Yat-Sen University; has expertise in finance and accounting, investment management, and corporate governance to improve the quality of corporate governance management and the supervisory function of the Board of</p>	Same as above	None

Qualifications	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the independent director concurrently serve as an independent director
Name	Directors and Audit Committee. No breach of Article 30 of the Company Act has occurred.		

2. Diversity and Independence of Board of Directors:

(1) Diversity of Board of Directors:

When planning the member composition of the Board of Directors, the Company will comprehensively consider the diversity of director candidates, such as educational background, professional capabilities, gender, and nationality in line with the Company's operations, business pattern, and development needs. The eight directors of the Company elected on the general shareholders' meeting on May 24, 2024 and the extraordinary shareholders' meeting on October 21, 2024 come from various professional fields such as commerce, accounting, and finance, with ages ranging from 43 to 65. The professional experiences are diversified, and the directors come from various fields to be able to assist the Company in providing valuable opinions and experience in the development. The Board of Directors of the Company is currently composed of 8 directors, including 4 independent directors and 4 non-independent directors. The directors are all nationals, and 75% (6 directors) are male and 25% (2 directors) are female. In the future, the Company will strive to increase the number of female directors and aim to raise their proportion to more than one third (33%) of all directors. All current board members possess the knowledge, skills, educational background and professional experience necessary to perform their duties. They have extensive expertise in areas such as accounting, finance, commerce, law, marketing or

industries. The age distribution of the directors is as follows: 6 directors aged 51 to 60 (75.0%), and 2 directors aged 61 to 70 (25.0%). The board member diversification status is listed in the following table:

Name of Director	Gender	Age	Serve as Independent Director for more than three terms	Diversified core profession				
				Finance & accounting	Commerce	Law	Marketing	Industrial technology
Meisen Holdings Co., Ltd. Legal Representative: Yu-Ming Chang	Male	52	-	V	V		V	V
Meisen Holdings Co., Ltd. Legal Representative: Peng-Kuang Tseng	Male	54	-		V		V	V
U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Huang Nan-Hao	Male	51			V		V	V
Chi Fu Investment Co., Ltd. Legal Representative: Chien-Hsien Tsai	Male	64	-		V	V		
Yu-Wen Chen	Male	55	No		V	V		
Chung-Yueh Lien	Male	51	No	V	V		V	
Cheng-Chen Yeh	Female	61	No		V		V	
Yi-Chun Tuan	Female	58	No	V			V	

(2) Board independence:

Specify the number and weight of independent directors, the independence of the Board of Directors, and explain, with reasons, whether there are no circumstances under Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act, including disclosure of any spousal or second-degree blood relative relationships among directors, supervisors, or between directors and supervisors.

1. Board structure:

The Company has established a director election system. The election process for all directors is open and fair, in compliance with the Company's "Articles of Incorporation", "Regulations Governing the Election of Directors and

Independent Directors", and "Corporate Governance Best-Practice Principles". The current board composition consists of 4 independent directors (50%) and 4 non-independent directors (50%). Among them, 1 has the employee/manager status (12.5%, not exceeding one-third of the total number of directors), and none has spousal or second-degree blood relative relationship (0%, not exceeding one-third of the total number of directors). Thus, the requirements in paragraphs 3 and 4, Articles 26-3 of the Securities and Exchange Act are complied with.

2. Board independence:

The Company's board of directors guides the Company's strategies, supervises the management and is responsible to the Company and shareholders. In terms of the corporate governance system, the Board of Directors exercises its powers in accordance with the laws and regulations, the Company's Articles of Incorporation, or resolutions of shareholders' meetings. The board of directors of the Company emphasizes independent operation and transparency. Both directors and independent directors are independent individuals who exercise their powers independently. The three independent directors have also complied with relevant laws and regulations and cooperated with the duties of the Audit Committee. They review the Company's existing or potential risk management, ensuring effective implementation of internal controls, selection (dismissal) of auditors, and independence in the proper preparation of financial statements. In addition, the cumulative voting system and the candidate nomination system were established for the election of directors and independent directors in accordance with the "Regulations Governing the Election of Directors and Independent Directors" to encourage shareholder participation. Shareholders holding a certain number of shares or more may submit a list of candidates, review of the qualification requirements of the Company and confirmation of any violation listed in Article 30 of the Company Act. Relevant acceptance procedures are conducted and announced in accordance with the law to safeguard shareholder rights, prevent monopolization or excessive proliferation of nomination rights, and maintain independence.

The Company has established a performance evaluation system for the board of directors, and executes the internal board of directors self-evaluation and the self-assessment of directors once a year; for the performance evaluation of the board of directors, the evaluation items include (1) participation in the Company's operations, (2) improvement of the quality of the Board's decision-making, (3) Board composition and structure, (4) election and continuing education of directors, and (5) internal control; self-assessment of directors covers (1) understanding of

the Company's goals and missions, (2) awareness of directors' responsibilities, (3) Participation in the Company's operations; (4) Management of internal relationships and communication; (5) Directors' professionalism and continuing education; and (6) internal control. The results of the above self-assessment are disclosed in the Company's annual report and official website after being submitted to the board of directors.

Note 1: Professional qualification and experience: Specify the professional qualifications and experience of individual directors and supervisors. For audit committee members that have accounting or financial expertise, please specify their accounting or financial background and work experience, and whether there are any of the circumstances specified in Article 30 of the Company Act.

Note 2: Specify if the independent directors meet the criteria for independence, including but not limited to (1) whether the individual and spouse or relatives within the second degree of kinship thereof are serving as directors, supervisors, or employees of the Company or its affiliates; (2) the number of the Company's shares held by the individual or spouse or relatives within the second degree of kinship thereof (or by nominee arrangement) and percentage; (3) whether the individual is serving as a director, supervisor, or employee of a company with specific relations with the Company (refer to Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); (4) the amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last two years.

(II) Information About Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, Managers of All the Company's Divisions and Branch Units

March 25, 2025; unit: share, %

Job Title	Nationality	Name	Gender	Date of election (appointment)	Shares held		Shares held by spouse or underage children		Shares held in the names of others		Major experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within 2nd degree of kinship acting as managers			Remark
					Quantity of shares	Share holding ratio (Note 1)	Quantity of shares	Share holding ratio (Note 1)	Quantity of shares	Share holding ratio (Note 1)			Job Title	Name	Relationship	
President concurrently acting as spokesperson	R.O.C.	Peng-Kuang Tseng	Male	2024.01.01	-	-	-	-	-	-	Doctor, Department of Architecture, NCKU	Juristic person representative of the director of Sun Yad Construction Co., Ltd. Vice President of Construction Business Group of SUN YAD CONSTRUCTION CO., LTD Juristic person representative of the director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Juristic person representative of the director of Myson Century, Inc.	None	None	None	Note 1
President	R.O.C.	Tung-Hung Li	Male	2025.01.01							Bachelor's degree from Department of Mechanical Engineering, Nan Jang University of Science and Technology	Juristic person representative of the director of Sun Yad Construction Co., Ltd. Chairman of Samtec Engineering Co., Ltd.	None	None	None	Note 2
Finance and Accounting Manager, concurrently acting as Deputy Spokesperson	R.O.C.	Han Yuan-Hsiang	Male	2021.08.27	-	-	-	-	-	-	Department of Accounting, National Taichung University of Science and Technology Head of Accounting Team, Finance Dept., Sun Yad Construction Co., Ltd. Finance and Accounting Manager of the Company	None	None	None	None	

Note 1: Resigned on January 1, 2025.

Note 2: Newly elected on January 1, 2025.

(III) Remuneration Paid to Directors (Independent Directors), President, and Vice President

1. Remuneration Paid to Directors (Independent Directors)

December 31, 2024; unit: NT\$ Thousand

Job Title	Name	Remuneration for directors								The total amount of A, B, C and D as a percentage of net profit after tax	Employee compensation received by directors								The total amount of A, B, C, D, E, F and G as a percentage of net profit after tax	Compensation from the parent company or investees other than subsidiaries			
		Return (A)		Retirement Pension (B)		Remuneration to directors (C)		Professional practice fees (D)			Salary, bonus and special allowance, et al. (E)		Retirement Pension (F) (Remark 1)		Remuneration to employees (G)								
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements					
Chairman	Representative of U-Best Innovative Technology Co., Ltd.: Yu-Ming Chang (Note 1)	-	-	-	-	-	-	40	40	0.02%	0.02%	1,902	1,902	-	-	-	-	-	1.12%	1.12%			
Chairman	Representative of Meisen Holdings Co., Ltd.: Yu-Ming Chang (Notes 2 and 3)	-	-	-	-	-	-	87	87	0.05%	0.05%	4,098	4,098	-	-	-	-	-	2.40%	2.40%			
Director	Representative of Meisen Holdings Co., Ltd.: Chang Shuo-Wen (Note 1)	-	-	-	-	-	-	35	35	0.02%	0.02%	-	-	-	-	-	-	-	0.02%	0.02%			
Director	Representative of Meisen Holdings Co., Ltd.: Peng-Kuang Tseng (Note 2)	-	-	-	-	-	-	85	85	0.05%	0.05%	650	650	-	-	-	-	-	0.42%	0.42%			

Director	Representative of U-Best Innovative Technology Co., Ltd.: Peng-Kuang Tseng (Note 1)	-	-	-	-	-	-	35	35	0.02%	0.02%	-	-	-	-	-	-	-	-	-	0.02%	0.02%	-	
Director	Representative of U-Best Innovative Technology Co., Ltd.: Nan-Hao Huang (Note 2)	-	-	-	-	-	-	85	85	0.05%	0.05%	1,617	3,984	-	-	-	-	-	-	-	-	0.98%	2.34%	-
Director	Representative of Chi Fu Investment Co., Ltd.: Chien-Hsien Tsai (Note 2)	-	-	-	-	-	-	112	112	0.06%	0.06%	-	-	-	-	-	-	-	-	-	0.06%	0.06%	-	
Independent Director	Ching-Hsi Hu (Notes 2 and 4)	-	-	-	-	-	-	128	128	0.07%	0.07%	-	-	-	-	-	-	-	-	-	0.07%	0.07%	-	
Independent Director	Yu-Wen Chen (Note 2)	-	-	-	-	-	-	243	243	0.14%	0.14%	-	-	-	-	-	-	-	-	-	0.14%	0.14%	-	
Independent Director	Hsuan Chi (Note 1)	-	-	-	-	-	-	65	65	0.04%	0.04%	-	-	-	-	-	-	-	-	-	0.04%	0.04%	-	
Independent Director	Ju-Hui Yang (Notes 2 and 5)	-	-	-	-	-	-	70	70	0.04%	0.04%	-	-	-	-	-	-	-	-	-	0.04%	0.04%	-	
Independent Director	Chung-Yueh Lien (Note 6)	-	-	-	-	-	-	50	50	0.03%	0.03%	-	-	-	-	-	-	-	-	-	0.03%	0.03%	-	

Independent Director	Cheng-Chen Yeh (Note 6)	-	-	-	-	-	-	70	70	0.04%	0.04%	-	-	-	-	-	-	-	-	0.04%	0.04%	-
Independent Director	Yi-Chun Tuan (Note 6)	-	-	-	-	-	-	70	70	0.04%	0.04%	-	-	-	-	-	-	-	-	0.04%	0.04%	-

Explanation 1: For the recognition of retirement pension expense.

Note 1: Resigned on May 24, 2024 after the re-election of directors.

Note 2: Took office on May 24, 2024 after the re-election of directors.

Note 3: Elected as Chairman on May 24, 2024

Note 4: Resigned from independent director position on July 12, 2024.

Note 5: Resigned from independent director position on August 21, 2024.

Note 6: Newly elected as independent director on October 21, 2024.

1. Please state the policies, systems, standards and structure of compensation to independent directors, and the relations between the compensation and the job responsibility, risk and engagement hours borne by the independent directors: Apart from the fixed traveling allowances, the remuneration for directors and supervisors are allocated from annual surplus earnings based on their contributions.

2. Except as disclosed in the above table, the remuneration received by the Company's directors for providing services (to all companies in the financial statements/ serving as a consultant in a non-employee capacity) in the most recent year: None.

2. Remuneration for the President and Vice President

December 31, 2024; unit: NT\$ Thousand

Job Title	Name	Salary (A)		Retirement Pension (B)		Bonus and special allowance, et al. (C)		Remuneration to employees (D)				The total amount of A, B, C and D as a percentage of net profit after tax (%)		Compensation from investees other than subsidiaries		
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Peng-Kuang Tseng	600	600	-	-	50	50	-	-	-	-	-	-	0.42%	0.42%	-

3. Remuneration for the five highest paid executives

December 31, 2024; unit: NT\$ Thousand

Job Title	Name	Salary (A)		Retirement Pension (B)		Bonus and special allowance, et al. (C)		Remuneration to employees (D)				The total amount of A, B, C and D as a percentage of net profit after tax (%)		Compensation from investees other than subsidiaries		
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Peng-Kuang Tseng	600	600	-	-	50	50	-	-	-	-	-	-	0.42%	0.42%	-
Deputy Manager	Han Yuan-Hsiang	600	600	-	-	357	365	-	-	-	-	-	-	0.55%	0.55%	-

4. Employees' Profit Sharing Bonus Paid to Management Team

December 31, 2024; unit: NT\$ Thousand

	Job Title	Name	Amount of stock bonus	Amount of cash bonus	Total amount	Total as a percentage of net income after tax (%)
Manager	President	Peng-Kuang Tseng	0	0	0	0
	Accounting Manager	Han Yuan-Hsiang				

(IV) The compensation paid by the Company and all companies included in the consolidated financial statements to the directors, presidents, and vice presidents in the last two fiscal years, the analysis of the percentage of total compensation to net profit after tax, the policy, standard and package of compensation payment, the procedure for determination of compensation and the connection with the operation performance and future risk.

1. Analysis of the percentage of the total compensation paid by the Company to the Company's directors, presidents and vice presidents to the net profit after tax:

Unit: NT\$ Thousand; %

Year Job Title	2023				2024			
	The Company		All companies in the consolidated financial statement		The Company		All companies in the consolidated financial statement	
Total remuneration paid	To the Company's net income (%)	Total remuneration paid	To the Company's net income (%)	Total remuneration paid	To the Company's net income (%)	Total remuneration paid	To the Company's net income (%)	
Director	7,268	416.27%	7,268	-316.96%	9,442	5.42%	11,809	6.78%
President	1,200	68.73%	2,216	-96.64%	770	0.44%	770	0.44%

2. The policy, standard and package of compensation payment, the procedure for determination of compensation, and the connection with the operation performance and future risk:

⟨ 1 ⟩ Remuneration for directors and supervisors:

On May 31, 2003, the Company's general shareholders' meeting passed the resolution that if the Company has earnings in the current year, the Chairman can receive a bonus of 1.5% of the after-tax profit (before deducting the remuneration of the Chairman and President) recognized as an annual expense payment; the rest is processed according to Article 19 of the Company's Articles of Incorporation: When the directors of the Company perform their duties, the Company may provide remuneration to them regardless of the Company's operating profit or loss. The remuneration is authorized to be determined by the board of directors based on the directors' level of participation and contribution to the Company's operations, while taking into account the usual standards in the industry. Not exceeding the remuneration for the highest paid executives as stipulated in the Company's regulations for salary assessment. If there is profit, the Company shall allocate remunerations in accordance with Article 24", which shall not exert a direct impact on future risks.

⟨ 2 ⟩ Remuneration for the President:

In addition to the annual salary of the General Manager approved by the Board of Directors on April 27, 2003, if there is profit, the General Manager can receive a bonus of 1.0% of net profit (before deducting bonuses for the Chairman and General Manager), recognized as annual expenses, which shall not exert a direct impact on future risks.

⟨ 2 ⟩ Corporate Governance Operations:

1. Functionality of the Board of Directors

Term of office of Directors and Supervisors: 11th term: August 18, 2022 ~ August 17, 2024; 12th term: May 24, 2024 ~ May 23, 2027. 14 board meetings were held in the most recent fiscal year (2024), and 2 board meetings were held as of the date of publication of the annual report in 2025. A total of 16 (A) meetings were held, and the attendance of directors is shown below:

Job Title	Name	Actual presence (attendance) times B	Presence by proxy (times)	Actual presence (attendance) rate (%) 【 B/A 】 (Note 1)	Remark
Chairman	U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Yu-Ming Chang	4	0	100%	Note 2
Chairman	Meisen Holdings Co., Ltd. Representative: Yu-Ming Chang	11	0	91.67%	Note 3
					Note 4
Director	U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Peng-Kuang Tseng	4	0	100%	Note 2
Director	Meisen Holdings Co., Ltd. Representative: Peng-Kuang Tseng	12	0	100%	Note 3
Director	Chi Fu Investment Co., Ltd. Representative: Chien-Hsien Tsai	16	0	100%	
Director	Meisen Holdings Co., Ltd. Representative: Shuo-Wen Chang	4	0	100%	Note 2
Director	U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Huang Nan-Hao	12	0	100%	Note 3
Independent Director	Ching-Hsi Hu	7	0	100%	Note 5
Independent Director	Yu-Wen Chen	16	0	100%	
Independent Director	Hsuan Chi	4	0	100%	Note 2
Independent Director	Ju-Hui Yang	4	0	100%	Note 6
Independent Director	Chung-Yueh Lien	5	1	83.33%	Note 7
Independent Director	Cheng-Chen Yeh	6	0	100%	Note 7
Independent Director	Yi-Chun Tuan	6	0	100%	Note 7
Other disclosures to be noted:					
I. During operations of the Board of Directors, please describe the date and session of the meeting, details of the agenda, the independent directors' opinions and how the Company had handled the independent directors' opinions:					
(I) Circumstances referred to in Article 14-3 of the Securities and Exchange Act:					

Session Date	Details of the agenda	Independent directors voicing opposing or qualified opinions
25th meeting of the 11th term board of directors January 25, 2024	1. Matters to be reviewed at 7th meeting of the 6th term Remuneration Committee.	None
26th meeting of the 11th term board of directors February 27, 2024	1. Ratification of the Company's acquisition of equity (shares) of Samtec Engineering Co., Ltd. 2. The cash capital increase by investing in Samtec Engineering Co., Ltd. 3. Replacement of the CPAs starting from the first quarter of 2024. 4. CPA independence and appropriateness and professional fees to the CPA in 2024 5. 2023 Declaration for Statement of Internal Control System. 6. Full re-election of directors (including independent directors) of the Company 7. Nomination and resolution on the list of candidates for directors (including independent directors) 8. Proposal to terminate the non-competition restriction imposed on newly elected directors and other representatives. 9. Amendments to the Company's Articles of Incorporation. 10. 2024 Cash Capital Increase by Private Placement	None
27th meeting of the 11th term board of directors April 9, 2024	1. Amendments to the Company's Articles of Incorporation.	None
28th meeting of the 11th term board of directors May 9, 2024	1. Ratification of purchase of U.S. treasury bonds US91282CJA09.	None
1st meeting of the 12th term board of directors May 24, 2024 (extraordinary)	1. Election of the Company's Chairman	None
2nd meeting of the 12th term board of directors June 3, 2024	1. Appointment of Audit Manager. 2. Matters to be reviewed at 1st meeting of the 7th term Remuneration Committee.	None
3rd meeting of the 12th term board of directors June 7, 2024 (extraordinary)	1. Purchase of 11 lots of land in Fujian Section, Zhongxi District, Tainan with Land Numbers 1269 ~ 1276 and 1278 ~ 1280.	None
4th meeting of the 12th term board of directors August 9, 2024	1. Amendment to the Company's internal control system.	None
5th meeting of the 12th term board of directors September 2, 2024	1. Proposal for the 2024 capital increase in cash and the 3rd domestic secured convertible bond to raise funds to pay for construction projects. 2. The Company's "Chengzhishu Multi-family Housing New Construction Project (Structure)" to be contracted by a related party.	None
6th meeting of the 12th term board of directors October 8, 2024	1. The Company's "Chengzhishu Multi-family Housing New Construction Project (Decoration)" to be contracted by a related party	None
7th meeting of the 12th term board of directors October 31, 2024	1. Matters to be reviewed at 1st meeting of the 7th term Remuneration Committee.	None

	8th meeting of the 12th term board of directors 2024.11.11	1. The Company's "New Construction of the Housing Complex in Xingzuan Section - Structure" to be contracted by a related party 2. Matters to be reviewed at 2nd meeting of the 7th term Remuneration Committee.	None
	9th meeting of the 12th term board of directors November 26, 2024	1. Replacement of the Company's stock affairs agency	None
	10th meeting of the 12th term board of directors 2024.12.27	1. Formulation and amendment of the Company's internal control system 2. Appointment of President 3. Appointment of corporate governance officers 4. Appointment of Spokesperson 5. Appointment of Deputy Spokesperson	None
	11th meeting of the 12th term board of directors January 22, 2025	1. Matters to be reviewed at 3rd meeting of the 7th term Remuneration Committee.	None
	12th meeting of the 12th term board of directors February 27, 2025	1. Certifying CPAs' independence and suitability and the 2025 professional fees for CPAs. 2. Amendments to the Company's Articles of Incorporation. 3. Amendment to the Company's internal control system. 4. The Company's "New Construction of the Housing Complex in Xingzuan Section - Decoration" to be contracted by a related party. 5. The Company plans to reduce the case "New Construction of the Housing Complex in Xingzuan Section, Tainan" to be contracted by a related party. 6. Discontinuation of the private placement of ordinary shares approved by the 2024 general shareholders' meeting. 7. 2025 capital Increase in cash via private placement	None
<p>(II) Any other resolution(s) by the Board of Directors meetings passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.</p> <p>II. For directors' avoidance of motions which involves conflict of interest, the names of directors, contents of the motions, reasons for the recusal of conflict of interest, and participation in voting must be disclosed:</p> <p>(1) Proposals for the 25th meeting of the 11th term board of directors: For motion 1 of Remuneration Committee's meeting agenda in the 7th meeting of the 6th term regarding the distribution of 2023 year-end bonuses and performance bonuses of the Company's management level, except for directors Yu-Ming Chang, who recused himself from the resolution for conflict of interest, the matters were approved unanimously after discussion by the 6 attending directors, Peng-Kuang Tseng, Shuo-Wen Chang, Chien-Hsien Tsai, Ching-Hsi Hu, Yu-Wen Chen, and Hsuan Chi.</p> <p>(2) 2nd meeting of the 12th term Board of Directors: Matters to be discussed at the 1st (extraordinary) meeting of the 7th term, case 2: Review of the remuneration to the Chairman and the Chief Auditor: Approved by all attending directors without objection after the inquiry of the Chairman; on the remuneration to the Chairman, except Chairman Yu-Ming Chang, who avoided participation in the resolution due to a conflict of interest, after the discussion among the other attending directors, a total of 6 directors were in favor: Peng-Kuang Tseng, Nan-Hao Huang, Chien-Hsien Tsai, Ching-Hsi Hu, Yu-Wen Chen, and Ru-Hui Yang. The proposal was passed without objection. Matters to be discussed at the 1st (extraordinary) meeting of the 7th term, case 3: Transportation allowances for directors, multi-functional committees, and shareholders' meetings: Except those who have a conflict of interest: Yu-Ming Chang, Peng-Kuang Tseng, Nan-Hao Huang, Chien-Hsien Tsai, Ching-Hsi Hu, Yu-Wen Chen, and Ru-Hui Yang who avoided participation in the resolution, the motion was unanimously approved as proposed after discussion by the other directors present.</p> <p>(3) 7th meeting of the 12th term Board of Directors: Matters to be discussed at the 1st meeting of the 7th term, case 3: Transportation allowances for directors, multi-functional committees, and shareholders' meetings: Except those who have a conflict of interest: Chung-Yueh, Cheng-Chen Yeh, and Yi-Chun Duan who avoided participation in the resolution, the motion was unanimously approved as proposed after discussion by the other directors present.</p> <p>(4) Case at the 8th meeting of the 12th term Board of Directors: The Company's "New Construction of the Housing Complex in Xingzuan Section - Structure" is to be contracted by a related party. Except Director Yu-Ming Chang who avoided participation in the resolution due to a conflict of interest, the motion was unanimously approved as proposed after discussion by the other directors present.</p> <p>(5) Case at the 8th meeting of the 12th term Board of Directors: Matters to be discussed at the 2nd meeting of the 7th term Remuneration Committee, case 1: Bonus allocation for the purchase of land at the Fuqian Section and performance bonus for the first half of 2024: Except Directors Yu-Ming Chang, Peng-Kuang Tseng, and Nan-Hao Huang who avoided participation in the resolution due to a conflict of interest, the motion was</p>			

(6) unanimously approved as proposed after discussion by the other directors present.

(6) Cases at the 11th meeting of the 12th term Board of Directors: Matters to be discussed at the 3rd meeting of the 7th term Remuneration Committee, case 1: Review of the policy, system, standards and structure of the performance evaluation and remuneration to directors and managers: approved as proposed by all directors present at the meeting without objections. Case 2: Review of the remuneration to the new President: approved as proposed by all directors present after the inquiry by the chairman. Case 3: The Company's formulation of the "Measures for 2024 Employees' Subscription to Ordinary Shares from Capital Increase in Cash": approved as proposed by all directors present after the inquiry by the chairman. Case 4: The Company's formulation of the "2024 Employees' Subscription to Ordinary Shares from Capital Increase in Cash - Subscription by Managers": approved as proposed by all directors present after the inquiry by the chairman. Case 5: Distribution of year-end and performance bonuses for managers and above for 2024: Except Directors Yu-Ming Chang and Peng-Kuang Tseng who avoided participation in the resolution due to a conflict of interest, the motion was unanimously approved as proposed after discussion by the other directors present.

(7) Case at the 12th meeting of the 12th term Board of Directors: For the Company's "Xingzuan Section Multi-family Housing Construction Project - Decoration" to be contracted by a related party, except Directors Yu-Ming Chang and Peng-Kuang Tseng who avoided participation in the resolution due to a conflict of interest, the proposal was discussed by other attending directors, and approved by 6 of them: Nan-Hao Huang, Chien-Hsien Tsai, Yu-Wen Chen, Chung-Yueh, Cheng-Chen Yeh, and Yi-Chun Duan as proposed without objection.

(8) Case at the 12th meeting of the 12th term Board of Directors: The Company's plan to reduce the case "New Construction of the Housing Complex in Xingzuan Section, Tainan" to be contracted by a related party, except Directors Yu-Ming Chang and Peng-Kuang Tseng who avoided participation in the resolution due to a conflict of interest, the proposal was discussed by other attending directors, and approved by 6 of them: Nan-Hao Huang, Chien-Hsien Tsai, Yu-Wen Chen, Chung-Yueh, Cheng-Chen Yeh, and Yi-Chun Duan as proposed without objection.

III. The TWSE/TPEx listed companies shall disclose the evaluation cycles, evaluation periods, scope and method of evaluation in the performance evaluation of board of directors, and

fill in how the board performance evaluation has been implemented:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Contents of evaluation
Annual execution Once	The performance evaluation of the Board of Directors and each functional committee of the current year is completed before the Board of Directors' meeting in the first quarter of the following year.	1. Board of Directors 2. Individual board members 3. Performance evaluation of functional committees	Internal self-evaluation of the Board of Directors, self-evaluation of directors, peer evaluation, performance evaluation by external professional institutions, experts or other appropriate means	<p>(1) The measurement items of the performance evaluation of board members include the following five aspects:</p> <p>A. Engagement in the Company's operation B. Improvement of the Board decision-making quality C. Composition and structure of the Board of Directors D. election and continuing education of directors E. Internal control</p> <p>(2) The measurement items of the performance evaluation of board members include the following six aspects:</p> <p>A. Keep in line with company goals and tasks B. Knowledge of Directors' Responsibilities C. Engagement in the Company's operation D. Internal relationship management and communication E. Professional Courses and Continuing Education for Directors F. Internal control</p> <p>(3) The measurement items of the performance evaluation of functional committees include the following five aspects:</p> <p>A. Engagement in the Company's operation B. Responsibilities of the Functional Committee C. Better decision-making quality by the functional committee D. Functional committee composition and the election of functional committee members E. Internal control</p>

- I. Evaluation of the goals and implementation for strengthening the functions of the board of directors in the current year and the most recent year:
 - 1. The Company has formulated the "Rules of Procedure for Board of Directors Meetings", and the related operations of the Board of Directors are carried out in accordance with the regulations.
 - 2. The Company has a public website to disclose relevant information to enhance information transparency.
 - 3. Strengthen the functions of the board of directors: Board members continue to participate in corporate governance related training courses when they are new or during their term of office. Independent directors all comply with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, etc., and the board members have different professional backgrounds to implement the board diversity policy.
 - 4. In 2024, all directors have completed continuous education, and communicated with the CPAs the management teams.

Note 1: If re-election of directors had taken place by the end of the year, old and new directors are listed, in which case, the remarks column would specify whether they are former, newly elected or re-elected directors, and the date of the reelection. The actual presence (attendance) rate (%) will be calculated based on how often the Board of Directors meeting is convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

Note 2: Resigned on May 24, 2024 after the re-election of directors.

Note 3: Took office on May 24, 2024 after the re-election of directors.

Note 4: Elected a Chairman on May 24, 2024.

Note 5: Resigned from independent director position on July 12, 2024.

Note 6: Resigned from independent director position on August 21, 2024.

Note 7: Newly elected as independent director on October 21, 2024.

2. The state of operations of the Audit Committee:

Term of office of Audit Committee members: 3rd term: August 18, 2022 ~ August 17, 2024; 4th term: May 24, 2024 ~ May 23, 2027. 8 audit committee meetings were held in the most recent fiscal year (2024), and 1 audit committee meeting was held as of the date of publication of the annual report in 2025. A total of 9 (A) meetings were held, and the attendance of independent directors is shown below:

Job Title	Name	Actual presence (times) (B)	Presence by proxy (times)	Actual attendance rate (%) (B/A) (Note)	Remark
Independent Director	Ching-Hsi Hu	5	0	100%	(Notes 2 and 3)
Independent Director	Yu-Wen Chen	9	0	100%	Note 2
Independent Director	Hsuan Chi	3	0	100%	Note 1
Independent Director	Ju-Hui Yang	3	0	100%	(Notes 2 and 4)
Independent Director	Chung-Yueh Lien	2	1	66.67%	Note 5
Independent Director	Cheng-Chen Yeh	3	0	100%	Note 5
Independent Director	Yi-Chun Tuan	3	0	100%	Note 5

Other disclosures to be noted:

I. During operations of the Audit Committee, the meeting date, period, content, resolutions of the audit committee and the Company's response to all opinions of the audit committee.

(I) Circumstances referred to in Article 14-5 of the Securities and Exchange Act:

Session Date	Details of the agenda	Resolutions of the audit committee and the Company's response to all opinions of the audit committee
14th meeting of the 3rd term board of directors February 27, 2024	Ratification of the Company's acquisition of equity (shares) of Samtec Engineering Co., Ltd.	The motion was approved by all independent directors unanimously.
	The cash capital increase by investing in Samtec Engineering Co., Ltd.	The motion was approved by all independent directors unanimously.
	2023 financial statements and business report.	The motion was approved by all independent directors unanimously.
	2023 loss compensation plan.	The motion was approved by all independent directors unanimously.
	Replacement of the CPAs starting from the first quarter of 2024.	The motion was approved by all independent directors unanimously.
	CPA independence and appropriateness and professional fees to the CPA in 2024.	The motion was approved by all independent directors unanimously.
	2023 Declaration for Statement of Internal Control System.	The motion was approved by all independent directors unanimously.
	Proposal to terminate the non-competition restriction imposed on newly elected directors and other representatives.	The motion was approved by all independent directors unanimously.
	Amendments to the Company's Articles of Incorporation.	The motion was approved by all independent directors unanimously.
	2024 Cash Capital Increase by Private Placement	The motion was approved by all independent directors unanimously.
15th meeting of the 3rd term April 9, 2024	Amendments to the Company's Articles of Incorporation.	The motion was approved by all independent directors unanimously.
16th meeting of the 3rd term May 9, 2024	Ratification of purchase of U.S. Treasury bonds US91282CJA09.	The motion was approved by all independent directors unanimously.
1st meeting of the 4th term June 3, 2024	Appointment of Audit Manager	The motion was approved by all independent directors unanimously.
2nd meeting of	Purchase of 11 lots of land in Fuqian Section,	The motion was approved by all independent

	the 4th term June 7, 2024 (extraordinary)	Zhongxi District, Tainan with Land Numbers 1269 ~ 1276 and 1278 ~ 1280.	directors unanimously.
	3rd meeting of the 4th term August 9, 2024	Financial report for the 2nd quarter of 2024.	The motion was approved by all independent directors unanimously.
		Amendment to the Company's internal control system.	The motion was approved by all independent directors unanimously.
	4th meeting of the 4th term 2024.11.11	The Company's "New Construction of the Housing Complex in Xingzuan Section - Structure" to be contracted by a related party.	The motion was approved by all independent directors unanimously.
	5th meeting of the 4th term 2024.12.27	Formulation and amendment of the Company's internal control system.	The motion was approved by all independent directors unanimously.
		2024 financial report and business report.	The motion was approved by all independent directors unanimously.
		2024 loss compensation plan.	The motion was approved by all independent directors unanimously.
		Certifying CPAs' independence and suitability and the 2025 professional fees for CPAs.	The motion was approved by all independent directors unanimously.
		2024 Declaration of Internal Control System.	The motion was approved by all independent directors unanimously.
	6th meeting of the 4th term February 27, 2025	Amendments to the Company's Articles of Incorporation.	The motion was approved by all independent directors unanimously.
Amendment to the Company's internal control system.		The motion was approved by all independent directors unanimously.	
The Company's "New Construction of the Housing Complex in Xingzuan Section - Decoration" to be contracted by a related party.		The motion was approved by all independent directors unanimously.	
The Company plans to reduce the case "New Construction of the Housing Complex in Xingzuan Section, Tainan" to be contracted by a related party.		The motion was approved by all independent directors unanimously.	
Discontinuation of the private placement of ordinary shares approved by the 2024 general shareholders' meeting.		The motion was approved by all independent directors unanimously.	
2025 capital increase in cash via private placement.		The motion was approved by all independent directors unanimously.	
<p>(I) Other than the matters stated above, any matter that has been adopted with the approval of two-thirds or more of all board directors but not passed by the Audit Committee:</p> <p>As there was only 1 independent director remaining in office, the Audit Committee meeting could not be convened. Therefore, it is intended to proceed with the consent of at least two-thirds of all directors at the board meeting in accordance with Article 14-5 of the Securities and Exchange Act, .</p> <p>(1) In order to pay for the construction projects, the Company intends to raise funds through capital increase in cash in 2024 and the issuance of the 3rd domestic secured convertible corporate bond.</p> <p>(2) Proposal to lift the non-competition restrictions for newly elected independent directors</p> <p>(3) The Company's "Chengzhishu Multi-family Housing New Construction Project (Structure)" to be contracted by a related party.</p> <p>(4) The Company's "Chengzhishu Multi-family Housing New Construction Project (Decoration)" to be contracted by a related party.</p> <p>II. For independent directors' avoidance of motions that involve a conflict of interest, the names of independent directors, contents of the motions, reasons for the recusal of conflict of interest, and participation in voting must be disclosed: None.</p> <p>III. Communication between independent directors and chief internal audit officer/CPAs (including discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome): Please refer to the Company's website.</p> <p>Note 1: Resigned on May 24, 2024 after the re-election of directors.</p> <p>Note 2: Took office on May 24, 2024 after the re-election of directors.</p> <p>Note 3: Resigned from independent director position on July 12, 2024.</p> <p>Note 4: Resigned from independent director position on August 21, 2024.</p> <p>Note 5: Newly elected as independent director on October 21, 2024.</p>			

3. Status of corporate governance, and deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof

Evaluation criteria	Status			and deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons."
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best practice principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		(1) The Company's corporate governance best practice principles have been formulated with reference to the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies", followed by approval of the Board of Directors on April 17, 2018, which was then disclosed on the investor section of the company website.	(I) No difference.
II. The Company's equity structure and shareholders' equity (I) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly? (II) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders? (III) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies? (IV) Does the Company adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	✓ ✓ ✓ ✓		(1) The Company has appointed dedicated personnel to handle shareholder opinions or disputes. Investors service contact: +886 6 2995586 ext. 101 (II) The Company has entrusted the Stock Affairs Department of CTCB Securities Co., Ltd. to handle related stock affairs to keep track of the changes in shareholding of major shareholders and their ultimate controllers. (III) Already included in the Company's internal control system. (IV) The Company prohibits insiders such as directors or employees from using confidential corporate information to reap a profit, and relevant provisions were included in the Company's internal control system. In addition, the "Regulations Governing the Prevention of Insider Trading" has been disclosed on the investor section of the company website.	(I) No difference. (II) No difference. (III) No difference. (IV) No difference.
III. Composition and responsibilities of the Board of Directors (I) Does the Board of Directors have member diversity policies and specific management goals regulated and implemented substantively?	✓		(I) 1. The Company has established the "Corporate Governance Best Practice Principles, of which Article 20 specifies the Company's policy of director diversity. In order to improve the structure of the board of directors, the Company's board of directors should have diversified members. It is advisable that the members of the board of directors have different professional backgrounds, genders or fields of work. It is also advisable that the board of directors generally possess the knowledge, skills and literacy necessary to perform their duties. 2. In order to implement the diversity of the board of directors, the composition of the Company's board is not limited by gender and age, but based on professionalism and dedication. 3. The Board of Directors of the Company is currently composed of 8 directors, including 4 independent directors and 4 non-independent directors. The directors are	(I) No difference.

Evaluation criteria	Yes	No	Status								and deviation from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons.																																																																																																		
			Summary																																																																																																										
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily? (III) Does the Company establish a set of policies and assessment methods to evaluate the Board of Directors' performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual	✓	✓	<p>all nationals, and 75% (6 directors) are male and 25% (2 directors) are female. In the future, the Company will strive to increase the number of female directors and aim to raise their proportion to more than one third (33%) of all directors.</p> <p>4. All current Board of Directors possess the knowledge, skills, educational background and professional experience necessary to perform their duties. They each have extensive expertise in areas such as accounting, finance, commerce, law, marketing or industrial technology. The age distribution of the directors is as follows: 6 members aged 51 to 60 (75%), and 2 members aged 61 to 70 (25%).</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Director</th> <th rowspan="2">Diversified core profession</th> <th rowspan="2">Gender</th> <th rowspan="2">Age</th> <th rowspan="2">Serving as an employee of the Company concurrently</th> <th colspan="5">Diversified core profession</th> <th rowspan="2">Term of office of independent director</th> </tr> <tr> <th>Finance & accounting</th> <th>Commerce</th> <th>Law</th> <th>Marketing</th> <th>Industrial technology</th> </tr> </thead> <tbody> <tr> <td>Yu-Ming Chang</td> <td>Male</td> <td>52</td> <td></td> <td></td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td></td> </tr> <tr> <td>Peng-Kuang Tseng</td> <td>Male</td> <td>54</td> <td>V</td> <td></td> <td></td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td></td> </tr> <tr> <td>Nan-Hao Huang</td> <td>Male</td> <td>51</td> <td></td> <td></td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td></td> <td></td> </tr> <tr> <td>Chien-Hsien Tsai</td> <td>Male</td> <td>64</td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Yu-Wen Chen</td> <td>Male</td> <td>55</td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td></td> <td></td> <td>V</td> </tr> <tr> <td>Chung-Yueh Lien</td> <td>Male</td> <td>51</td> <td></td> <td></td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td></td> <td>V</td> </tr> <tr> <td>Cheng-Chen Yeh</td> <td>Female</td> <td>61</td> <td></td> <td></td> <td></td> <td>V</td> <td></td> <td>V</td> <td></td> <td>V</td> </tr> <tr> <td>Yi-Chun Tuan</td> <td>Female</td> <td>58</td> <td></td> <td></td> <td>V</td> <td>V</td> <td></td> <td></td> <td></td> <td>V</td> </tr> </tbody> </table> <p>(II) On August 27, 2021, the Company's board of directors passed the establishment of the Corporate Governance Committee, formulated the “Organizational Rules of the Corporate Governance Committee”, and nominated three Corporate Governance Committee members. On November 9, 2022, the Board of Directors approved the establishment of the Nomination Committee, formulated the Organizational Rules of the Nomination Committee, and nominated three Nomination Committee members.</p> <p>(III) The Company's board of directors approved the “Measures for Performance Evaluation of Board of Directors” on March 25, 2020, and completed the 2024 Board of Directors performance evaluation in the first quarter of 2025.</p>	Name of Director	Diversified core profession	Gender	Age	Serving as an employee of the Company concurrently	Diversified core profession					Term of office of independent director	Finance & accounting	Commerce	Law	Marketing	Industrial technology	Yu-Ming Chang	Male	52			V	V		V	V		Peng-Kuang Tseng	Male	54	V			V		V	V		Nan-Hao Huang	Male	51			V	V		V			Chien-Hsien Tsai	Male	64				V	V				Yu-Wen Chen	Male	55				V	V			V	Chung-Yueh Lien	Male	51			V	V		V		V	Cheng-Chen Yeh	Female	61				V		V		V	Yi-Chun Tuan	Female	58			V	V				V	(II) No difference.	
Name of Director	Diversified core profession	Gender	Age						Serving as an employee of the Company concurrently	Diversified core profession					Term of office of independent director																																																																																														
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Evaluation criteria	Status			and deviation from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons.
	Yes	No	Summary	
directors, and their nomination for additional office term? (IV) Does the Company have the independence of the external auditors evaluated regularly?	✓		(IV) The Board of Directors shall discuss the CPA's independence and appropriateness at least once every year. The most recent review was completed on February 27, 2025. The evaluation and review of the 15 factors that may affect the independence of the CPAs. The content of the evaluation was submitted to the board of directors with reference to No. 10 of the Official Statement of Ethics and Article 47 of the Certified Public Accountant Act. (Please refer to p.51)	(IV) No difference.
IV. Does the TWSE/TPEX-listed company assign the adequate number of competent corporate governance officers, and appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors of the information needed by them to perform their duties, assistance to directors/supervisors in compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of the Board of Directors meetings and shareholders' meeting minutes, etc.)?	✓		The Company has the financial management department as the full-time corporate governance unit of the Company, and on May 11, 2023, the board of directors has approved the appointment of a corporate governance officer, who possesses over 3 years of experience in financial, equity, and procedural management in publicly listed companies, to safeguard shareholder rights and enhance the effectiveness of the board of directors. Corporate governance officer is primarily responsible for handling matters related to Board meetings and shareholder meetings in accordance with the law, preparing board meeting and shareholder meeting minutes, assisting directors in taking office and continuing their education, providing directors with information needed to carry out their duties, assisting directors in complying with laws and regulations, and periodically attending promotion seminars organized by regulatory authorities.	No difference.
V. Does the Company provide proper channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and create a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders?	✓		The Company reports various financial and business information on the MOPS in accordance with relevant regulations on a regular and irregular basis, so as to provide stakeholders with sufficient information for making judgments. In addition, the Company has also set up a stakeholder area on the official website for stakeholders to communicate through e-mail, and has appointed a spokesperson to be responsible for external communications. The Company's current official website is: www.fce.com.tw .	No difference.
VI. Does the Company engage a Shareholders Service Agency to handle Shareholders' Meeting affairs?	✓		The Company commissioned the Agency Department of CTBC Bank to handle shareholders' meeting affairs.	No difference.
VII. Information disclosure (I) Does the Company set up a website to disclose the Company's financial operations and corporate governance information? (II) Does the Company adopt other information disclosure methods (e.g., establishing an English website, designating a responsible person for collecting and disclosing information about the	✓	✓	(I) The Company reports various financial and business information on the MOPS in accordance with relevant regulations on a regular and irregular basis. The Company's current official website is: www.fce.com.tw . (II) The Company has appointed dedicated personnel to be responsible for the collection and disclosure of company information, and has established a spokesman/deputy spokesman system.	(I) No difference. (II) No difference.

Evaluation criteria	Status			and deviation from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons.
	Yes	No	Summary	
Company, practicing the spokesman system, posting the investor conference on the Company's website, etc.)? (III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial report for the first, second and third quarters as well as its operating status for each month before the specified deadlines?	✓		(III) The Company currently declares the annual financial statements within two months after the end of each fiscal year, and the financial statements for the first, second, and third quarters and the operating status of each month within 45 days after the end of each fiscal year. In the future, the feasibility of implementation will be evaluated based on operational conditions.	(III) No difference.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors and supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and the Company's purchase of liability insurance for directors and supervisors)?	✓		<ol style="list-style-type: none"> Employee rights and interests: The Company has formulated work rules in accordance with relevant laws and regulations, which expressly stipulates the protection of employees' rights and interests. Employee care: The Company has set up an employee welfare committee, implemented the pension system, employee group insurance, and attached great importance to labor-management relations. Investor relations: The Company discloses company-related information according to law to protect investors' rights and interests, fulfill the responsibilities of business towards investors, and set up a spokesperson system to directly communicate with investors. Supplier relations: The Company has established sound financial relationship with its supplier. Stakeholder rights: Stakeholders may communicate and express their opinions to the company for the protection of rights and interests. Director training status: We timely advocate on directors and supervisor training channels and relevant information, and disclose the director training status on the MOPS. Implementation of risk management policies and risk measurement standards: The Company has established internal regulations where significant operational policies, loans or endorsements, acquisitions or disposals of assets, and major investment projects must be processed in accordance with relevant procedures and executed based on delegated authority or upon approval by the board of directors. Implementation of customer service policy: The Company has established customer complaint procedures, and identified problems and responsibilities related to customer complaints, with effective response measures, prevention, and improvement measures, with the aim to prevent similar incidents from recurring, and maintain stable relationships with customers. Purchase of liability insurance for directors: The Company has purchased liability insurance for directors, and disclosed it on the MOPS in accordance with relevant regulations. 	No difference.

Topic	Item	Yes to improvement	Description	
1.11	Has the Company uploaded the English version of its annual report 7 days prior to the shareholders' meeting?	Yes	Implemented in 2024.	
1.15	Whether the Company has established and disclosed on the Company's website internal regulations prohibiting insiders such as directors or employees from trading securities using unpublished market information, including (but not limited to) directors are not allowed to trade their stocks during the 30-day period before the announcement of the annual financial report and the 15-day period before the announcement of each quarterly financial report, along with explanations of the implementation status?	Yes	To update internal regulations and strengthen advocacy	
2.2	Has the Company established a policy for the diversity of board members, and disclosed the specific management objectives and implementation of the diversity policy on the Company's website and annual report?	Yes	Disclosed in 2024.	
2.11	Are the Company's interim financial reports approved by the Audit Committee and submitted to the Board of Directors for discussion and resolution?	Yes	Quarterly and annual financial statements for 2024 were approved by the Audit Committee and submitted to the Board of Directors for discussion and resolution.	
2.18	Does the Company conduct annual internal performance evaluations on functional committees (should include at least the Audit Committee and the Remuneration Committee), and disclose the implementation status and evaluation results on the Company's website or annual report?	Yes	The performance evaluation of the Audit Committee and the Remuneration Committee has been conducted in 2024.	
2.21	Has the Company set up a corporate governance officer to be responsible for corporate governance-related matters, and has the scope of authority and continuing education been disclosed on the Company's website and annual report?	Yes	Corporate Governance Officer was appointed on May 11, 2023	

			2.24	Has the Company established a cyber security risk management framework, cyber security policies, concrete management programs, invested in resources for cyber security management, and disclosed them on the company's website or in its annual report?	Yes	Established in 2023 and disclosed on the Company's website	
			3.4	Does the Company publish the annual financial report certified by the CPA within two months after the end of the fiscal year?	Yes	Announced before the end of February 2024.	
			3.5	Has the Company uploaded the annual financial statements disclosed in English seven days prior to the regular shareholders' meeting?	Yes	Implemented in 2024.	

Directors' continuing education:

Job Title	Name	Organizer	Name of Course	Hours of Continuing Education	Compliance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies"
Chairman	Yu-Ming Chang	Taiwan Institute of Directors	Make good use of policy tools to improve corporate governance and reduce R&D risks.	3 hours	Yes
		Taiwan Investor Relations Institute (TIRI)	The support of Taiwan Carbon Solution Exchange and prospect of data-based carbon reduction drives further upgrade of operation management.	3 hours	Yes
Corporate director Representative	Peng-Kuang Tseng	Taiwan Institute of Directors	Make good use of policy tools to improve corporate governance and reduce R&D risks.	3 hours	Yes
		Taiwan Investor Relations Institute (TIRI)	The support of Taiwan Carbon Solution Exchange and prospect of data-based carbon reduction drives further upgrade of operation management.	3 hours	Yes
Corporate director Representative	Nan-Hao Huang	Taiwan Institute of Directors	Make good use of policy tools to improve corporate governance and reduce R&D risks.	3 hours	Yes
		Taiwan Investor Relations Institute (TIRI)	Sharing of Sustainability Report Compilation Practices	3 hours	Yes
Corporate director Representative	Chien-Hsien Tsai	Taiwan Investor Relations Institute (TIRI)	The support of Taiwan Carbon Solution Exchange and prospect of data-based carbon reduction drives further upgrade of operation management.	3 hours	Yes
		Taiwan Investor Relations Institute (TIRI)	Sharing of Sustainability Report Compilation Practices	3 hours	Yes
Independent Director	Yu-Wen Chen	Taiwan Investor Relations Institute (TIRI)	Steering the Helm and Moving Forward with Corporate Governance	3 hours	Yes
		Taiwan Institute of Directors	Make good use of policy tools to improve corporate governance and reduce R&D risks.	3 hours	Yes
Independent Director	Chung-Yueh Lien	The Institute of Internal Auditors, R.O.C.	Analysis of Regulations and Practice on Loaning Funds, Endorsements and Guarantees, and Acquisitions and Disposals of Assets	6 hours	Yes
Independent Director	Cheng-Chen Yeh	The Institute of Internal Auditors, R.O.C.	Legal Risks of Corporate Operation and Management and Countermeasures by Internal Auditors	6 hours	Yes
Independent Director	Yi-Chun Tuan	The Institute of Internal Auditors, R.O.C.	Case Study on New Positioning of Internal Audit - Intersection of Ethics and Law	6 hours	Yes
		The Institute of Internal Auditors, R.O.C.	Interpretation of financial analysis indicators and operational risk management	6 hours	Yes

4. If the Company has established a remuneration committee, the composition, responsibilities, and operations of the committee shall be disclosed:
The Company has established the remuneration committee

- ⟨ 1 ⟩ Organizational structure of the committee: There are 4 committee members appointed by resolution of the board meeting, and one shall be the convener. The professional qualifications and independence of the remuneration committee members are in compliance with Articles 5 and 6 of the Regulations Governing the Exercise of Powers by Remuneration Committees.
- ⟨ 2 ⟩ The remuneration committee's function: To evaluate, from an expert and objective standpoint, the Company's policies and systems for the remuneration of directors and executive officers, and to make recommendations to the Board of Directors for the board's reference in decision-making.
- ⟨ 3 ⟩ Operational status of the committee: The committee is in normal operations.

(1)Information about the Remuneration Committee members

ID	Qualifications Name	Professional qualification <u>and experience</u>	Compliance with independence	Number of other public companies in which the member concurrently serves as a remuneration committee member
Independent Director (Convener)	Yu-Wen Chen	Master of Civil and Commercial Law, School of Law, Fu Jen Catholic University; Partnership Attorney of Tai Yang Law Firm; and Chief Attorney/ Director of Shin Ruei Attorneys at Law; with law work experience and corporate governance expertise in order to improve the corporate governance and supervisory functions of the Board of Directors and audit committee. No breach of Article 30 of the Company Act has occurred.	According to the Company's Articles of Incorporation and "Corporate Governance Best Practice Principles," the directors shall be elected under the candidate nomination system. When nominating and electing the Board members, the Company has received the written statement, information about work experience, current certificate of employment, and kinship chart from each director and, therefore, already verified the independence of them, their spouses, and relatives within 3rd degree of kinship as to the Company. Meanwhile, upon verification, the three independent directors identified in the left column were held to satisfying the qualification requirements under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by FSC and Article 14-2 of the Securities and Exchange Act within two years before they assume the positions and during their term of office. The independent directors have also been	Concurrently served in 1 public company

			empowered to participate in the decision-making and express opinions under Article 14-3 of the Securities and Exchange Act, in order to perform their job duties independently.	
Independent Director	Chung-Yueh Lien	Master of High-level Business Administration, National Kaohsiung University; currently a consultant for Leon Energy Co., Ltd., with expertise in finance and accounting, business and marketing, investment management and corporate governance to improve the quality of corporate governance management and the supervision function of the Board of Directors and Audit Committee. No breach of Article 30 of the Company Act has occurred.	Same as above	None
Independent Director	Cheng-Chen Yeh	Bachelor's degree from Department of Business Administration, Open University of Kaohsiung; currently CEO of Huang Yi Development and Construction Co., Ltd. and Vice President of Golden Advertising Co., Ltd.; has expertise in commerce, marketing, operation planning, operation and management, and corporate governance to improve the quality of corporate governance management and the supervisory function of the Board of Directors and Audit Committee. No breach of Article 30 of the Company Act has occurred.	Same as above	None
Independent Director	Yi-Chun Tuan	EMBA, National Sun Yat-Sen University; former Consultant of Direct Distribution Division of TransGlobe Life Insurance Inc. and Vice President of Nanshan Life Insurance; currently adjunct lecturer of Department of Business Management, National Sun Yat-Sen University and	Same as above	None

	<p>Doctoral Candidate of Business Management Doctoral Program of Department of Business Management, National Sun Yat-Sen University; has expertise in finance and accounting, investment management, and corporate governance to improve the quality of corporate governance management and the supervisory function of the Board of Directors and Audit Committee. No breach of Article 30 of the Company Act has occurred.</p>		
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(2)Information about functionality of Remuneration Committee

- A. The Company's Remuneration Committee consists of 4 members.
- B. Term of office of remuneration committee members: 6th term: August 18, 2022 ~ August 17, 2024; 7th term: May 24, 2024 ~ May 23, 2027. 3 remuneration committee meetings were held in the most recent fiscal year (2024), and 1 remuneration committee meeting was held as of the date of publication of the annual report in 2025. A total of 4 (A) meetings were held, and the attendance of the members is shown below:

Job Title	Name	Actual presence (times) (B)	Presence by proxy (times)	Actual attendance rate (%) (B/A) (Note 1)	Remark
Convener	Ching-Hsi Hu	2	0	100%	Note 5
Convener	Yu-Wen Chen	4	0	100%	
Member	Hsuan Chi	1	0	100%	Note 3
Member	Ju-Hui Yang	1	0	100%	(Notes 4 and 6)
Member	Chung-Yueh Lien	2	0	100%	Note 7
Member	Cheng-Chen Yeh	2	0	100%	Note 7
Member	Yi-Chun Tuan	2	0	100%	Note 7

Other disclosures to be noted:

- I. Where the Board of Directors rejects or modifies the suggestions from the Remuneration Committee, please disclose the date and session of the meeting, the contents of the motions, the resolution made by the Board of Directors meeting, and how the Company has responded to Remuneration Committee's opinions (describe the differences and reasons, if any, should the Board of Directors approve a solution that is more favorable than the one proposed by the Remuneration Committee): None.
- II. Where any resolution(s) by the Remuneration Committee be passed but with member voicing opposing or qualified opinions on the record or in writing, please disclose the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: None.

Note 1: If a member of the Remuneration Committee resigns before the end of the year, the date of resignation shall be indicated in the Remarks column, and their attendance (%) shall be calculated by the number of meetings attended by the member divided by the number of committee meetings held during their term of office.

Note 2: Before the end of the year, if there is an election of the committee members, the new and old members shall be entered, and the old, new, or re-elected status and the election date of each member shall be indicated in the Remarks column. The attendance (%) shall be calculated with the number of meetings attended by each member divided by the number of committee meetings held during their term of office.

Note 3: Resigned on May 24, 2024 after the re-election of directors.

Note 4: Took office on May 24, 2024 after the re-election of directors.

Note 5: Resigned from independent director position on July 12, 2024.

Note 6: Resigned from independent director position on August 21, 2024.

Note 7: Newly elected as independent director on October 21, 2024.

C. Important resolutions made by the remuneration committee in the most recent year until the date of publication of the annual report:

Date	Content	Resolution
2024/01/25	(I) Distribution of 2023 year-end bonuses and performance bonuses of the Company's management level.	Approved unanimously
2024/06/03	(I) Election of convener.	Approved unanimously
	(II) Review of the proposal for the remuneration to the Chairman and the Chief Auditor.	Approved unanimously
	(III) Reviewing the proposal for the transportation allowances for directors, committee members, and shareholders' meetings.	Approved unanimously
2024/11/11	(I) Review of the bonus distribution for the purchase of land in the Fuchien Section, and the distribution of mid-year performance bonus for the first half of 2024.	Approved unanimously
2025/01/22	(I) Discussion of the performance review and remuneration policy, system, standards, and structure for directors and managers.	Approved unanimously
	(II) Review of the remuneration of the new	Approved unanimously

	President.	
	(III) Proposal for the Company's establishment of the "Measures for 2024 Employees' Subscription to Ordinary Shares from Capital Increase in Cash" for employees' subscription to new shares in 2024.	Approved unanimously
	(IV) The Company's formulation of the "2024 Employees' Subscription to Ordinary Shares from Capital Increase in Cash - Subscription by Managers".	Approved unanimously
	(V) Distribution of 2024 year-end bonuses and performance bonuses of the Company's managers and above.	Approved unanimously

5. Status of sustainable development, and deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Items	Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the Board of Directors, which supervises the implementation?	✓		<p>(I) 1. The Company's "Sustainable Development Committee" is chaired by the President, and has 3 teams under it: The "Corporate Governance Team," "Sustainable Environment Team," and "Social Welfare Team" are responsible for the implementation of corporate social responsibility related projects. The implementation status is reported to the Board of Directors on a regular basis.</p> <p>2. The implementation of the Company's various organizations, including but not limited to:</p> <p>(1) The dedicated (part-time) unit to promote sustainable development shall be the "Sustainable Development Committee";</p> <p>(2) The composition, operation, and implementation of the current year: The President serves as the chairman, and the executive office is the manager of the construction and investment business group.</p> <p>(3) Date of reporting to the Board of Directors: December 27, 2024.</p> <p>The supervision of the sustainable development by the board of directors is described. The board of directors has no objection to the items proposed by the sustainable development committee.</p>	(I) No difference.
II. Does the Company, in accordance with the materiality principle, conduct risk assessments on environmental, social, and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy? (Note 1)	✓		<p>In order to strengthen corporate governance and improve risk management operations, the risks that may arise from various businesses are controlled within the tolerable range to ensure the sustainable and stable development of the Company's business and overall operations, so as to achieve the Company's sustainable operation goals. The "Risk Management Policy and Procedures" was approved by the Board of Directors on December 28, 2021, in order to implement risk management through risk identification, assessment, control, supervision and reporting, and disclosure. The risk assessment boundary is mainly based on the Company, and the he subsidiaries Shangyu Construction Co., Ltd. and Yong Hui Interior Decoration Co., Ltd. are included based on their relevance to the main business and the degree of impact on major topics.</p> <p>Risk assessment standards, processes, and results for identifying material issues related to the environment, society, and corporate governance, and risk management policies or strategies:</p> <p>1. Risk identification: Each responsible department shall identify the potential risks within its scope of authority.</p> <p>2. Risk measurement: Each responsible department shall define quantitative or other feasible qualitative standards for different risk types, and take into account the nature, scale and complexity of each business and operating activity, and review each business and operating activities from time to time.</p> <p>3. Risk monitoring: Each responsible department shall monitor the potential risk of its business. When assessing the level of risk that may cause the potential risks of the business to be monitored, and when the assessment s may cause damage, it shall</p>	(I) No difference.

Items	Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>propose countermeasures and report them at relevant unit meetings.</p> <p>4. Risk response: After assessing and summarizing risks, each responsible department shall take appropriate response to the potential risks faced.</p> <p>5. Risk reporting and disclosure: The Company regularly (at least once a year) reports the risk status to the Board of Directors for management reference, and implementation of risk management procedures and review and execution results. 1. The Company focuses on major issues in the environment (E), society (S), and corporate governance (G) to identify potential business risks. In 2023, the major risk categories include "financial investment risk", "operational risk", "pollution and climate change risk", "product and construction risk", and "corporate governance risk", and corresponding strategies were proposed for each risk. Reporting was made to the Board of Directors on December 27, 2024 after the supervision of the Company's Corporate Governance Committee on the same level with the Board of Directors. Please refer to the Company's website for details of the report.</p>	
<p>III. Environmental Issues:</p> <p>(I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?</p> <p>(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?</p> <p>(III) Has the Company assessed the potential risks and opportunities presented by climate change to the Company at present and in the future, and taken countermeasures to deal with climate-related issues?</p>	✓	✓	<p>(I) The Company attaches great importance to environmental quality, and implements energy-saving, power-saving and water-saving measures in its operations. Waste at each construction site is fully recycled and treated by professional and legitimate environmental protection companies, in order to contribute to the green environmental protection.</p> <p>(II) The Company is committed to utilizing various resources more efficiently in operating activities and internal management, so as to ensure sustainability of the earth's resources. Relevant environmental protection policies include: promoting the recycling of photocopy paper and dedicating efforts to waste classification and recycling.</p> <p>(III) The Sustainable Development Committee (SDC) is the highest body of the Company for micro climate change management. The Chairman serves as the committee member. Every year, the Company reviews the Company's climate change strategies and goals, manages climate change risks and opportunities, and discusses the implementation status and future plans, and report to the Board of Directors.</p> <p>1. As enterprises are exposed to the substantial risks of climate change, the Company is fully aware that the risks brought about by climate change will have a great impact on the environment and ecology, and will cause great harm to long-term economic development. In the risk assessment completed in 2023, climate-related risks included environmental regulations, increased costs of adopting green building materials, risks of heat-related injuries to employees working outdoors in high temperatures, and various emergencies such as extreme weather events like windstorms, floods, earthquakes, and power outages affecting the construction of projects.</p> <p>2. Climate change presents opportunities for businesses in recent years, with significant environmental changes leading</p>	<p>(I) The product has not been submitted to the relevant international certification bodies for inspection. Inspections will be conducted in accordance with the progress of greenhouse gas inventory and verification schedule.</p> <p>(II) No difference.</p> <p>(III) No difference.</p>

Items	Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(IV) Has the Company kept statistics on its greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulated policies for energy conservation, carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?	✓		<p>to increased urban flooding and drought risks. Recognizing this, the Company considers the rational use and disposal of resources in construction and material selection, and strives to promote the renewable use of water resources, enabling buildings to recycle water during rainy days to reduce urban runoff and minimize the risk of flooding. Additionally, during droughts, the Company utilizes the site's water retention properties and harvested rainwater for irrigation and general cleaning, mitigating the impacts of drought. By prioritizing environmental protection and addressing climate change issues, the Company aims to provide high-quality residences, which contributes to the sales of the Company's projects.</p> <p>(IV) The Company takes into account the impact of climate change, and implemented policies related to energy saving, carbon reduction and greenhouse gas reduction, including paperless office, turning off lights during lunch breaks, allowing flexibility on indoor air-conditioning, and maintenance and repair of air-conditioning equipment on a regular basis. The Company's electricity consumption in 2023 and 2024 were 48,380 kWh and 51,120 kWh, respectively, translating to carbon emissions of 26,802.5 kg and 28,320.48 kg, respectively. The water consumption in 2023 and 2024 were 723 kWh and 2,231 kWh, respectively, translating to carbon emissions of 109.89 kg and 339.11 kg, respectively.</p> <p>Paper consumption check:</p> <p>In 2024, the Company's paper consumption was 85,516 sheets.</p> <p>In 2023, the Company's paper consumption was 30,863 sheets.</p> <p>The Company continues to promote a paperless office environment every year, and controls the usage of office paper and various printed materials. However, if there is a new project for the design, the paper consumption will increase. This is the reason for an increase of paper consumption in 2024 compared to 2023. We will continue to promote electronic operations, and continue to work towards the goal of a low-carbon green enterprise in the future.</p>	(IV) No difference.
IV. Social Issues :				
(I) Has the Company established relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	✓		(I) The Company abides by relevant labor laws and regulations to protect employee rights and interests, with two-way communication which includes advocating on company policies and understanding employee opinions. In addition, the Company formulated the human rights policies, which are disclosed on the company website.	(I) No difference.
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave and other benefits), and appropriately reflected the business performance or results in the employee remuneration?	✓		(II) The Company attaches great importance to employee care, the employee retirement system, and a friendly working environment. The Company provides a comprehensive employee welfare system, which includes salary, incentives, and bonuses, in order to increase employees' dedication to work and devotion to the performance of their duties. Relevant employee welfare measures include: providing labor insurance/health insurance/group insurance and festival gifts for employees, conducting employee health check-ups (covering high blood sugar, high blood lipids, and high blood pressure) and domestic and international	(II) No difference.

Items	Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(III) Does the Company provide employees with a safe and healthy work environment, and provide employees with safety and health education on a regular basis?	✓		<p>travels, and providing employees with food subsidies, condolences and disability benefits. In addition, we established a welfare committee to provide employees with marriage gifts, maternity subsidies, travel allowances, injury compensation, death condolences, and birthday celebration activities. Employees are also allowed to apply for parental leave (1 person applied for it in 2024).</p> <p>In addition, the employee compensation reflected the Company's business achievements. Under the dividends policy as set forth in the Company's Articles of Incorporation, if the Company made a profit in a fiscal year, it shall distribute no less than 1% and no higher than 15% as employee compensation, while the remuneration for directors and supervisors shall be no higher than 5% of profit.</p> <p>However, a reserve is allotted to be used to make up for the company's accumulated losses, and then employee compensation and the remuneration for directors and supervisors shall be set aside in accordance with the percentage mentioned in the preceding paragraph. Employee compensation also includes performance bonuses calculated based on the Company's annual operating performance.</p>	
(IV) Has the Company established an effective career development training program for its employees?	✓		<p>(III) The Company is committed to providing employees with a safe and healthy work environment, and has implemented the following measures:</p> <ol style="list-style-type: none"> 1. According to the Occupational Safety and Health Act, the Company formulated a safety and health management plan according to the scale and nature of its business, and set up a safety and health organization and its personnel to implement safety and health management and automatic inspections. 2. Implement occupational safety education for employees on a regular basis. In terms of construction safety and health and disaster prevention, "unsafe behavior prevention" is warned and labor safety education implemented at the start of work every day, requiring the correct wearing of personal protective equipment and prohibiting dangerous actions. "Prevention of Unsafe Environment" targets hazards in construction sites and other areas, and allocate budgets to set up various protective facilities to achieve a harmless working environment. 3. The number of employee occupational injuries in 2024 was 0. 	(III) No difference.
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and has it established relevant policies and complaint procedures to protect consumers' or customers' rights and interests?	✓		<p>(IV) To cultivate professionalism and employee development, the Company holds internal training courses and professional training courses for dispatched personnel on an irregular basis.</p>	(IV) No difference.
(VI) Has the Company established a supplier management policy that required suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights, and the implementation status thereof?	✓		<p>(V) The Company's products are not directly supplied to general consumers. The Company attaches great importance to product quality, and has established the Procedure for "Handling Customer Complaints" and "Customer Satisfaction Survey Procedures" and other relevant regulations, dedicating efforts to deal with customer complaints immediately.</p> <p>(VI) The Company has established a supplier management policy, and will send out a warning for any violation of environmental laws and regulations, and request for improvement within a limited time period. In accordance with relevant regulations, the Company will no longer cooperate with</p>	(V) No difference.

Items	Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			the supplier for serious circumstances.	
V. Does the Company prepare the sustainable development report or any report on non-financial information based on international reporting standards or guidelines? Does said report have been assured or guaranteed by a third party certification unit?	✓		(I) The Company has not yet prepared the sustainable development report.	Not applicable.
VI. If the Company has established sustainable development best practice principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the current practices and any deviations thereof from such principles: No difference.				
VII. Other important information to facilitate understanding of the status of implementation of sustainable development:				
1. Formulation of practicable operational items, such as supplier management, environmental protection, and occupational safety and health policies.				
2. Organized employee training in safety and health.				
3. Organized employee training in ethical corporate management.				
4. Organize insider trading prevention training for employees, directors and supervisors.				
5. Statistical analysis of the Company's 2023 and 2024 GHG emissions, carbon reduction, and water consumption data.				

Note 1: The materiality principle refers to environmental, social and corporate governance issues that are of material impact on the Company's investors and stakeholders.

6. Climate-related information of TWSE/TPEx listed companies:

1. Climate-related information implementation

Item	Status of implementation
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p>1. The Company is deeply aware of the possible major impacts of climate change on the construction industry, whether it is the interference of extreme weather to the progress and safety of construction projects, or the challenges posed by increasingly strict requirements on carbon reduction and sustainable buildings at home and abroad. Therefore, climate-related risks and opportunities have been incorporated into our corporate governance structure and core of decision-making.</p> <p>(I) Supervisory duties of the Board of Directors</p> <ol style="list-style-type: none"> Inclusions in the agenda of the board meeting The board meeting includes "climate-related risks and opportunities" on its official agenda at least once a year, and listens to project reports from the sustainable development team or risk management department. The content covers climate risk identification results, potential financial impacts, response strategies, and the latest regulatory trends to ensure that the senior management maintains effective control over major risks. Establishment of a dedicated committee mechanism The "Sustainable Development Committee" has been established under the Board of Directors of the Company and includes directors from engineering, finance and legal backgrounds, responsible for reviewing and guiding the Company's climate strategy, carbon reduction goals and information disclosure, in order to strengthen its supervisory function. Strategy integration and resource approval The Board of Directors reviews and approves mid-term and long-term development strategies related to climate issues, such as building a carbon reduction path, ESG budgeting, green building materials investment plan, etc. to ensure that resource allocation is consistent with the Company's sustainability goals. <p>(II) Role of the management in execution</p> <ol style="list-style-type: none"> Cross-department integration and execution On the management level, the President or Vice President serves as the leader of the climate governance project, and coordinates the relevant departments of engineering, design, procurement, legal affairs and risk control to establish the "Climate Change Response Working Group", which is responsible for the concrete implementation of the board of directors' strategies and guidelines, and reports every six months to the Sustainability Committee on the implementation. Systematization of climate risk and opportunity assessment The management team has introduced a climate risk assessment process, with reference to the TCFD recommended framework to distinguish between physical risks (such as the impact of typhoons, rainstorms, and extreme high temperatures on construction projects and labor health) and transition risks (such as carbon tax, building regulation updates, and ESG requirements for investors), and identify potential opportunities (such as green building labeling, smart building solutions, market growth, etc.), and incorporate them into the risk management system and investment evaluation process. Establishment of specific goals and a tracking mechanism To enhance management effectiveness, the Company has set specific climate goals, including: <ul style="list-style-type: none"> Annual carbon emission reduction target for construction Percentage of green building design in new projects The replacement rate of site energy-saving equipment is regularly monitored through KPI indicators and performance reviews. The results are included in the consideration of the senior management's reward. Training and internal capacity building The Company continues to strengthen employees' knowledge of climate change issues through internal training and external lectures, and designs exclusive education courses for engineering, procurement, and design personnel to improve climate risk identification and response capabilities. <p>(III) Information disclosure and external communication Following the recommendations of TCFD, the Company has gradually established a framework for climate finance disclosure, including:</p>

	<ul style="list-style-type: none"> Disclosing the corporate governance structure, risk assessment results, preliminary analysis of financial impacts, and response strategies and progress in the annual sustainability report. Regularly briefing investors on the Company's climate strategy and concrete actions to enhance the trust of external stakeholders. Complying with the sustainable disclosure requirements of the competent authority and the TWSE, and continuously improving the transparency and comparability of disclosure. <p>2. The Company identifies the risks and opportunities brought about by climate change based on the framework of TCFD, and analyzes their potential impact on the Company's business, strategy, and finance in the short term (1~3 years), medium term (3~10 years) and long term (over 10 years) as follows:</p> <p>I. Impact on business</p> <p>In the short term, extreme climate events (such as typhoons, torrential rains, and high temperatures) will have a significant impact on the construction progress and safety management, often resulting in project delays, additional construction costs, and increased labor safety risks. In addition, the demand for green buildings and energy-saving designs from customers and property owners will gradually increase, requiring the Company to provide more sustainable building solutions, which will bring about changes in the structure of business orders. In the medium term, with the tightening of environmental regulations and the gradual implementation of carbon tariffs and carbon inventory systems, some high-carbon projects will face higher costs and development thresholds, and the Company must re-evaluate their business feasibility. At the same time, the market's demand for smart buildings and low-carbon facilities will grow rapidly, and companies with sustainable capabilities will be able to prioritize large-scale development projects, government tenders, and foreign cooperation opportunities.</p> <p>In the long run, climate change may fundamentally change the regional development pattern. For example, sea level rise may cause doubts about the feasibility of developing low-lying areas, and may also result in a decline in business volume in some areas. For enterprises with green building and net zero performance, opportunities in new business areas will develop, such as carbon asset management, renewable energy integration, etc.</p> <p>II. Impact on strategies</p> <p>In the short term, the Company has started to strengthen the climate risk identification and data inventory mechanism, and has incorporated carbon emission and energy management into the early stage of construction project planning to ensure that new projects can meet the regulatory and market requirements that will be launched soon. In addition, we have initiated cross-departmental capacity building in sustainable building design to meet customers' expectations for low-carbon solutions.</p> <p>The medium-term strategic focus will shift to organizational transformation and technology upgrades, including clearly defining carbon reduction goals and phased KPIs, introducing BIM and carbon management tools, expanding the supply chain of green building materials, and actively participating in smart building platforms and industry-government-academia cooperation projects to ensure the Company maintains its leading position in the wave of net zero transformation.</p> <p>The long-term strategy focuses on redefining and deepening the core competitiveness of the enterprise. In the future, the Company will not only continue to deepen the core business, but also evaluate and expand innovative businesses related to climate change, such as modular manufacturing for low-carbon buildings, carbon credit trading, and construction resource recycling to further enhance the sustainable value of the enterprise.</p> <p>III. Impact on finance</p> <p>In the short term, the investment required to respond to climate risks will be reflected in the increase in operating costs, including the purchase of site energy-saving equipment, the establishment of a carbon emission inventory and calculation system, ESG disclosure costs, and personnel training expenditures, which may cause pressure on short-term profits.</p> <p>In the mid-term, with the full implementation of carbon reduction projects, the initial investment amount of some construction projects will increase (such as the use of low-carbon building materials, installation of energy-saving facilities, etc.), but through design optimization and scale benefits, the overall return on investment can still be maintained. At the same time, the Company can also obtain better financing conditions and reduce the cost of capital by applying for green financing or perpetual bonds.</p> <p>In the long run, the Company expects that enterprises with climate resilience and sustainable performance will enjoy the advantages of</p>
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	<p>brand premium and customer loyalty in the market, which will help increase selling prices and profit margins. In addition, as investment institutions gradually pay more attention to ESG performance, a favorable climate strategy will improve corporate valuations and the attractiveness of funds, thereby strengthening the overall financial soundness.</p> <p>3. The Company divides the financial impacts of climate change into two major categories: physical risks caused by extreme climate events, and risks and expenses related to transformation actions taken in response to climate change. These factors will affect the Company in terms of cost and expenditure, revenue structure, source of funds and financial stability. The descriptions are as follows:</p> <p>I. Financial impact of extreme climate events (physical risk)</p> <p>Climate change has resulted in the increasing frequency of extreme climate events such as typhoons, torrential rains, extreme high temperatures and droughts, which caused the following financial impacts on the Company's construction business:</p> <ol style="list-style-type: none"> 1. Increase in construction delays and direct losses Typhoons, torrential rains and high temperatures will interrupt construction on the site and damage materials, resulting in delays in construction deadlines and the risk of contract default. Additional construction fees, fines, and idle machinery costs will directly increase the total construction cost and erode gross profit margins. 2. Rising insurance premiums and risk provisions In response to the rising risk of disasters, the Company needs to increase the scope of site insurance coverage and premiums, and prepare more loss provisions to deal with unpredictable natural disasters and increase operating cash pressure. 3. Fluctuations in material and supply chain costs Extreme weather may also affect the production and transportation of raw materials (such as steel bars and cement), resulting in unstable materials acquisition or price fluctuations. It is necessary to purchase or prepare materials in advance at higher prices and increase construction costs. 4. Impact of long-term regional risks on land development value For example, rising sea levels and increased inundation potential may increase development risks in some areas, affect land evaluation and sales value, and further affect land or construction inventory value in asset statements. <p>II. Financial impact of transformation actions (transformation risks related to policies, regulations, and market)</p> <p>In response to global climate policies and market transformation trends, the Company will face the following financial challenges and resource allocation pressures in the medium and long term:</p> <ol style="list-style-type: none"> 1. Operation cost due to the implementation of the carbon pricing system If the government promotes the carbon fee system in the future, the greenhouse gas emissions generated by the Company's construction process will be converted into actual costs, and the carbon fee must be paid according to the emission volume, which will cause substantial pressure on operating profits. 2. Increase in investment spending at the initial stage of carbon reduction transformation In order to achieve the goal of carbon reduction, the Company needs to invest capital expenditures in energy-saving equipment, low-carbon building materials, smart monitoring systems and other fields. This will reduce cash flow and return on investment in the short term and affect financial indicators. 3. Rising costs of carbon inventory and ESG disclosure To comply with ESG disclosure guidelines, the Company must conduct greenhouse gas inventories, set carbon reduction goals, and propose specific implementation paths. This requires investment of manpower and consulting fees, and may also lead to an increase in internal management fees. 4. Non-sustainable construction projects may affect sales and financing The market and investors are paying increasing attention to green buildings and net zero carbon emissions. If the Company does not transform in time, it may cause some of the construction projects to fail to sell well, increase financing interest rates, and even be rated as high-risk customers by financial institutions. 5. Asset revaluation and financial reporting risks High-carbon equipment or non-sustainable lands and facilities may face asset impairment during the transformation process, which affects the evaluation of financial statements, and thus corporate valuation and shareholders' equity.
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	<p>Comprehensive assessment</p> <p>Extreme weather events and the pressure of policy transformation brought about by climate change have gradually intensified the financial impact of the construction industry. Although they may result in higher capital expenditures and operating costs in the short term, if they are responded to early with the sustainable transformation measures introduced, risk exposure can be reduced, green financing conditions can be obtained, and brand value can be created in the medium and long term, which are helpful to improve corporate financial strength and market competitiveness.</p> <p>4. The Company treats climate change-related risks as a part of overall operational risks and incorporates them into the existing risk management framework for integrated management. In response to the possible impacts of extreme climate events and transformation trends, we regularly review the sources of risks in operations, engineering, and strategies through cross-department cooperation, and assess their potential impacts on the Company's operations, finance, and long-term development.</p> <p>Climate risks are identified and assessed through reports from internal departments, market trend tracking, and analysis of regulatory changes. These are incorporated into the annual risk inventory process. Important climate risk issues are reported to the management and the board of directors, and corresponding measures are formulated as appropriate, such as optimizing the construction schedule, adjusting the design of construction projects, and responding to regulatory requirements in advance.</p> <p>We are also gradually introducing a more systematic management process to incorporate climate considerations into our major investment decisions and new project planning process, and will continue to monitor relevant policies and market developments to ensure that our risk response mechanism can be upgraded in parallel with our overall risk management system.</p> <p>5. In order to assess the operational resilience of the Company under the climate change scenario, the Company has conducted a preliminary climate risk scenario analysis with reference to the methods recommended by TCFD (climate-related financial disclosures). The analysis covers the possible impact on the Company's business and finance in different climate development paths, in order to assess the necessity of future strategic adjustments and risk responses.</p> <p>Two types of typical scenarios are adopted in this scenario analysis:</p> <p>I. Scenarios of dramatic transformation (such as controlling the temperature increase within 1.5°C)</p> <p>Under this scenario, governments around the world will significantly tighten carbon emission-related laws and regulations, and promote policies such as carbon fee/carbon tax, carbon inventory and disclosure, building energy efficiency standards, and the mandatory use of green building materials.</p> <p>Major financial impacts:</p> <ol style="list-style-type: none"> 1. Rising operating costs: It is necessary to pay a carbon fee (depending on the carbon emissions), and at the same time invest in energy-saving equipment, green building materials, and net zero design fees, which drives up the initial investment cost of a construction project. 2. Increase in capital expenditure: The need to upgrade site machinery and tools, introduce carbon management and monitoring system, and adjust construction methods will increase the medium-term capital investment demand. 3. Financial planning and cash flow pressure: If the transformation investment is concentrated in the short term, it may cause capital crowding and affect other investments or the stability of cash flow. 4. Improvement of financing conditions: After the successful transformation, it is expected to obtain preferential interest rates such as green financing and perpetual bonds, which will help reduce medium- and long-term financing costs. 5. Room for improving the value of construction projects: The construction projects that introduce green building design and ESG label may have the potential to sell at a premium and improve the gross profit margin and brand value. <p>II. Out-of-control climate scenario (such as a temperature increase over 4°C)</p> <p>In the absence of transformational actions, the frequency and intensity of the extreme climate will increase significantly, posing long-term threats to construction safety, construction duration, and location development conditions.</p> <p>Major financial impacts:</p> <ol style="list-style-type: none"> 1. Construction delays and cost increase: Natural disasters will cause delays in construction periods, increase the fixed costs of labor, equipment and site, and may result in contract penalties or losses due to delayed house deliveries.
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	<p>2. Increase in insurance expenses: In response to the risk of disasters, the Company will need to increase the insured amount and premiums of site insurance, resulting in an increase in recurring expenses.</p> <p>3. Increase in post-disaster repair expenditures and loss reserves: Unstable weather will lead to an increase in the frequency of site damage, and the Company will need to retain more disaster loss reserves, which erodes the working capital.</p> <p>4. Changes in the value of development locations: In some areas, increased climate risks (e.g., floods, sea level rises, etc.) may result in a decline in land value and the need for additional disaster prevention design, affecting the return on investment.</p> <p>5. Risk of potential asset impairment: If existing facilities or assets without disaster resistance capabilities are downgraded, it may lead to asset impairment, affecting the Company's financial performance and shareholder equity.</p> <p>Summary</p> <p>Regardless of whether it is a drastic transformation or an out-of-control climate scenario, it is possible for a construction company to face a substantial financial impact. The differences are:</p> <ul style="list-style-type: none"> • Transformation scenario → The rise in cost is concentrated in the short-to-medium term, but there is potential for long-term return (e.g. green building premium, green financing) • Out-of-control climate scenario → Costs and losses are more uncertain, and the financial impact is long-term and difficult to predict, posing greater challenges to stable operations <p>Therefore, the Company will continue to optimize risk management and financial flexibility, and adopt a proactive transformation strategy to enhance future financial stability and market competitiveness.</p> <p>6. In response to the possible impact of climate change on operations, the Company has started to plan and promote a series of transformation actions to reduce climate-related risks and strengthen the resilience and sustainable competitiveness of long-term operations.</p> <p>Our transformation plan mainly focuses on improving the energy conservation and carbon reduction capabilities of construction projects, introducing green building design, gradually grasping our own carbon emissions, and optimizing the engineering process and improving the selection of materials to reduce the future risks from regulations, carbon costs and market trends.</p> <p>In response to the physical risks of extreme climate events and operational interruptions, we have also strengthened site safety and disaster response mechanisms, and incorporate climate risk considerations in the construction project design stage to reduce the probability of loss and the scope of impact caused by disasters.</p> <p>In terms of risk management, we have established a basic tracking mechanism and internal indicators to review key items such as carbon emissions, use of green building materials, and the impact of climate events on construction duration, and have gradually incorporated these indicators into operational evaluation and strategic planning. This is the basis for future resource investment and decision-making adjustments.</p> <p>Overall, climate transition is a long-term project. The Company will continue to adjust its pace according to government policies and industry development trends, and strengthen cross-department collaboration to gradually implement the goals of climate risk management and low-carbon transition.</p>
<p>6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.</p>	<p>7. Internal carbon pricing as the basis for pricing planning tools</p> <p>In order to improve the management ability of carbon emission risk, and to respond to the possible implementation of carbon fee and carbon tax system in the future, the Company is gradually introducing the internal carbon pricing as an auxiliary tool for project planning and investment evaluation. By internalizing carbon emission costs, it helps the Company incorporate climate factors and potential costs in engineering design, building material selection, and capital expenditures to improve decision quality and climate resilience.</p> <p>The internal carbon pricing is determined based on the direction of the government's carbon pricing policy, domestic and foreign carbon pricing cases, and the Company's actual operating conditions. The current reference interval includes the trial value of the carbon tariff proposed by the government (such as NTD300 to NTD1,000 per ton), the practices of benchmark companies in the region, and the impact of the possible introduction of an international carbon tariff (such as CBAM) in the mid-to-long term in the future.</p> <p>In practical application, we have included this internal carbon price in the preliminary financial trial, selection of building materials and green design assessment of new projects to evaluate the financial rationality of different solutions under the condition of carbon cost, and</p>

<p>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the period planned, and the progress in each year should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, explain the source and quantity of carbon reduction credits or quantity of RECs for which they are exchanged.</p> <p>9. Greenhouse gas inventories, assurance status, and reduction targets, strategies, and concrete action plans (please fill in 1-1 and 1-2 separately).</p>	<p>help the project team choose a path with more sustainable performance and economic benefits. This mechanism also helps to identify high carbon emission activities and potential risk projects in advance, serving as the basis for carbon management and transformation priorities. With the evolution of policies and market development, the Company will regularly review the internal carbon price setting to ensure that it is consistent with the external trend, and gradually establish a complete internal carbon cost consideration framework to strengthen the financial response capability of the company to climate change risks.</p> <p>8. The Company pays attention to the potential impact of climate change on industrial development, and also understands the role and external expectations of corporate environmental responsibilities. No specific target for greenhouse gas reduction or use of renewable energy has been formally set so far. However, internal discussions and information collection have been initiated to understand the possible impact of climate risks on operations. In terms of management, the Company will continue to keep abreast of domestic and foreign carbon pricing policies, the evolution of construction-related regulations, and changes in the market's demand for green buildings and sustainable development, so as to serve as a reference for evaluating whether to introduce relevant management measures in the future. The Company does not currently use carbon offsetting or renewable energy certificates (RECs). In the future, we will carefully evaluate its applicability based on operational needs and supporting policies. Whether to set specific goals in the future will depend on the overall consideration of multiple factors such as climate policies, industry trends, and the Company's development strategies. The Company will make appropriate decisions at appropriate times and explain to the public as necessary.</p> <p>9. Please refer to the following.</p>
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1-1 The Company's Greenhouse Gas Inventory and Assurance in the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (tons CO2e), intensity (tons CO2e/NTD million), and data coverage in the most recent two years.					
The Company has not yet comprehensively introduced a greenhouse gas inventory system, and there is no direct greenhouse gas emissions of Scope 1. However, preliminary statistics on the consumption of electricity and water in daily operations are conducted, and greenhouse gas emissions are estimated based on the emission coefficient. Below are the results:					
Carbon emissions within organizational boundaries					
		2023		2024	
The Company	Scope 1 Direct greenhouse gas emissions	Emission volume (tons CO2e)	Intensity (tons CO2e/NTD million)	Emission volume (tons CO2e)	Intensity (tons CO2e/NTD million)
		-	-	-	-
Scope 2		11.686	0.697	1.252	0.207

	Indirect greenhouse gas emissions from energy (daily power and water consumption in offices)				
	Subtotal	11.686	0.697	1.252	0.207
All subsidiaries included in the consolidated financial report	Scope 1 Direct greenhouse gas emissions	-	-	-	-
	Scope 2 Indirect greenhouse gas emissions from energy (daily power and water consumption in offices)	9.678	0.343	23.656	0.771
	Subtotal	9.678	0.343	23.656	0.771
Total amount		21.364	0.475	24.908	0.678

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the most recent two years up to the date of publication of the annual report, including the scope of assurance, assurance institution, criteria of assurance, and assurance opinion.

No full greenhouse gas assertion opinion has been obtained at present, and the planning will be carried out in accordance with the roadmap for the sustainable development of TWSE/TPEX listed companies.

Note 1: The process shall be conducted in accordance with the schedule specified in paragraph 2, Article 10 of the guidelines. If the company fails to obtain a full greenhouse gas assertion opinion before the date of publication of the annual report, specify "Complete assurance information will be disclosed in the sustainability report". If the company does not prepare a sustainability report, specify "Complete assurance information will be disclosed on the Market Observation Post System" and disclose the complete assurance information in the annual report next year.

Note 2: The assurance institution shall comply with the relevant requirements of Taiwan Stock Exchange Corporation and the Taipei Exchange on assurance institutions for sustainability reports.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the disclosure content.

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

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction

goals.

The Company has tentatively set **2023** as the base year for greenhouse gas reduction, and has completed preliminary carbon emission statistics. In 2023, the total greenhouse gas emission from the electricity and water consumption of the office premises was approximately **21.364 tons CO2e**. This data will be used as a starting point for the subsequent promotion of carbon management and reduction.

I. Reduction target setting

Based on the actual operation characteristics and the current sources of carbon emissions, the Company has set the following medium-term reduction targets:

- **By the end of 2027 (within 5 years after the base year)** achieve a reduction of greenhouse gas emissions **by 15% from that of 2023**, i.e. below **18.16 tons of CO2e**.
- The scope is limited to the electricity consumption and water discharge in the office area.
- The target content and benchmark value will be adjusted depending on the expansion of the scope of carbon inventory in the future.

II. Carbon reduction strategies and concrete action plans

In order to achieve the above goals, the Company intends to promote the following action items:

1. **Energy-saving equipment replacement plan:** Replace high-energy-consuming lighting and air-conditioning equipment, and introduce energy-saving labelled products.
2. **Power monitoring and power consumption behavior optimization:** Gradually introduce smart sockets or a power management system to strengthen power saving habits.
3. **Internal water consumption management:** Review the efficiency of water-consumption equipment and reduce unnecessary water consumption (e.g. cleaning, gardening, etc.)
4. **Systematize data management:** Establish a regular recording mechanism for electricity and water consumption as the basis for annual carbon emission tracking.
5. **Training and employee participation:** Promote low-carbon workplace behaviors to enhance employees' climate awareness and participation.

III. Target achievement status and tracking method

Starting in 2024, the Company collects statistics on the electricity and water consumption of office premises on an annual basis, and convert carbon emissions to assess the progress gap with the target. It is expected to be disclosed and reviewed in the sustainability report or internal management report.

Once the inventory system is more complete, we will gradually include construction sites, equipment use, and other physical emission sources, and re-evaluate the overall mid-term and long-term carbon reduction strategies and targets.

Note 1: It shall be processed in accordance with the schedule prescribed in paragraph 2, Article 10 of the Guidelines.

Note 2: The base year should be the year that the inspection is completed based on the boundary of the consolidated financial report. For example, pursuant to paragraph 2, Article 10 of the Guidelines, a company with a capital of more than NTD10 billion should have the 2024 consolidated financial report check completed in 2025, so the base year is 2024. If the Company has completed the check of the consolidated financial report ahead of schedule, the earlier year may be used as the base year, and the data of the base year may be calculated with a single year value or the average of several years.

Note 3: Please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the disclosure content.

7. The state of the Company's implementation of ethical corporate management and deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Evaluation criteria	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Establishment of ethical management policies and plans				
(I) Does the Company state in its regulations or external correspondence about the ethical management policies and practices passed by the Board of Directors and the commitment of the Board of Directors and senior management to actively implement the operating policies?	✓		(I) The Company has established the “Ethical Corporate Management Best Practice Principles” and “Codes of Ethical Conduct for Directors and Managerial Officers”, which were disclosed on the Company’s internal regulations and the MOPS after approval of the Board of Directors, and implemented accordingly. On March 25, 2020, the Board of Directors passed the formulation of the “Integrity Management Procedures and Behavior Guidelines”. The Company’s Audit Office will conduct audits on an irregular basis.	(I) No difference.
(II) Does the Company establish the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopt the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		(II) The Company’s “Ethical Corporate Management Best Practice Principles” specifically stipulated that the Company’s employees shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty.	(II) No difference.
(III) Does the Company expressly state the SOP, guidelines for conduct and reward & punishment and grievance systems in the unethical conduct prevention program, implement the same precisely, and review amendments to said program?	✓		(III) The Company’s “Ethical Corporate Management Best Practice Principles” clearly stipulated that the Company shall provide a proper whistleblowing channel, and ensure confidentiality of the identity of whistle-blowers and the content of reported cases. The penalty appeals system for violation of ethical management regulations shall be implemented according to the Company’s relevant rules. Illegal activities (including corruption) and immoral behaviors of internal and external personnel can be reported via the whistleblower e-mail: fce_contact@yahoo.com.	(III) No difference.

Evaluation criteria	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
II. Implementation of ethical management				
(I) Does the Company evaluate the ethical record of all counterparts it has business relationships with? Are there any ethical management clauses in the agreements it signs with business partners?	✓		(I) Before business transactions, the Company evaluates the legitimacy of the trading counterparty and whether there has been dishonest behavior, so as to ensure fair and transparent business operations, with no requesting, offering or accepting bribes.	(I) No difference.
(II) Does the Company have a unit that specializes in business integrity? Does this unit report ethical corporate management policies and preventive measures for unethical conduct to the Board of Directors on a regular basis (at least once every year), and supervise the implementation status?	✓		(II) The Company has designated the Management Dept. as a dedicated unit (hereinafter referred to as "the Company's responsible unit") under the Board of Directors. The responsible unit shall conduct regular audits on the implementation of ethical management, and are responsible for the monitoring and reporting of various operations in order to achieve ethical management. The responsible unit shall report to the Board of Directors on the implementation status of ethical management at least once a year.	(II) No difference.
(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflict of interest?	✓		(III) We have formulated the "Rules of Procedure for Board of Directors Meetings" which stipulated the directors' duties to avoid conflict of interest. Those who have personal interest or the interest of the juridical person they represent involved in the proposals on the agenda of the board meetings, which may be detrimental to the Company's interest, may state their opinions and answer questions and should recuse themselves from the discussion and voting on a given proposal, and may not act as another director's proxy to exercise voting rights on that matter. The avoidance of conflict of interest has been conducted in accordance with the Rules of Procedure for Board of Directors Meetings at the board of directors meetings on January 25, 2024, June 3, 2024, October 31, 2024, November 11, 2024, January 22, 2025 and February 27, 2025.	(III) No difference.
(IV) Does the Company fulfill the ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result, conducting audits on the compliance by the unethical conduct prevention program, or appoint a CPA to conduct the audits?	✓		(IV) To ensure the fulfillment of ethical management, the Company has established an effective accounting system and internal control system, and has the internal auditors to conduct audits on a regular basis on the compliance with the aforementioned system. Currently, there is no need to appoint a CPA to conduct the audits.	(IV) No difference.
(V) Does the Company organize internal or external training on a regular basis to maintain ethical management?	✓		(V) The Company has formulated internal communication and investor relationship handling procedures, and organized education and training courses and advocacy on an irregular basis. On August 19, 2024, the Company conducted a 2-hour internal training on "Implementation of Ethical Corporate Management", with a total of 13 participants.	(V) No difference.
III. Implementation of the Company's whistleblowing system				
(I) Does the Company have a specific whistleblowing and reward system stipulated, a convenient whistleblowing channel established, and a responsible staff designated to deal with	✓		(I) The Company has a whistleblowing system for internal and external personnel to report on illegal	(I) No difference.

Evaluation criteria	Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
the accused party?				
(II) Does the Company define the standard operating procedure, follow-up measures to be taken upon completion of the investigation, and non-disclosure mechanism toward the investigation of reported cases as accepted?	✓		activities (including corruption) and immoral behaviors, with whistleblower e-mail as a convenient reporting channel. The Management Dept. is designated to deal with relevant matters. Complaints mailbox: fce_contact@yahoo.com	(II) No difference.
(III) Does the Company take proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	✓		(II) Any employee in violation of ethical management rules shall be punished according to relevant reward and punishment regulations stipulated in the Company's work rules. There were no internal or external reporting incidents in 2024. (III) The Company will protect whistleblowers and those who participate in the investigations related to the violations of integrity management regulations, so as to avoid unfair treatment or retaliation in the workplace.	(III) No difference.
IV. Enhanced information disclosure (I) Does the Company disclose the contents of its ethical management best practice principles and the result of implementation on its official website and MOPS?	✓		(I) The Company has established a website to disclose the Company's "Ethical Management Best Practice Principles". The Company's ethical management status was disclosed in the annual report, which is available for download on the MOPS.	(I) No difference.
V. If the Company has formulated its own Corporate Governance Best Practice Principles as per the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", please specify the difference between its operation and the principles: For sustainable development, the Company has established the corporate culture of ethical management, and formulated the "Ethical Management Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", with service rules to ensure better management. There were no significant difference between the Company's operation and the principles.				
VI. Other information material to the understanding of ethical management operation: i. Transactions between the Company and related parties are disclosed on the MOPS in accordance with relevant laws and regulations. ii. The Company has set up an audit office to review the implementation of various business activities, and submit audit summary reports to the Board of Directors on a regular basis.				

8. Other information material to the understanding of corporate governance within the Company:
None.

9. Implementation of internal control system:

⟨ 1 ⟩ Declaration of Internal Control: Please refer to page 50.

⟨ 2 ⟩ The external auditor's report issued by the CPA commissioned to conduct an internal control audit, if any: None.

10. Important resolutions made by the shareholders' meeting and board of directors meeting in the most recent year until the date of publication of the annual report:

⟨ 1 ⟩ Important resolutions made at the shareholders' meeting in 2024 and up to the date of publication of the annual report:

Date	Content		Resolution	Status of implementation
2024/5/24	Ratification matters	1. 2023 Business Report and Financial Statements.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Voting rights: 149,946,813 rights; approval rights: 127,944,587 (85.32%); disapproval rights: 64,220 (0.04%), invalid rights: 0 (0.00%), abstention rights/rights not voted: 21,938,006 (14.63%).	Compliance with the resolution
		2. 2023 Loss Compensation Plan.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Voting rights: 149,946,813 rights; approval rights: 127,886,712 (85.28%); disapproval rights: 72,773 (0.04%), invalid rights: 0 (0.00%), abstention rights/rights not voted: 21,987,328 (14.66%).	Implemented according to the approved content.
	Election Matters	Election of directors.	Election results: Representative of Director Chi Fu Investment Co., Ltd.: Chien-Hsien Tsai was elected by 150,481,348 rights. Representative of Director Meisen Holdings Co., Ltd.: Yu-Ming Chang was elected by 89,797,934 rights. Representative of Director Meisen Holdings Co., Ltd.: Peng-Kuang Tseng was elected by 88,590,366 rights. Representative of U-Best Innovative Technology Co., Ltd.: Nan-Hao Huang was elected by 88,264,126 rights. Independent Director Hu Ching-Hsi was elected by 178,303,074 rights. Independent Director Yu-Wen Chen was elected by 178,099,678 rights. Independent Director Ru-Hui Yang was elected by 178,072,918 rights.	The newly elected directors took office on May 24, 2024.
	Discussion Matters	1. Amendments to the "Articles of Incorporation".	Pass the motion per the resolution adopted based on the present shareholders' voting results. Voting rights: 149,946,813 rights; approval rights: 127,943,510 (85.32%); disapproval rights: 65,762 (0.04%), invalid rights: 0 (0.00%), abstention rights/rights not voted: 21,937,541 (14.63%).	Implemented in accordance with the revised Regulations.
		2. 2024 capital increase in cash by private placement.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Voting rights: 149,946,813 rights; approval rights: 127,906,661 (85.30%); disapproval rights: 118,684 (0.07%), invalid rights: 0	Implemented in accordance with the revised Regulations.

			(0.00%), abstention rights/rights not voted: 21,921,468 (14.61%).	
		3. Lifting of the non-compete restriction on newly elected directors and their representatives.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Voting rights: 149,946,813 rights; approval rights: 127,299,637 (84.89%); disapproval rights: 672,332 (0.44%), invalid rights: 0 (0.00%), abstention rights/rights not voted: 21,974,844 (14.65%).	Implemented according to the approved content.
	Extraordinary Motions	None.		
2024/10/21	Election Matters	Election of independent directors.	Election results: Independent Director Chung-Yueh Lien won 102,869,547 votes and was elected. Independent Director Yi-Chun Duan was elected by 102,524,653 rights Independent Director Cheng-Chen Yeh was elected by 102,403,899 rights.	The newly elected directors took office on October 21, 2024.
	Discussion Matters	Proposal to lift the non-competition restrictions for newly elected independent directors.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Voting rights: 103,252,514 rights; approval rights: 102,258,363 (99.03%); disapproval rights: 688,768 (0.66%), invalid rights: 0 (0.00%), abstention rights/rights not voted: 305,383 (0.29%).	Implemented according to the approved content.

⟨ 2 ⟩ Important resolutions of board meetings in 2024 and up to the date of publication of the annual report

Date	Content	Resolution
2024/01/25	1. Matters to be reviewed at 7th meeting of the 6th term Remuneration Committee.	Proposals for the 7th meeting of the 6th term: For motion 1 regarding the distribution of 2023 year-end bonuses and performance bonuses of the Company's management level, except for directors Yu-Ming Chang, who recused himself from the resolution for conflict of interest, the matters were approved unanimously after discussion by the attending directors.
2024/02/27	1. Ratification of the Company's acquisition of equity (shares) of Samtec Engineering Co., Ltd. 2. The cash capital increase by investing in Samtec Engineering Co., Ltd. 3. 2023 financial statements and business report. 4. 2023 loss compensation plan. 5. Replacement of the CPAs starting from the first quarter of 2024. 6. CPA independence and appropriateness and professional fees to the CPA in 2024 7. 2023 Declaration for Statement of Internal Control System. 8. Extension of term for Shanghai Commercial and Savings Bank's working capital loans 9. Full re-election of directors (including independent directors) of the Company 10. Nomination and resolution on the list of candidates for directors (including independent directors) 11. Proposal to terminate the non-competition restriction imposed on newly elected directors and other representatives. 12. Amendments to the Company's Articles of Incorporation. 13. 2024 Cash Capital Increase by Private Placement 14. Organization of 2024 shareholders' meeting and acceptance of proposals submitted by shareholders.	Approved unanimously.
2024/04/09	1. List of director (including independent director) candidates. 2. Proposal to terminate the non-competition restriction imposed on newly elected directors and other representatives. 3. Amendments to the Company's Articles of Incorporation.	Case 1: This proposal was passed by all present directors as proposed after inquiry by the chairman. The list of qualified candidates is as follows: Yu-Ming Chang, Representative of Meisen Holdings Co., Ltd.; Peng-Kuang Tseng, Representative of Meisen Holdings Co., Ltd.; Shuo-Wen Chang, Representative of U-BEST Inno.Tech Co., Ltd.; Nan-Hao Huang, Representative of U-BEST Inno. Tech Co., Ltd.; Chien-Hsien Tsai, Representative of Chi Fu Investment Co., Ltd. is a general director candidate; Jing-Xi Hu, Yu-Wen Chen, Ru-Huei Yang, and Hsuan Chi are independent director candidates. Proposals 2 and 3 were approved as proposed.
2024/05/09	1. Financial report for Q1 2024. 2. Ratification of purchase of U.S. treasury bonds US91282CJA09.	Approved unanimously.
2024/05/24	1. Election of the Company's Chairman 2. Appointment of the members of the 7th-term Remuneration Committee	Case 1: Yu-Ming Chang was elected the Company's Chairman with 7 votes after the voting by all attending directors.

Date	Content	Resolution
	3. Appointment of the members of the 2nd-term Corporate Governance Committee 4. Appointment of the member of the 2nd-term Nomination Committee	Cases 2~4 were approved as proposed.
2024/06/03	1. Appointment of Audit Manager. 2. Matters to be reviewed at 1st meeting of the 7th term Remuneration Committee.	Case 1: approved as proposed. Case 2: Matters to be discussed at the 1st (extraordinary) meeting of the 7th term, case 2: Review of the remuneration to the Chairman and the Chief Auditor: Approved by all attending directors without objection after the inquiry of the Chairman; on the remuneration to the Chairman, except Chairman Yu-Ming Chang, who avoided participation in the resolution due to a conflict of interest, after the discussion among the other attending directors, a total of 6 directors were in favor: Peng-Kuang Tseng, Nan-Hao Huang, Chien-Hsien Tsai, Ching-Hsi Hu, Yu-Wen Chen, and Ru-Hui Yang. The proposal was passed without objection. Matters to be discussed at the 1st (extraordinary) meeting of the 7th term, case 3: Transportation allowances for directors, multi-functional committees, and shareholders' meetings: Except those who have a conflict of interest: Yu-Ming Chang, Peng-Kuang Tseng, Nan-Hao Huang, Chien-Hsien Tsai, Ching-Hsi Hu, Yu-Wen Chen, and Ru-Huei Yang who avoided participation in the resolution, the motion was unanimously approved as proposed after discussion by the other directors present.
2024/06/07	1. Purchase of 11 lots of land in Fuqian Section, Zhongxi District, Tainan with Land Numbers 1269 ~ 1276 and 1278 ~ 1280.	After the chairman's consultation with all directors present for voting, there were 6 votes in favor and 1 vote against the proposal. The voters in favor were Yu-Ming Chang, Peng-Kuang Tseng, Nan-Hao Huang, Ching-Hsi Hu, Yu-Wen Chen, and Ru-Hui Yang; and the vote against was Director Chien-Hsien Tsai.
2024/08/09	1. Financial report for Q2 2024. 2. Amendment to the Company's internal control system. 3. Appointment of Independent Director Ru-Hui Yang as a member of the 2nd-term Corporate Governance Committee. 4. Appointment of Independent Director Yu-wen Chen as a member of the 2nd-term Nomination Committee.	Approved unanimously.
2024/09/02	1. Proposal to apply with Shanghai Commercial Bank for an investment loan. 2. Proposal for the 2024 capital increase in cash and the 3rd domestic secured convertible bond to raise funds to pay for construction projects. 3. Proposal to apply with Yuanta Bank for a credit line. 4. Proposal to apply with SinoPac Securities Corp. for a commercial paper guarantee limit of NT\$50 million. 5. Election of three independent directors. 6. Nomination and resolution on the List of Independent Director Candidates. 7. Proposal to lift the non-competition	Approved unanimously.

Date	Content	Resolution
	<p>restriction on newly elected independent directors.</p> <p>8. Supplementary appointment of members of the 7th-term Remuneration Committee.</p> <p>9. Matters related to the convening of the 1st extraordinary shareholders' meeting in 2024 and the acceptance of shareholder nominations.</p> <p>10. The Company's "Chengzhishu Multi-family Housing New Construction Project (Structure)" to be contracted by a related party.</p>	
2024/10/08	<p>1. The Company's "Chengzhishu Multi-family Housing New Construction Project (Decoration)" to be contracted by a related party</p>	Approved unanimously.
2024/10/31	<p>1. Appointment of independent directors to serve as members of the Company's 7th-term Remuneration Committee.</p> <p>2. Appointment of additional members of the 2nd-term Corporate Governance Committee.</p> <p>3. Appointment of additional members of the 2nd-term Nomination Committee.</p> <p>4. Matters to be reviewed at 1st meeting of the 7th term Remuneration Committee.</p>	Proposals 1-3 were approved unanimously. Case 4: Matters to be discussed at the 1st meeting of the 7th term, case 3: Transportation allowances for directors, multi-functional committees, and shareholders' meetings: Except those who have a conflict of interest: Chung-Yueh, Cheng-Chen Yeh, and Yi-Chun Duan who avoided participation in the resolution, the motion was unanimously approved as proposed after discussion by the other directors present.
2024/11/11	<p>1. Financial statements for Q3 2024.</p> <p>2. The Company's "New Construction of the Housing Complex in Xingzuan Section - Structure" to be contracted by a related party</p> <p>3. Matters to be reviewed at 2nd meeting of the 7th term Remuneration Committee.</p>	Case 1 was approved as proposed. Case 2: Director Yu-Ming Chang avoided the resolution due to conflict of interest, and the case was approved by all other directors present as proposed. Case 3: Matters to be discussed at the 2nd meeting of the 7th term Remuneration Committee, case 1: Bonus allocation for the purchase of land at the Fuqian Section and performance bonus for the first half of 2024: Except Directors Yu-Ming Chang, Peng-Kuang Tseng, and Nan-Hao Huang who avoided participation in the resolution due to a conflict of interest, the motion was unanimously approved as proposed after discussion by the other directors present.
2024/11/26	<p>1. Replacement of the Company's stock affairs agency</p>	Approved unanimously.
2024/12/27	<p>1. Formulation and amendment of the Company's internal control system</p> <p>2. Formulation of 2025 audit plan.</p> <p>3. Setting of the Company's 2025 business targets.</p> <p>4. Extension of term for Shanghai Commercial and Savings Bank's working capital loans</p> <p>5. Appointment of President</p> <p>6. Termination of the non-competition restriction imposed on managers.</p> <p>7. Appointment of corporate governance officers</p> <p>8. Appointment of Spokesperson</p> <p>9. Appointment of Deputy Spokesperson</p>	Approved unanimously.
2025/01/22	<p>1. Matters to be reviewed at 3rd meeting of the 7th term Remuneration Committee.</p>	Matters to be discussed at the 3rd meeting of the 7th term Remuneration Committee, case 1: Review of the policy, system, standards and structure of the performance evaluation

Date	Content	Resolution
		and remuneration to directors and managers: approved as proposed by all directors present at the meeting without objections. Case 2: Review of the remuneration to the new President: approved as proposed by all directors present after the inquiry by the chairman. Case 3: The Company's formulation of the "Measures for 2024 Employees' Subscription to Ordinary Shares from Capital Increase in Cash": approved as proposed by all directors present after the inquiry by the chairman. Case 4: The Company's formulation of the "2024 Employees' Subscription to Ordinary Shares from Capital Increase in Cash - Subscription by Managers": approved as proposed by all directors present after the inquiry by the chairman. Case 5: Distribution of year-end and performance bonuses for managers and above for 2024: Except Directors Yu-Ming Chang and Peng-Kuang Tseng who avoided participation in the resolution due to a conflict of interest, the motion was unanimously approved as proposed after discussion by the other directors present.
2025/02/27	<ol style="list-style-type: none"> 1. Proposal to formulate the general principles of the Company's pre-approved non-assurance services policy. 2. 2024 financial report and business report. 3. 2024 loss compensation plan. 4. Certifying CPAs' independence and suitability and the 2025 professional fees for CPAs. 5. 2024 Declaration of Internal Control System. 6. Amendments to the Company's Articles of Incorporation. 7. Amendment to the Company's internal control system. 8. The Company's "New Construction of the Housing Complex in Xingzuan Section - Decoration" to be contracted by a related party. 9. The Company plans to reduce the case "New Construction of the Housing Complex in Xingzuan Section, Tainan" to be contracted by a related party. 10. Discontinuation of the private placement of ordinary shares approved by the 2024 general shareholders' meeting. 11. 2025 capital Increase in cash via private placement 12. Convening of the 2025 shareholders' meeting and acceptance of shareholder proposals. 	<p>Cases 1~4: Director Chien-Hsien Tsai's connection was disconnected. The chairman consulted the other attending directors, and the proposal was approved as proposed.</p> <p>Cases 5~7 were approved as proposed.</p> <p>Case 8: Except those with a conflict of interest, namely Directors Yu-Ming Chang and Peng-Kuang Tseng, who avoided from the resolution, a total of 6 directors voted in favor of the proposal after their discussion: Nan-Hao Huang, Chien-Hsien Tsai, Yu-Wen Chen, Chung-Yueh Lien, Cheng-Chen Yeh, and Yi-Chun Duan. The proposal was approved as proposed.</p> <p>Case 9: Except those with a conflict of interest, namely Directors Yu-Ming Chang and Nan-Hao Huang, who avoided from the resolution, a total of 6 directors voted in favor of the proposal after their discussion: Peng-Kuang Tseng, Chien-Hsien Tsai, Yu-Wen Chen, Chung-Yueh Lien, Cheng-Chen Yeh, and Yi-Chun Duan. The proposal was approved as proposed.</p> <p>Cases 10~12 were approved as proposed.</p>

11. The main contents of important resolutions of the Board of Directors passed but with directors voicing opposing opinions on the record or in writing during the most recent year and up to the date of publication of the annual report:

⟨ 1 ⟩ In the Company's board meeting on June 7, 2024, Mr. Chien-Hsien Tsai, the representative of the corporate director Chi Fu Investment Co., Ltd., had an objection to the purchase of 11 lots of land in Fuqian Section, Zhongxi District, Tainan with Land Numbers 1269 ~ 1276 and 1278 ~ 1280.

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

Declaration for Statement of Internal Control System

Date: February 27, 2025

The following is a statement based on the 2024 self-assessment on the Company's internal control policies:

- I. The Company acknowledges and understands that the establishment, implementation, and maintenance of the internal control system are the responsibility of the Board of Directors and managers, and that such a system has been implemented within the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance and asset security etc), reliable, timely and transparent financial reporting, and regulatory compliance.
- II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide reasonable assurance of the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes in the environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.
- III. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria introduced by the Regulations consist of five major elements, each representing a different stage of internal control: 1. Control environment; 2. Risk assessment; 3. Control operation; 4. Information and communication; and 5. Supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.
- IV. The Company has adopted said criteria to assess the effectiveness of its internal control system design and implementation thereof.
- V. Based on the assessment result referred to in the preceding paragraph, the Company believes that the design and implementation of the internal control system (including monitoring and management of subsidiaries) as of December 31, 2024, including the achievement rate of effectiveness and efficiency of operations and reliability, timeliness, transparency, and regulatory compliance of reporting, as well as compliance with applicable laws, regulations, and bylaws, are effective and may reasonably ensure the achievement of the said goals.
- VI. The Declaration will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. Any illegalities such as misrepresentations or concealments in the published contents mentioned above will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal liability.
- VII. The Declaration was passed unanimously without objection by all 8 directors present at the board meeting dated February 27, 2025.

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

Chairman: Yu-Ming Chang

Seal/Signature

President: Tung-Hung Li Signature/Seal

⟨ 3 ⟩ Information about CPA's Audit Fees:

Information about CPA's Audit Fees

Unit: NT\$ Thousand

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees	Total	Remark
KPMG	Yu-Lun Kao	2024.01.01~2024.1	960	280	1,240	Non-audit fees: Tax visa 150
	Cheng-Lung Hsu	2.31				

- (I) When the Company pays non-audit fees to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto: None.
- (II) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.
- (III) Audit fees reduced by more than 10% from the previous year: None.

⟨ 4 ⟩ Replacement of CPA: N/A.

⟨ 5 ⟩ The Company's Chairman, President, or managers responsible for financial or accounting affairs being employed by the external auditor's firm or any of its affiliated company in the most recent year: None.

Assessment on the independence and competence of external auditors

(I) Certifying CPA: KPMG Taiwan

(II) Statement of independence of CPA

(III) The audit and non-audit services provided by the CPA must be reviewed by the Audit Committee in advance to ensure that the non-audit services will not affect the audit results.

(IV) Obtain the information on the Audit Quality Indicators (AQIs) provided by the CPA firm, and evaluate the audit quality of the CPA firm and the audit team in accordance with the "Guide to the Audit Committee's Interpretation of the Audit Quality Indicators (AQI)" issued by the competent authority.

(V) Assessment contents

With reference to Article 47 of the Certified Public Accountant Act and No. 10 Public Accountant Code of Ethics:

Factors Affecting CPA Independence		Yes	None
1.	The CPA has direct or significant indirect financial interest in the Company.		✓
2.	Financing or guarantee activities between the CPA and the Company or its directors and supervisors.		✓
3.	The CPA takes into account the possibility that the Company will experience loss.		✓
4.	There is close business relationship between the auditor and the Company.		✓
5.	There is possible employment relationship between the auditor and the Company.		✓
6.	The auditor requests on contingent fees related to the audit.		✓
7.	The members of the audit service team are the Company's directors, supervisors, managers or personnel who have exerted significant influence on audit cases in the current year or within the past two years.		✓
8.	Non-audit services provided by the auditor to the Company will directly affect the main audit items.		✓
9.	The auditors promote or act as brokers for the shares or other securities issued by the Company.		✓
10.	The auditors act as the Company's defender, or representative of the Company in third-party coordination and conflict resolution.		✓
11.	The auditor has kinship ties with the Company's directors, supervisors, managers, or personnel who have exert significant influence on audit cases.		✓
12.	Practicing CPAs, who have resigned within one year, serving as directors, supervisors, managers, or personnel who have exert significant influence on audit cases.		✓
13.	CPA has received valuable gifts from the Company or its directors, supervisors and managers.		✓
14.	CPA has been requested to accept management's improper selection of accounting policies or improper disclosure in financial statements.		✓
15.	In the aim to reduce public expenses, the Company has exerted pressure on the CPA to reduce the audits that ought to be implemented.		✓

⟨ 6 ⟩ Any transfer of equity interests and/or pledge of or change in equity interests by a director, manager, or shareholder with a stake of more than 10 percent during the most recent fiscal year and up to the date of publication of the annual report

(I) Changes of the directors, supervisors, managers or shareholders holding:

Unit: Shares

Job Title	Name	2024		As of March 25, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Representative of Meisen Holdings Co., Ltd.: Yu-Ming Chang	0	0	0	0
Director	Representative of Chi Fu Investment Co., Ltd.: Chien-Hsien Tsai	0	0	0	0
Director	Representative of Meisen Holdings Co., Ltd.: Peng-Kuang Tseng	0	0	0	0
Director	Representative of U-Best Innovative Technology Co., Ltd.: Nan-Hao Huang	(565,000)	0	0	0
President	Tung-Hung Li (date of taking office: January 1, 2025)	0	0	0	0
10%	U-Best Innovative Technology Co., Ltd.	(565,000)	0	(80,000)	0
10%	Yu-Ming Chang	0	0	0	0
10%	SUN YAD CONSTRUCTION CO., LTD (date of taking office: July 18, 2023)	0	0	0	0
Independent Director	Hsuan Chi	0	0	0	0
Independent Director	Ching-Hsi Hu	0	0	0	0
Independent Director	Yu-Wen Chen	0	0	0	0
Financial Supervisor	Han Yuan-Hsiang	0	0	30,000	0
Accounting Manager	Han Yuan-Hsiang	0	0	30,000	0
Corporate Governance Director	Han Yuan-Hsiang	0	0	30,000	0
Others	Ying-Chu Chao (date of taking office: May 11, 2023)	0	0	0	0
President	Peng-Kuang Tseng (date of duty relief: January 1, 2025)	0	0	0	0

(II) Information about transfer of equity: None.

(III) Information about pledge of equity: None.

⟨ 7 ⟩ Disclosure of relationship among the top ten shareholders

March 25, 2025

Name	Shares held under own name		Shares held by spouse or underage children		Total shares held in the names of others		If there is relationship, such as spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.		Remark
	Quantity of shares	Share holding ratio (Note 1)	Quantity of shares	Share holding ratio (Note 1)	Quantity of shares	Share holding ratio (Note 1)	Name	Relationship	
Yu-Ming Chang	45,000,000	21.94	3,000,000	1.46	0	0	U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	Chairman of that company	None
							Sun Yad Construction Co., Ltd.	Chairman of that company	
							Chang Hui-Feng	Spouse	
U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	28,882,121	17.11	0	0	0	0	Yu-Ming Chang	Chairman of that company	None
U-BEST INNOVATIVE TECHNOLOGY CO., LTD. Representative: Yu-Ming Chang	45,000,000	21.94	3,000,000	1.46	0	0	None	None	None
Sun Yad Construction Co., Ltd.	22,000,000	13.04	0	0	0	0	Yu-Ming Chang	Chairman of that company	None
Sun Yad Construction Co., Ltd. Representative: Yu-Ming Chang	45,000,000	21.94	3,000,000	1.46	0	0	None	None	None
Chi Fu Investment Co., Ltd.	10,000,000	5.93	0	0	0	0	Chih-Ming Yang	Chairman of that company	None
Chi Fu Investment Co., Ltd. Representative: Chih-Ming Yang	2,330,576	1.38	0	0	0	0	None	None	None
Zhong Qing Technology Co., Ltd.	7,379,042	3.60	0	0	0	0	Yu-Ming Chang	Chairman of that company	None
Zhong Qing Technology Co., Ltd. Representative: Yu-Ming Chang	45,000,000	21.94	3,000,000	1.46	0	0	None	None	None
Jin Chen	4,500,000	2.19	0	0	0	0	None	None	None
Ho Jui Investment Co., Ltd.	4,300,000	2.10	0	0	0	0	Yu-Ming Chang	Chairman of that company	None
Ho Jui Investment Co., Ltd. Representative: Yu-Ming Chang	45,000,000	21.94	3,000,000	1.46	0	0	None	None	None
Glory Ford Investment Ltd.	3,600,000	1.76	0	0	0	0	None	None	None
Glory Ford Investment Ltd. Representative: Yang Shih-Chang	0	0	0	0	0	0	Chih-Ming Yang	Relative within the second degree of kinship	None

Chang Hui-Feng	3,000,000	1.46	0	0	0	0	Yu-Ming Chang	Spouse	
Chih-Ming Yang	2,905,035	1.42	0	0	10,000,000	5.93	Chi Fu Investment Co., Ltd.	Chairman of that company	None
							Shih-Chang Yang	Relative within the second degree of kinship	

Note 1: Shareholding ratio is calculated based on the outstanding shares of 205,060,776 shares as of March 25, 2025.

⟨ 8 ⟩ The total number of shares and total equity stake held in any single investee by the Company, its directors, managers, and any enterprises controlled either directly or indirectly by the Company

December 31, 2024; unit: share

Reinvested business (Note 1)	The Company's investments		Investment by directors, managers and enterprises controlled either directly or indirectly by the Company		Comprehensive investments	
	Quantity of shares	Share holding ratio (%)	Quantity of shares	Share holding ratio (%)	Quantity of shares	Share holding ratio (%)
Samtec Engineering Co., Ltd.	12,081,951 shares	98.63	7,377 shares	0.06	12,089,328 shares	98.69

Note 1: The Company's investment under equity method.

Three. Fund Raising Status

I. Capital and Outstanding Shares

(I) Source of capital share

Unit: NT\$

Year/ Month	Issue price	Authorized capital		Total Paid-in Capital		Remark		
		Quantity of shares	Amount	Quantity of shares	Amount	Source of capital share	Offset share capital via properties other than cash	Others
1998.12	10	2,095,000	20,950,000	2,095,000	20,950,000	Cash capital increase	None	Gao-Shi-Fu-Chien-2-Kung-Zi No. 08711659900 dated December 18, 1998
1999.04	10	5,028,000	50,280,000	5,028,000	50,280,000	Recapitalization of earnings	None	Gao-Shi-Fu-Chien-2-Kung-Zi No. 0891528180 dated April 7, 2000.
2001.12	10	15,028,000	150,280,000	12,028,000	120,280,00 0	Cash capital increase	None	Jin-Shou-Shang-Zi No. 09101006700 dated January 15, 2002
2002.04	10	15,028,000	150,280,000	15,028,000	150,280,00 0	Cash capital increase	None	Jin-Shou-Shang-Zi No. 09101128050 dated April 15, 2002.
2002.07	10	32,000,000	320,000,000	22,028,000	220,280,00 0	Cash capital increase	None	Jin-Shou-Shang-Zi No. 09101278350 dated July 22, 2002
2003.06	10	32,100,000	321,000,000	32,100,000	321,000,00 0	Recapitalization of earnings	None	Gao-Shi-Fu-Chien-2-Kung-Zi No. 09205271300 dated June 20, 2003
2004.06	10	68,000,000	680,000,000	41,926,500	419,265,00 0	Recapitalization of earnings	None	Jin-Guan-Zheng-1-Zi No. 0930139639 dated December 8, 2004
2005.06	10	68,000,000	680,000,000	44,546,000	445,460,00 0	Recapitalization of earnings	None	Jin-Guan-Zheng-1-Zi No. 0940126062 dated July 4, 2005
2006.05	10	68,000,000	680,000,000	49,714,000	497,140,00 0	Cash capital increase	None	Jin-Guan-Zheng-1-Zi No. 0950112935 dated April 18, 2006
2006.08	10	68,000,000	680,000,000	56,150,000	561,500,00 0	Recapitalization of earnings	None	Jin-Guan-Zheng-1-Zi No. 0950124233 dated June 15, 2006
2007.09	10	100,000,000	1,000,000,000	60,484,000	604,840,00 0	Recapitalization of earnings	None	Jin-Guan-Zheng-1-Zi No. 0960035481 dated July 10, 2007
2010.05	10	100,000,000	1,000,000,000	61,519,196	615,191,96 0	Convertible corporate bonds converted to new shares	None	Jin-Shou-Shang-Zi No. 09901098520 dated May 14, 2010
2010.07	10	100,000,000	1,000,000,000	84,899,196	848,991,96 0	Private placement	None	Jin-Shou-Shang-Zi No. 09901155600 dated July 22, 2010
2010.11	10	100,000,000	1,000,000,000	83,899,196	838,991,96 0	Cancellation of treasury stock	None	Jin-Shou-Shang-Zi No. 09901244560 dated November 1, 2010
2011.04	10	100,000,000	1,000,000,000	83,684,196	836,841,96 0	Cancellation of treasury stock	None	Jin-Shou-Shang-Zi No. 10001067730 dated April 7, 2011
2014.02	10	100,000,000	1,000,000,000	83,770,776	837,707,76 0	Convertible corporate bonds converted to new shares	None	Jin-Shou-Shang-Zi No. 10301019920 dated February 6, 2014
2020.04	10	160,000,000	1,600,000,000	98,770,776	987,707,76 0	Private placement	None	Jin-Shou-Shang-Zi No. 10901074860 dated May 22, 2020
2021.12	10	160,000,000	1,600,000,000	118,770,776	1,187,707,7 60	Private placement	None	Jin-Shou-Shang-Zi No. 11001241210 dated January 14, 2022
2023.08	10	350,000,000	3,500,000,000	138,770,776	1,387,707,7 60	Private placement	None	Jin-Shou-Shang-Zi No. 11230147230 dated August 8, 2023
2023.10	10	350,000,000	3,500,000,000	168,770,776	1,687,707,7 60	Private placement	None	Jin-Shou-Shang-Zi No. 11230201210 dated October 26, 2023

March 25, 2025; unit: share

Share categories	Authorized capital			Remark
	Outstanding shares (Note 1)	Unissued shares	Total	
Registered shares	168,770,776	181,229,224	350,000,000	

Note 1: OTC-listed company.

Relevant information on issuing securities by shelf registration: Not applicable.

(II) List of major shareholders

The names of shareholders with a stake of 5 percent or greater, and shareholders who rank in the top 10 in shareholding percentage, specifying the number of shares and stake held by each shareholder on the list:

March 25, 2025; unit: share

Name of major shareholder	Shares	Shares held	Shareholding %
Yu-Ming Chang		45,000,000	21.94%
U-Best Innovative Technology Co., Ltd.		28,396,121	13.85%
Sun Yad Construction Co., Ltd.		22,000,000	10.73%
Chi Fu Investment Co., Ltd.		10,000,000	4.88%
Zhong Qing Technology Co., Ltd.		7,379,042	3.60%
Jin Chen		4,500,000	2.19%
Ho Jui Investment Co., Ltd.		4,300,000	2.10%
Glory Ford Investment Ltd.		3,600,000	1.76%
Chang Hui-Feng		3,000,000	1.46%
Chih-Ming Yang		2,905,035	1.42%

(III) Dividend policy and implementation thereof:

1. Dividend policy:

The Company belongs to a highly competitive industry. To achieve corporate sustainability based on capital expenditure needs and comprehensive financial planning, the Company's dividend policy is as follows:

A. Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit. However, where such legal reserve amounts to the total paid-in capital, this provision shall not apply. In accordance with Article 41 of the Securities and Exchange Act, the Company shall set aside or reverse a special reserve together with any undistributed earnings in the beginning of the year based on the Company's business needs and balanced dividend policy, which shall be used as the basis by the Company's board of directors for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

B. Terms and schedule for dividend distribution:

For long-term business development, the Company's dividend distribution policy uphold the principle of meeting future business development, and after comprehensively considering conditions such as sound financial structure, stable dividends, and reasonable shareholder return. The surplus earnings distribution plan was proposed by the board of directors in accordance with the Articles of Incorporation, and dividends were distributed after it is approved by the shareholders' meeting and the competent authority.

C. Cash dividend and stock dividend payout ratio:

In accordance with Article 24-1 of the Company's Articles of Incorporation, since the Company is currently at growth stage, it takes into account the environment and industry growth, and corresponding to future capital needs and long-term financial planning, the Company adopts the residual dividend policy for dividend distribution. After the Company provides for the projected capital needs by using retained earnings, the remaining shall be distributed in the form of cash dividends or stock dividends, but cash dividends shall be no less than 10% of the total dividends.

2.2024 dividend distribution proposed in the 2025 shareholders' meeting: As of December 31, 2024, the amount of accrued loss was NT\$679,728 thousand, and there is no available earnings for distribution.

(IV) The effects of bonus shares proposed at this shareholders' meeting on the Company's business performance and earnings per share:

Not applicable as there were no stock dividend distribution proposed in the current fiscal year.

(V) Employee compensation and remuneration for directors:

A. The percentages or ranges with respect to employee and director compensation, as set forth in the Company's Articles of Incorporation: If the Company's earned profits in the current fiscal year, a reserve is allotted to be used to make up for the company's accumulated losses, and then 1%-15% shall be allocated as employee compensation, while the Company shall set aside no more than 5% for the remuneration of directors. The form and amount of distribution of the compensation for employees and directors shall be reported to the shareholders' meeting after resolution by the board of directors. The receivers of employee compensation shall include employees of affiliated companies that meet certain conditions. The relevant regulations shall be established by the Board of Directors. Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, where such legal reserve amounts to the total paid-in capital, this provision shall not apply. In addition, a special reserve shall be set aside according to relevant laws and regulations or the competent authority. Any remaining profit shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends. Pursuant to Article 240 of the Company Act, the Company authorizes the distributable bonuses and the legal reserve and capital reserve stipulated in Article 241 of the Company Act, in whole or in part to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

B. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: The amount

of employee, director, and supervisor compensation are estimated based on the percentage of employee/director remuneration stated in the Articles of Incorporation. If there is any discrepancy between the actual distributed amount and estimated amount of compensation for employees, directors, or supervisors, it will be considered an accounting estimation, and recognized as profit/loss in current year of distributions made.

C. The distribution of earnings approved by the board meeting but yet passed by resolution of the shareholders' meeting: As of December 31, 2024, the amount of accrued loss was NT\$679,728 thousand, and there was no available earnings for distribution.

D. Actual payment of employees'/ directors' remuneration in the previous year (including the number of shares to be distributed, amount, and stock price; in case of any differences between the distributed amount and that already recognized, the difference, cause and disposal shall be stated: As of December 31, 2024, the amount of accrued loss was NT\$679,728 thousand, and there is no available earnings for distribution.

(VI) Share repurchases: Not applicable as there were no share repurchase in the most recent year as of the publication date of the annual report.

II. Issuance of corporate bonds:

Type of corporate bond	3rd domestic secured convertible bond (Feei Cherng-III)
Approval date and document number by the competent authority	Letter from the Financial Supervisory Commission referenced Jin-Guan-Zheng-Fa No. 11303589281 dated October 29, 2024.
Issuance (processing) date	November 29, 2024
Total amount	NTD400,000,000
Interest rate	0%
Term	3 years Maturity date: November 29, 2027
Repayment method	Unless the bondholders convert bonds into the Company's ordinary shares, or the Company redeems the bonds early, or the Company repurchases the bonds from securities dealers and cancels them, the Company shall repay the convertible bonds in cash at face value within ten business days from the day following the maturity of the bonds.
Use of Raised Funds and Status of Execution	Payment for the construction projects of "Lucky Star" and "Chengzhishu" of the Company. As of March 31, 2025, NTD24,355 thousand has been executed.
Outstanding principal	As of March 31, 2025 Outstanding principal of NTD400,000,000
Number of ordinary shares already converted as of March 31, 2025	As of March 31, 2025, 0 share was converted

Convertible corporate bond information

Type of corporate bond		3rd domestic secured convertible bond (Feei Cherng-III)
Item	Year	2024
Market price of convertible corporate bond	Highest	109.50
	Lowest	100.80
	Average	107.36
Conversion price	15.7	
Date of issuance (processing) and conversion price at the time of issuance	Issued on November 29, 2024, and the conversion price at the time of issue was NTD16.50.	
Method of performing the conversion obligation	Issuance of new shares	

- III. Issuance of Preferred shares:** The Company has not issued preferred shares.
- IV. Issuance of Global Depository Receipts:** The Company has not issued global depositary receipts.
- V. Names and acquisition status of top-level company executives holding employee share subscription warrants and the number of such warrants exercised by said executives, and the names and acquisition status of the ten employees holding employee subscription warrants authorizing purchase of the most shares:** There were no employee share subscription warrants.
- VI. Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired:** None.
- VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies:** The Company has not handled mergers, stock split or acquisitions of shares.
- VIII. Implementation of Capital Utilization Plan:**
 - (I) As of the quarter before the printing date of this annual report, the plan content of the previous issuance or private placement of marketable securities that has not been completed or has been completed within the last three years and the plan benefits have not yet appeared: The 2023 cash capital increase by private placement has been approved by the shareholders' meeting on May 26, 2023. The number of shares of the first issue shall not exceed 50,000,000 shares, with three issues over a period of 1 year from the date of the shareholders resolution. On July 4, 2023, the board of directors resolved to issue 20,000,000 ordinary shares in the first round, and arrangements were made for specific individuals to subscribe to the shares, with the funds being fully collected by July 18, 2023. On September 19, 2023, the board of directors resolved to issue a second and third round of ordinary shares, comprising 20,000,000 shares and 10,000,000 shares, respectively, totaling 30,000,000 shares. Specific individuals were approached to subscribe to the shares, and the funds were fully collected by October 3, 2023.
 - (II) As of the quarter before the publication date of the annual report, the execution status of plans that have not yet been completed for previous issuances or private placements of securities, or have been completed within the past three years but the plan benefits have not yet been demonstrated: Please refer to page 85 of this annual report for information on the issuance of new shares via private placement from capital increase in cash in 2023.

Six. Operations Overview

I. Business Activities

(I) Business scope

1. Main business activities:

The Company's main business in 2024 was real estate investment, development, and construction.

2. The Company's sales breakdown by product in 2024 is as follows:

Unit: NT\$ Thousand

Item	Year	2024	
		Sales value	Business ratio (%)
Construction materials		4,346	11.82
Construction and engineering		30,704	83.52
Rent income from investment property		1,714	4.66
Consolidated operating revenue, net		36,764	100.00

3. The Company's products

Construction materials: Trading of construction materials.

Construction and engineering: Contract works.

(II) Overview of industry

1. Status and development of the industry

Real estate investment development and construction

The construction industry refers to the use of funds and land to commission a construction company to build residential or office buildings, and then sold or leased to the general public, consumers or companies after the completion of the construction. Throughout the entire construction process, construction firms need to invest a significant amount of manpower, financial resources, and materials. It also requires a considerable amount of time to complete, and it involves numerous upstream and downstream industries, such as construction plants, building materials, agency services, hydraulic engineering, architects, financial institutions, and related real estate services. Therefore, the housing construction industry is a comprehensive manufacturing industry and, in nature, it is also a service industry that serves the livelihoods of the people.

In 2024, the development of the housing market has benefited from the implementation of the Taiwanese government's housing justice policies, House Hoarding Tax 2.0, rent subsidies, and Preferential Housing Loans for the Youth. These policies are expected to continue, stimulating demand that was deferred from the previous year (2023) and leading to a significant rebound in the market this year. Additionally, the launch of the Tainan Science and Technology Industrial Zone in 2024 not only enhances living convenience but also attracts industries such as artificial intelligence (AI) and IC design, bringing about favorable opportunities for the overall real estate market in Tainan.

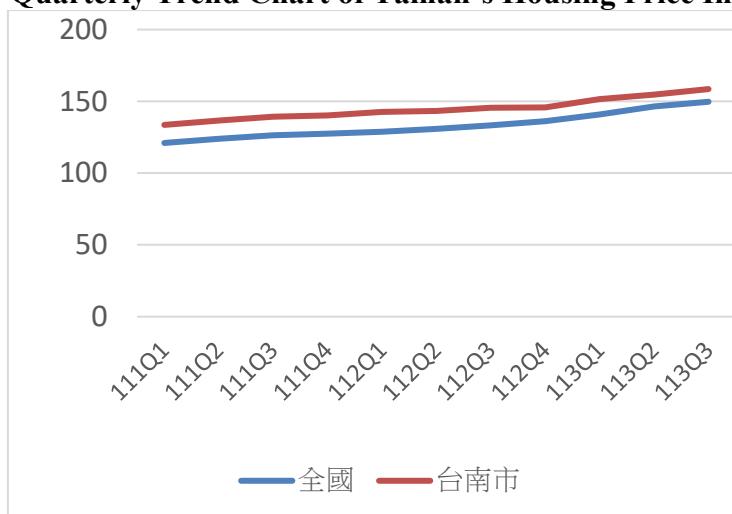
Changes in the number of buildings transferred due to sale in the six metropolitan areas in 2024:

Information on real estate in the six metropolitan areas

Metropolitan area	2024	2023	Annual increase/decrease rate
Taipei	29,930	26,735	12.0%
New Taipei City	64,169	60,009	6.9%
Taoyuan	49,189	40,706	20.8%
Taichung	54,996	47,693	15.3%
Tainan City	27,783	24,948	11.4%
Kaohsiung City	45,242	36,266	24.8%
Total amount	271,309	236,357	14.8%

Source: Land Affairs Bureau of each city government; Yung Ching Rehouse Group's Research and Development Center

Quarterly Trend Chart of Tainan's Housing Price Index:



In terms of transaction volume, the total number of buildings transferred due to sale in the six metropolitan areas in 2024 was 271,309, a 14.8% increase from the same period in 2023. Among them, Taipei has an annual growth of 12.0%, New Taipei City 6.9%, Taoyuan 20.8%, Taichung 15.3%, Tainan 11.4%, and Kaohsiung 24.8%. Looking further at the historical transaction volume of each metropolitan area, Tainan has exceeded 27,000 units for the first time, the highest in history.

With the launch of the new preferential loan program for young people to start their families, the demand for "self-occupation" and "rigid" demand has intensified, and the decision-making speed of home buyers has accelerated. In addition, the rigid demand for housing brought about by the Tainan Science and Technology Park issue will contribute to the popularity of the housing market in 2025.

In terms of housing prices, the Tainan Science and Technology Park issue continues to ferment, which also drives the steady growth of Tainan's housing market.

The three major factors in favor of Tainan's real estate market:

1. Demographic bonus: Due to the employment population and home purchase spillover effect brought about by Tainan Science and Technology Park, the demographic bonus drives the real estate construction projects in the

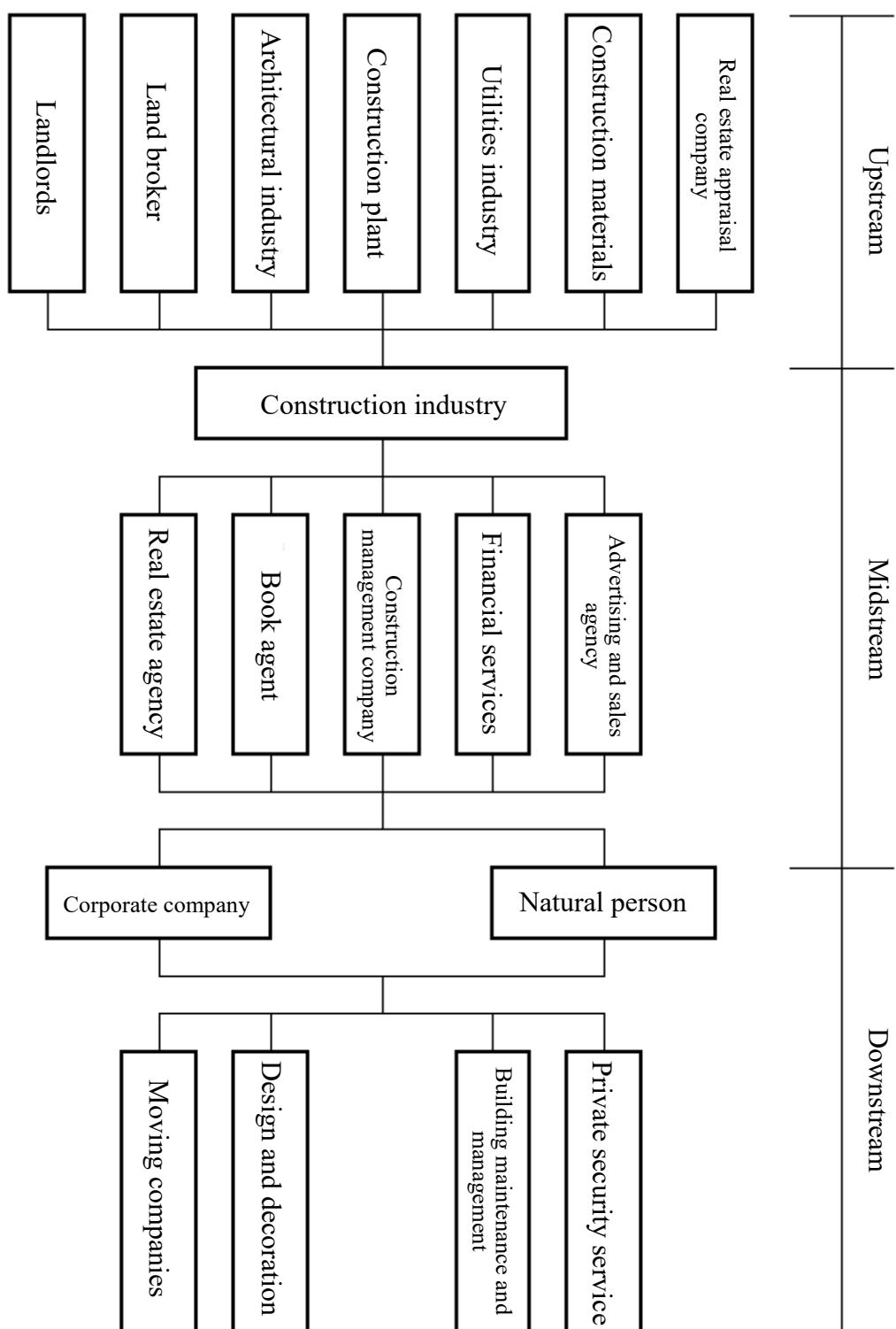
surrounding area to become the home purchase choice for the talents of Tainan Science and Technology Park.

- 2.Rigid demand: As the government attaches great importance to the development of Tainan Science and Technology Park, it is actively developing surrounding public facilities such as drainage and building roads to complete the road network and provide more convenient transportation, thus greatly improving the traffic problem in Tainan Science and Technology Park, and creating a new city near Shanhua. The area around Tainan continues to attract immigrants with high incomes, which gives Tainan a stable and rigid domestic-demand market.
- 3.Mature living functions: Phase 3 of the North Outer Ring Road was completed in December 2021, and the entire construction (including Dazhou) is expected to be completed in 2027. At that time, it will only take 15 minutes to drive from the north district to Tainan Science and Technology Park. The major construction - underground railway is expected to be completed in 2026, and new constructions including Linsen Station, South Tainan Station, etc. are in progress, which will change the appearance of Tainan, accelerate the regional development, and continue to drive up the housing prices of Tainan.

2. Correlation of the upstream, midstream and downstream segments of the industry Real estate investment development and construction

The process of real estate investment, development, construction, production, and sale is related to many industries, such as construction, building materials, utilities, advertising, finance, escrow, decoration, and building management and maintenance. The construction industry plays a coordinating and integrating role, and its upstream and downstream industries are complementary and interdependent.

Relation diagram for the up-stream, mid-stream and down-stream of real estate investment development and construction



3. Macro economy, industry development trend, and product competition: Real estate investment development and construction

Although the global COVID-19 pandemic began to slow down in 2022 and lockdowns were lifted one by one around the world, the escalated global inflation due to the loose monetary policy of the U.S. and the outbreak of the Russo-Ukrainian War made the global economic environment unstable. In addition to the global economic impact, domestic economy was also affected by the government's continuation and strengthening of its anti-speculation policies. In the second half of 2022, the effects of curbing property transactions began to manifest, and in 2023, there was a significant decrease in real estate transactions, with expectations for the property market remaining subdued. In the housing market this year, the transaction prices have fluctuated, and the transaction volume has generally decreased; overall, the housing market performance will gradually cool down.

In 2023, the global political and economic instability from 2022 continued. Although daily life in many countries had nearly returned to pre-pandemic conditions and various types of consumer spending gradually recovered, international tensions not only failed to ease but were further aggravated by the outbreak of new conflicts. Global raw material prices continued to rise, leading to a slow pace of economic recovery. Domestically, the government maintained its strengthened housing market control policies, including amendments to the Equalization of Land Rights Act and restrictions on real estate financing. As a result, the real estate market in 2023 was marked by strong wait-and-see sentiment, and transaction volumes dropped significantly. Following the conclusion of the early 2024 general elections, the domestic political and economic situation stabilized. In addition, with the United States halting interest rate hikes and instead stimulating a global trend toward rate cuts to boost the economy, the domestic real estate market showed slight improvement. It is expected that 2024 will see a modest recovery compared to 2023; however, unfavorable factors still persist, and optimism should remain cautious.

(III) Overview of technology and R&D

Given that the Company does not currently have a R&D department, and is mainly engaged in real estate investment, development, and construction; therefore, R&D investment is not applicable.

(IV) Long-term/short-term business development plan

A. Implementation of the construction brand system

With the improvement of living standards, home buyers have gradually higher quality requirements for the living environment such as building exterior design, interior layout, construction materials, equipment, and public facilities. In recent years, natural disasters have made consumers pay more attention to home safety. Therefore, in order to meet the needs of consumers, the construction industry pays special attention to safety, comfort, convenience and after-sales service in product planning, and builds brand awareness in the hearts of

consumers. In order to provide homebuyers with a reference for choosing excellent construction companies, the National Land Management Agency of the Ministry of the Interior actively formulates and promotes the 'Identification Logo for Construction Investment Companies' and the 'Excellent Construction Investment Company Selection and Reward Measures.' Therefore, in the future, construction companies will increasingly emphasize self-requirements for building quality and the establishment of their brands. Quality characteristics and reputation image will be the foundation for the Company's sustainable operation.

B. Growing awareness of environmental protection

At present, the green building design policy has established nine evaluation indicators, including greening, base water conservation, water resources, daily energy saving, carbon dioxide reduction, sewage treatment, garbage improvement, biodiversity, and indoor environmental indicators. In order to implement this policy, the Executive Yuan issued a letter on May 7, 2003 to the two cities and the county and city governments of Taipei and Kaohsiung. Starting on July 1, 2003, new public buildings with a total construction cost of NT\$50,000 thousand or more are required to obtain a provisional green building certificate before applying for a construction permit. With the promotion of government agencies, it is bound to become a trend in the future for buildings to obtain green building certificates.

C. Product diversification

The key to successful project development depends on land development and product positioning. The competition in the real estate industry is becoming increasingly fierce. If we want to perform well in this industry, we must effectively differentiate our products from competitors in the market and position them appropriately. In recent years, the sales of low-total-price villas, leisure residences, small luxury houses, and commercial and residential units near MRT stations have been leading the way. With the changes in the age structure of the population, senior housing (elderly) came into being. The Internet family, Internet system community and integrated community are gradually adopted by the construction industry, and will play an important role in product positioning and differentiated design in the future.

D. Diversification of land development methods

As real estate transaction-related laws become more comprehensive and

land acquisition becomes increasingly difficult, the development of land may shift towards diversified approaches in the future. Instead of the traditional methods such as outright land purchase or joint development with landowners, land development can explore various avenues such as land leasing, land trust, commissioning construction, joint development, participation in urban renewal projects, real estate securitization, participation in government-subsidized housing construction programs, and collaboration with government policies for land release for agricultural purposes to acquire the necessary reserve land.

E. Community planning develops towards the integrity of living functions

In the future, new communities should focus on the integrity of living functions, such as nurseries, sports grounds, libraries, leisure and entertainment facilities, etc., to fully meet the needs of modern people for a basic living environment.

F. Development scale and price tend to be polarized

Due to the development of new towns, industrial and commercial complexes, and redevelopment zones, and various transportation construction projects, such as high-speed railway, highway, and western expressway, the connection between the suburbs and the city will become more convenient. As a result, individuals seeking comfortable and quiet living environments may choose suburban areas over urban areas, especially given the relatively high property prices in cities. Therefore, a large-scale self-sufficient functional community can be developed in the suburban areas of major traffic roads, which is a volumetric operation method. Additionally, due to the higher cost of land in urban areas, many developers are adopting small-scale development strategies. This allows for the planning of high-quality residential properties at premium prices, aligning with the trend of boutique-style operations.

G. Acceleration of urban renewal

In situations where urban land supply approaches saturation, urban renewal becomes the sole means for developers to acquire large land parcels within city limits. It is increasingly regarded as the biggest gold mine in the construction and real estate investment industries, particularly as old buildings undergo 'facelifts' alongside urban renewal. This trend has been further fueled by the government's incentive measures such as the 'three originals' policy, which promotes the redevelopment of existing sites, existing structures, and existing volumes.

Consequently, there has been a surge of interest in 'archaeological' properties in prime locations, with many property owners capitalizing on the opportunity by selling at favorable prices. With boundless business opportunities, the pace of urban renewal projects is expected to accelerate even further.

H. Emphasizing the Prevention of Trading Disputes

In order to avoid disputes in the transaction process, with the rise of buyers' professional knowledge and consumer protection awareness, the Ministry of the Interior has issued a real estate sales stereotyped contract, specifying the rights and obligations of pre-sale housing or land development, and meeting the requirements of the Consumer Protection Act and Fair Trade Act. In addition, strengthening construction management, ensuring project quality, monitoring the progress of completion, and applying house delivery strategies are also necessary measures to prevent transaction disputes.

II. Overview of Market and Production & Marketing

(I) Market analysis

1. Territories where the main products are sold

Year	2023		2024		Unit: NT\$ Thousand
	Sales value	%	Sales value	%	
Areas/regions of sales					
Domestic sale	44,944	100.00	36,764	100.00	
Export sale	-	-	-	-	
Net sales	44,944	100.00	36,764	100.00	

2. Market share

Real estate development and construction

The profit/loss of income on property is recognized after the completion and handover of the buildings. The Company's 2024 construction project Liu Xing has not yet been completed and handed over. However, the Company continues to actively develop land and launch new construction projects, such as: Chengzhishu and Bailun section, in order to increase its market share.

3. Future market demand and supply, and market's growth potential

Real estate development and construction

In terms of the real estate market in 2022, due to the upward revision of housing prices to a certain extent and the transaction volume can continue to increase, the domestic housing market is showing an overheated state, and the government's policy of suppressing housing prices for several years has not been fully effective. With the recent promulgation of the Equalization of Land Rights Act, the housing market is quickly extinguished. Looking forward to 2023, the possible changes in the domestic housing market can be divided into the following parts:

I. Unfavorable trends in the economy, policies, and interest rates for the housing market

Due to the ongoing slump in cross-strait relations, the threat of global inflation and the pressure to raise interest rates, the economy may not show a significant improvement. Furthermore, as the government continues to control, the channels for financing are blocked and the interest rates are raised. The real estate market itself is faced with unfavorable structural factors.

II. Difficult for construction companies to reduce construction costs, resulting in stable prices and decreased quantity

In recent years, the increase in construction land, building materials and labor has made the construction cost always high. In the face of the government's real estate auction, the transaction market is shrinking in a hurry. For now, developers can only be reluctant to sell and wait for the reversal of timing.

III. Exiting the real estate industry is a trend

In continuation of the above two points, the real estate industry faces pressure from both internal and external factors. Survival will depend on deep pockets; 2023 will be a stringent test for most developers and related industries. Those unable to withstand it will eventually be phased out.

IV. Urban renewal projects become a safe haven

Urban renewal (including dangerous and old buildings) is not applicable to the government's real estate control policy and there are preferential incentives. At present, major construction companies have accelerated their deployment, which will be helpful to the consolidation of the real estate market, especially in the city center. If we can speed up the urban renewal, this problem can be effectively solved. At the same time, increasing the housing supply can naturally accelerate the decline of prices, which is of positive benefit to the continuation of the business.

4. Competitive niche

Real estate investment development and construction:

- A. Forward-looking and excellent land development ability.
- B. Grasp the market demand and rigorously design and plan products.
- C. Ensure the accurate control of project quality, progress and cost.
- D. Professional management team to provide perfect customer service.
- E. Solid brand image and high market control.

5. Analysis on positive and negative factors for future development and responsive measures:

Real estate development and construction

(1) Favorable factors:

a. Excellent land development ability

Through the Asset Management Department of the Real Estate Development Group, the Company has full control of land sources in various regions with high-quality locations, and effectively creates its additional value through direct purchase of land, joint construction and joint construction, and joint construction and separate sales. The Company also actively analyzes the impacts of urban development. We will introduce construction projects that meet the market demand in accordance with the operating conditions.

b. Grasp the market demand and rigorously design and plan products.

The Company not only has a good grasp of the land and construction market in prime locations, but also is familiar with the characteristics of consumers in the area, and plans and designs products that meet the needs of home buyers. Therefore, the sales rate of the current project is good. In addition, the Company offers luxury house design for its projects, which is differentiated from the general products in the market. We aim to create spaces that not only exude prestige and safety but also evoke a vacation-like ambiance, making returning home a joyous experience. This turns coming home into an eagerly anticipated moment, offering high-quality projects with customized designs to swiftly meet the unique specifications of our clients.

c. Ensure the accurate control of project quality, progress and cost.

The Company meticulously plans each property development project in advance, conducting thorough financial estimations and maintaining good relationships with banks. To ensure the quality of our projects, the majority of our construction work is outsourced to government-registered and reputable construction companies. We rigorously monitor the progress of construction, product quality, and building costs. As a result, we are able to meet our clients' requirements in terms of both delivery timelines and quality, thereby generating stable profits.

(2) Unfavorable factors:

a. Housing prices continue to rise, and the government implements various measures to curb housing prices, resulting in limited access to bank financing for home buyers and investors.

Responding strategies

i. In the selection of land development sites, the Company will prioritize

identifying prime locations in well-known areas with excellent transportation access and abundant living amenities to differentiate our projects in the market.

- ii. Cultivating top-tier customers, attracting customers with mature capital, and targeting at the top of the pyramid.
- iii. Do not blindly develop projects. Quality growth is used instead of quantitative growth. Each project is re-planned and designed to enhance the spirit and value of the project. Strengthen financial structure through sound planning and management, and continue to operate prudently.

- b. It is not easy to obtain prime land and the cost related to construction continues to rise.

Responding strategies

In response to the escalation of various costs in the future, the Company not only strengthens land development and product planning to increase the added value of products, but also strengthens internal management and shortens the construction period to reduce the impact of rising costs.

- c. Expectations of future interest rate increases and heightened risk awareness among banks are leading to stricter loan-to-value ratios as property prices continue to rise.

Responding strategies

Due to the good credit standing of the Company, the action of raising the interest rate has little impact on the Company's funding. For homebuyers, although there's an expectation of future interest rate hikes by the central bank, the funding supply in the market remains ample, keeping interest rates at low levels. Therefore, it is not expected to have a significant impact on homebuyers in the near term.

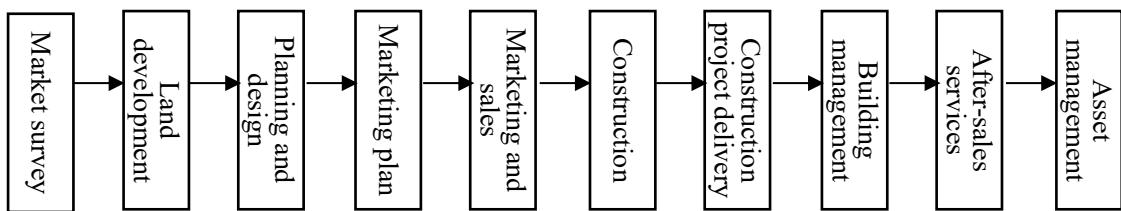
(II) Important purposes and production processes of main products

1. Important purposes of main products:

Construction industry:

Main products' important functions: Residential and office buildings.

2. Production processes of main products:



(III) Supply of main raw materials

Construction industry:

- (1) Land: We actively developed and searched suitable areas in Tainan City or other metropolitan areas for urban construction planning, and cooperated with landowners in joint development, formed strategic alliances with industry peers, or participate in urban renewal projects according to business needs, in order to ensure that there will be no shortage of supply.
- (2) Construction project: The Company has strict contracting and construction specifications to effectively control, from contracting to acceptance, the progress and quality of the construction project, so that there is no possibility of supply shortage or being affected by joint monopoly.
- (3) Construction materials: To save costs and comply with the construction schedule, the Company's originally conducted price comparison and self-purchasing of raw materials. To achieve flexible and controllable operations during contracting, we gradually switched to contract for labor and materials, or joint contracting, so as to maintain a stable supply of construction materials.

A list of any suppliers accounting for 10 percent or more of the consolidated net purchase amount in either of the most recent two years, the amounts purchased from each, and the percentage of total purchases accounted for by each:

Unit: NT\$ Thousand; %

Item	2023				2024				As of the previous quarter in 2025			
	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer
1	Supplier A	25,747	52.92	None	Supplier A	24,777	1.66	None	Supplier D	4,187	40.76	None
2	Supplier B	12,579	25.85	None	Supplier B	3,730	0.25	None	Supplier E	3,160	30.77	None
3	-	-	-	-	Supplier C	1,415,388	94.95	None	Supplier F	1,186	11.55	
4	Others	10,331	21.23	None	Others	46,699	3.14	None	Others	1,738	16.92	None
	Net purchase	48,657	100		Net purchase	1,490,594	100		Net purchase	10,271	100	

Note 1: List the names of any suppliers that have supplied 10 percent or more of the company's procurements in either of the preceding 2 fiscal years, and the monetary amount and the proportion of such procurements as a percentage of total procurements; provided however, that where the Company is prohibited by contract from revealing the name of a trading counterpart, a code may be used in place of such trading counterpart's actual name.

*Reason for change: The Company's business transformation has affected the net purchases of its original suppliers.

(IV) Information on major clients

A list of any customers accounting for 10 percent or more of the consolidated net sales amount in either of the most recent two years, the amounts sold to each, and the percentage of total sales accounted for by each:

Unit: NT\$ Thousand; %

	2023	2024	As of the previous quarter in 2025

Item	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer
1	Shin Agri Tech Co., Ltd.	1,082	2.41	Related party	U-Best Innovative Technology	35,050	95.34	Related party	Supplier G	428	79.74	None
2	U-Best Innovative Technology	43,291	96.32	Related party	-	-	-	-	U-Best Innovative Technology	109	20.26	Related party
3	Others	571	1.27	None	Others	1,714	4.66	None	-	-	-	-
	Total	44,944	100		Total	36,764	100		Total	537	100	

Note 1: List the names of any customers that have purchased 10 percent or more of the company's sales in either of the preceding 2 fiscal years, and the monetary amount and the proportion of such products as a percentage of total sales; provided however, that where the Company is prohibited by contract from revealing the name of a trading counterpart, a code may be used in place of such trading counterpart's actual name.

*Reason for the change: The Company's business transformation has dragged down the net sales of its original customers.

III. The Number of Employees Employed for the 2 Most Recent Fiscal Years

Units: Persons; Year

Year		2023	2024	As of March 31, 2025
Number of employees	Direct labors	-	-	-
	Salesperson	1	1	1
	Administration personnel	22	17	17
	R&D personnel	-	-	-
	Total	23	18	18
Average age		41.55	43.33	42.44
Average years of service		4.54	2.73	2.81
Academic background (%)	PhD	-	5.56%	-
	Master	13.04%	16.67%	22.22%
	College (University)	82.61%	72.22%	72.22%
	Senior high school	4.35%	5.55^	5.56%
	Below senior high school	-	-	-

Source: Feei Cherng Enterprise Co., Ltd.

IV. Information about Environment Protection Expenditure

Losses related to environmental pollution in the recent years or as of the date of publication of the annual report: None.

V. Labor-Management Relations

(I) The Company's employee benefit policy, continuing education, training, retirement system, and the implementation status thereof, and labor agreements as well as the various employee rights protection measures:

1. Employee benefit policy:

(1) All of the Company's employees participated in labor insurance, while the insurance benefits in the event of maternity, injury, medical care, disability, aging care or death are handled in accordance with the Labor Insurance Act.

(2) Employee welfare matters are supervised by the Employee Welfare Committee.

A. We established an Employee Welfare Committee in accordance with the Employee Welfare Fund Act, and monthly employee welfare funds are allocated to support various employee welfare measures.

B. Sound employee welfare measures cover the provision of daily meals, while the Company has also set up a cultural and recreational center to provide employees

with leisure activities after work, and organize birthday celebrations, dinner parties, travel and outdoor recreational activities on a regular basis. In addition, group accident insurance is also provided for the safety of employees.

2. Employees' continuing education and training

To train talents to meet the Company's business needs and improve work performance, the Company has established an Employee Education and Training Program for new employees, which provide education and training on pre-employment training, management training, professional training and others, so as to cultivate employees' professional knowledge and skills for them to perform their functions effectively, increase work efficiency and work quality, and achieve the Company's goal on corporate sustainability and sustainable development.

2-1 External training:

Trainees	Course	Training hours
Han Yuan-Hsiang (Accounting Manager)	Chief Accounting Officer Continuing Education (Seminar on Corporate Governance, Seminar on Occupational Ethics and Legal Responsibilities)	12H
Ya-Ru Tsai (Audit Manager)	Pre-service Training for First-time Corporate Internal Auditors	18H

3. Employees' retirement system and implementation thereof

- (1) The Company's employee retirement system is implemented in accordance with relevant laws and regulations.
- (2) The Company mainly focuses on individual pension fund accounts, with supplemental annuity benefits system.
- (3) The Company has been making monthly contributions equal to 6% of monthly salary for employees whom the new pension scheme stipulated in the Labor Pension Act is applicable. These contributions are credited into the employees' personal pension accounts.
- (4) The employee pension contributions and claims for pension benefits shall be implemented in accordance with the Labor Pension Act.
- (5) No employee applied for retirement in 2024.

4. Labor-management negotiation

Since its establishment, the Company has maintained a harmonious labor-management relationship, humanized its management of businesses, and has regularly held labor-management meetings in accordance with the procedures for the convening of labor-management meetings, in order to strengthen labor-management communication. Up until now, there have been no labor disputes that require reconciliation.

The work environment and employee safety protection measures are as follows:

(A) Access control: A strict access control system is in place 24 hours a day, and a security company is in place to maintain the security of the premises at night and on holidays.

(B) Maintenance and inspection of equipment: In accordance with the Regulations for Public Safety Inspection and Declaration of Buildings, a professional company is commissioned to conduct public safety inspections every two or four years. In compliance with the Fire Services Act, fire inspections are conducted annually through outsourcing, and regular maintenance and inspection of various equipment such as air conditioners and fire-fighting equipment are carried out in accordance with labor safety and health regulations.

(C) Physical/mental health: In line with the promotion of government laws and policies, the Company has a total smoking ban in the workplace, and no-smoking signs

are posted to remind employees not to smoke in the workplace, in order to maintain the quality of the working environment. The Company also arranges regular and irregular health checkups for employees to prevent and treat chronic diseases such as obesity and the three high's (i.e. hyperglycemia, hyperlipidemia, and high blood pressure) to maintain the physical and mental health of employees.

(D) Insurance: Labor insurance (including occupational hazard insurance), national health insurance and group insurance are purchased in accordance with the law. In the event of an employee injury or death, the HR unit will assist in handling related insurance matters.

The Company attaches great importance to occupational safety and health management, adheres to the safety and health policy of "Respecting Life and Pursuing Zero Disasters", and adopts the following strategies: 1. Conduct pre-employment training on occupational safety and health; 2. Conduct training to improve employees' safety awareness and ability; 3. Promote full employee participation and integration it into daily operation activities; 4. Implement supervisory supervision and continuously improve safety and health performance; 5. Comply with safety and health laws and regulations, and attach importance to industrial safety and personnel health. Meanwhile, the management follows the Plan, Do, Check, Act (PDCA) cycle.

5. Protection of various employee interests

- (1) Employee rights and interests were protected in accordance with the Labor Standards Act.
- (2) The Company provides a working environment with gender equality and no sexual harassment in accordance with the Act of Gender Equality.

(II) Losses arising as a result of employment disputes in the last year up until the publication date of annual report. Please quantify the estimated losses and state any response actions, and state reasons if losses cannot be reasonably estimated: None.

VI. Cybersecurity:

(I) Describe the cyber security risk management framework, cyber security policy, specific management plans, and resources invested in cyber security management:

I. Cyber security policy

(1) In response to Article 9-1 of the "Regulations Governing the Establishment of Internal Control Systems by Public Companies", public companies shall allocate appropriate human resources and equipment to plan and monitor information security systems, and perform information security management and audit. According to the requirements of the letter referenced Jin-GUan-Zheng-Shen No. 11003656544, a dedicated information security supervisor and at least 1 designated information security personnel have been appointed, and the information personnel of the group's parent company, Sun Yad Construction Co., Ltd. (hereinafter referred to as "Sun Yad Construction") concurrently serve as the Company's information security personnel.

(2) In order to strengthen the joint defense of corporate information security, information security personnel have joined the Taiwan Computer Network Crisis Management and Coordination Center (TWCERT) to share information security.

(3) The detailed cyber security policy, risk structure, policy objectives and information security control measures are as follows:

I. Information security policy

In order to demonstrate the Company's emphasis on information security, an information security management mechanism has been established to accurately control the security of information equipment and networks, and ensure the confidentiality, availability, and integrity of the Company's computerized operation planning and data processing. In the event of information security risks or emergencies, the Company has specific principles and capability to respond, so as to ensure the rapid resumption of business to normal

operation.

Objects: All employees of the Company and partners and outsourced companies which have access to the Company's business-related information.

Scope: All of the Company's information assets, or other information assets not physically owned by the Company but at the disposal of the Company based on contract obligations, laws and regulations.

II. Information security risk framework

The Company's Information Office is responsible for the information security. The information security personnel of Sun Yad are responsible for formulating the Company's information security policy, planning information security measures, and executing related information security operations, as well as comprehensively managing information security policy promotion and resource allocation. We regularly review and amend the "Information Security Policy" and implement it every year to ensure that the confidential information of the Company and customers is not leaked, and the Company's business operates continuously. In addition, to strengthen joint corporate information security defense, the dedicated information security supervisor has joined the Taiwan Computer Network Crisis Management and Coordination Center (TWCERT) to share information security.

The Audit Office has included the "Information Security Inspection Operation" in the annual audit plan for inspection, and the audited units shall make improvement and tracking for the deficiencies, in order to implement the Company's information security policy.

III. Goals of information security policy

Establish a safe and reliable information operating environment, ensure the confidentiality, integrity and availability of information assets, and enhance employees' awareness of information security to protect the rights and interests of employees, customers and the Company.

IV. Information security control measures

Item	Concrete actions
Firewall protection	Set firewall connection rules. In case of special connection needs, an application for connection is required. Monitor and analyze firewall data reports.
User online control mechanism	Use an automatic website protection system to control the online behavior of users. Automatically filter out websites that may be linked to Trojan horse viruses, ransom viruses or malware.
Antivirus software	Use a variety of anti-virus software and update virus codes automatically to reduce the chance of virus infection.
Operating system update	The operating system is updated automatically. If it is not updated for any reason, the IT Department will assist in updating.
Information backup mechanism	All important information systems and databases are backed up daily. Conduct data recovery drills on a regular basis.
Offsite storage	Backup files of servers and various information systems are stored separately at subsidiaries.
Information center inspection record	The information center checks for data backup and anti-virus software updates, etc.
Joint information security	Application for membership of Taiwan Crisis Management and Coordination Center (TWCERT/CC) as a As a source for information security sharing and advocacy activities.

defense	
Training	Regularly conduct information security training for all employees to enhance their information security awareness.

(II) List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Major Contracts:

Nature of Contract	Trading counterpart	Duration of Contract	Main Contents	Restrictive Clauses
Real estate contract	Ching-Tsung Yang	2021/09/06	Sold land at No. 738, Dajiaotuei Section, Liuying District, Tainan City, and buildings and equipment No. 00178-00 and 00182-00 Dajiaotuei Section, Liuying District, Tainan City	None
Real estate contract	Fang Shun-Liang	2021/10/25	Purchased construction land and building at No. 294, Xinsheng Section, Qianzhen District, Kaohsiung City	None
Real estate contract	Wu Su-Yun and 5 other counterparts	2021/12/06	Purchased construction land and building at No. 1038, Ziqiang Section, North District, Tainan City	None
Real estate contract	Su Chun-Ping	2021/12/07	Purchased construction land at No. 1034, Ziqiang Section, North District, Tainan City	None
Real estate contract	Sheng Jhong Syue International Co., Ltd.	2021/12/01	Purchased construction land at No. 1780, 1781, 1782, 1783, 1784 in Xingzuan Section, West Central District, Tainan City	None
Real estate contract	Li Mao-Bin	2022/01/28	Purchased construction land at No. 301, 302, 305, 306, Xinsheng Section, Qianzhen District, Kaohsiung City	None
Real estate contract	Ma Yi-Ting	2022/02/09	Purchased construction land at No. 68, Bailun Section, Rende District, Tainan City	None
Real estate contract	Yang Chueh-Chen	2022/04/15	Purchased construction land at No. 1164, 1186-2, 1187-1, 1193, 1194-1, 1196, 1198, 1199 in Beihua Section, North District, Tainan City	None
Real estate contract	Wong Kuan Department Store Co., Ltd.	2024/06/07	Purchase of land in Fuqian Section, Zhongxi District, Tainan with Land Numbers 1269 ~ 1276 and 1278 ~ 1280.	None
Loan contract	Land Bank of Taiwan Co., Ltd.	2022/07/11-2027/07/11	[Beihua Section] Land loan of NT\$200,680,000; interest paid monthly; principal paid at maturity.	None
Loan contract	Chang Hwa Commercial Bank, Ltd.	2022/12/27-2026/04/27	[Xingzuan Section] Land loan of NT\$70,000,000; interest paid monthly; principal paid at maturity.	None
Loan contract	Yuanta Bank	2024/09/20-2030/09/20	[Fuchien Section] land loan of NT\$707,600,000; the interest is paid monthly and the principal paid at maturity.	None
Loan contract	Shanghai Commercial and Savings Bank Ltd.	2024/10/25-2025/10/25	[Bailun Section] land-pledged investment loan of NT\$33,000,000; the interest is paid monthly and the principal paid at maturity.	None
Loan contract	Shanghai Commercial and Savings Bank Ltd.	2024/12/28-2025/12/28	[Ziqiang Section] Land trust revolving loan of NT\$2,155,000; interest paid monthly; principal paid at maturity.	None
Loan contract	Shanghai Commercial and Savings Bank	2024/12/28-2025/12/28	[Xinsheng Section] Land trust revolving loan of NT\$18,000,000; interest paid monthly; principal paid at maturity.	None

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Five. Review and Analysis of Financial Status and Financial Performance, and Risk Assessment Items

I. Financial Position

Financial Position (Consolidated Financial Statement)

Unit: NT\$ Thousand

Item	Year	2024.12.31	2023.12.31	Amount of increase (decrease)	Variance (%)
Current Assets		2,814,716	1,477,037	1,337,679	90.57
Property, plant and equipment		3,645	3,932	(287)	(7.30)
Investment property		66,070	74,007	(7,937)	(10.72)
Financial assets at fair value through other comprehensive income - non-current		-	148,264	(148,264)	(100.00)
Non-current financial assets at amortized cost		148,653	-	148,653	-
Intangible assets		10,647	12,018	(1,371)	(11.41)
Other assets		4,142	3,427	715	20.86
Total assets		3,047,873	1,718,685	1,329,188	77.34
Current Liabilities		1,031,577	287,136	744,441	259.26
Non-Current Liabilities		377,575	302	377,273	124924.83
Total liabilities		1,409,152	287,438	1,121,714	390.25
Equity attributed to owners of the parent		1,637,859	1,431,194	206,665	14.44
Share Capital		1,687,708	1,687,708	-	-
Capital surplus		564,951	530,568	34,383	6.48
Retained Earnings		(613,408)	(785,690)	172,282	(21.93)
Other equity		(1,392)	(1,392)	-	-
Non-controlling equity		862	53	809	1526.42
Total Equity		1,638,721	1,431,247	207,474	14.50

Note: Where there is a discrepancy of 20 percent or more, and the amount exceeds NT\$10 million, the reasons are as follows:

1. Increase in current assets: Mainly due to the issuance of Feei Cherng's third convertible bond in 2024 to raise funds and purchase construction land.
2. Decrease in non-current financial assets at fair value through profit or loss: Mainly due to the sale of financial assets at fair value through profit or loss.
3. Increase in current liabilities: Mainly due to short-term borrowings.
4. Increase of non-current liabilities: Mainly due to the issuance of Feei Cherng's third convertible bond in 2024

II. Financial Performance

(I) Comparative analysis of operating results (Consolidated Financial Statement)

Unit: NT\$ Thousand

Item	Year	2024	2023	Amount of increase (decrease)	Variance (%)
Operating revenue, net		36,764	44,944	(8,180)	(18.20)
Operating profits		(385)	2,882	(3,267)	(113.36)
Loss from operations		(56,724)	(61,938)	5,214	(8.42)
Non-operating income and expenses		243,894	60,407	183,487	303.75
Profit (loss) before income tax		187,170	(1,531)	188,701	(12325.34)
Profit (loss) for the current period		173,091	(2,293)	175,384	(7648.67)
Other comprehensive income for the current period		0	346	(346)	(100.00)
Other comprehensive income/loss for the year		173,091	(1,947)	175,038	(8990.14)
Net profit (loss) attributable to owners of the parent		174,168	1,746	172,422	9875.26
Net profit (loss) attributable to non-controlling equity		(1,077)	(4,039)	2,962	(73.33)
Total comprehensive income (loss) attributable to owners of the parent		174,168	2,092	172,076	8225.43
Total comprehensive income (loss) attributable to non-controlling equity		(1,077)	(4,039)	2,962	(73.33)
Earnings (loss) per share		1.03	0.01	1.02	10200.00

Note: Where there is a discrepancy of 20 percent or more, and the amount exceeds NT\$10 million, the reasons are as follows:

1. Increase in non-operating income and expenses: Mainly due to the recognition of gains from the sale of financial assets measured at fair value through profit or loss.

(II) Expected sales volume and basis of estimate, the impact posed by them to the Company's financial operations in the future, and responsive plan

Not applicable since the Company has not announced financial forecasts to the public.

III. Cash flow

(I) Analysis on changes in cash flow in 2024 (consolidated financial statements)

1. Analysis on changes in cash flow in the most recent fiscal year

Item	Year	2024	2023	Increase (decrease) %
Cash flow ratio		-140.78%	-14.88%	846.10%
Cash flow adequacy ratio		-113.90%	-139.23%	18.19%
Cash reinvestment ratio		-71.96%	-2.98%	2314.77%

Analysis of percentage increase (decrease):

The change in the ratio is mainly due to the issuance of Feei Cherng's third convertible

bond to raise funds, resulting in a cash inflow.

2. Analysis of insufficient capital liquidity: Currently, there is no liquidity concerns. The Company should be able to respond to insufficient cash funds by bank financing.

(II) Liquidity analysis for the coming year (2025)

Balance of cash, beginning	Estimated net cash flow from operating activities for the year	Estimated net cash flow from financing activities for the year	Projected cash surplus (Insufficient) amount	Unit: NT\$ Thousand	
				Investment plan	Financing plan
327,567	(39,419)	624,000	912,148	-	-
Analysis on changes in cash flow for the next year:					
1. The pre-sale of Xingzuan Section and Beihua Section is expected to contribute to a cash outflow from operating activities of NT\$39,419 thousand.					
2. Net cash flow from investing and financing activities: The cash inflow from investment and financing activities is estimated at NT\$624,000 thousand.					

IV. Impact posed by material capital expenditures to financial operations in the most recent year

Nature of Contract	Trading counterpart	Contract Date	Main Contents	Amount (NT\$ thousand)	Impact on financial operations
Real estate contract	Fang Shun-Liang	2021/10/25	Purchased construction land and building at No. 294, Xinsheng Section, Qianzhen District, Kaohsiung City	23,232	No difference as it was paid from self-owned funds.
Real estate contract	Wu Su-Yun and 5 other counterparts	2021/12/06	Purchased construction land and building at No. 1038, Ziqiang Section, North District, Tainan City	10,530	No difference as it was paid from self-owned funds.
Real estate contract	Su Chun-Ping	2021/12/07	Purchased construction land at No. 1034, Ziqiang Section, North District, Tainan City	32,610	No difference as it was paid from self-owned funds.
Real estate contract	Sheng Jhong Syue International Co., Ltd.	2021/12/01	Purchased construction land at No. 1780, 1781, 1782, 1783, 1784 in Xingzuan Section, West Central District, Tainan City	88,000	No difference as it was paid from self-owned funds.
Real estate contract	Li Mao-Bin	2022/01/28	Purchased construction land at No. 301, 302, 305, 306, Xinsheng Section, Qianzhen District, Kaohsiung City	4,000	No difference as it was paid from self-owned funds.
Real estate contract	Ma Yi-Ting	2022/02/09	Purchased construction land at No. 68, Bailun Section, Rende District, Tainan City	54,510	No difference as it was paid from self-owned funds.
Real estate contract	Yang Chueh-Chen	2022/04/15	Purchased construction land at No. 1164, 1186-2, 1187-1, 1193, 1194-1, 1196, 1198, 1199 in Beihua Section, North District, Tainan City	415,823	60% was paid from self-owned funds, and remaining 40% was paid by land loans.
Real estate contract	Wong Kuan Department Store Co., Ltd.	2024/06/07	Purchase of land in Fuqian Section, Zhongxi District, Tainan with Land Numbers 1269 ~ 1276 and 1278 ~ 1280.	1,415,388	60% was paid from self-owned funds, and remaining 40% was paid by land loans.

V. The investment policy for the most recent year, major causes for profit or loss thereof, improvement plans, and investment plans for next year

December 31, 2024; unit: NT\$ Thousand					
Name of Investee	Investment profit (loss) recognized in 2024	Policy	Major causes for profit or loss thereof	Improvement plans	Other future investment plans
Samtec Engineering Co., Ltd.	(36,740)	Business needs and business diversification	The business is normal, and the main loss is due to that the time of construction was in the initial stage.	The Company will continuously undertake projects in the future.	None.

VI. Risk analysis and assessment from the most recent year and until the date of publication of the annual report

(I) Impacts of interest rate/foreign exchange rate fluctuation and inflation to the Company's income, and future responsive measures

Unit: NT\$ Thousand

Item	2024	Percentage of total revenue %
Interest expenses	10,803	29.38%
Foreign exchange gains (loss)	1,491	4.06%

1. The effect upon the company's profits (losses) of interest fluctuations and response measures to be taken in the future:

The Company's interest rate risk mainly come from floating rate debts borrowed for operating and investment activities, as changes in market interest rates will cause cash flow fluctuations in interest payments. To avoid rising interest rates in the future which increase uncertainties on the cost of debt financing, we plan to negotiate interest rates on a case-by-case basis with the bank to reflect the market rate of interest.

2. The effect upon the company's profits (losses) of foreign exchange fluctuations and response measures to be taken in the future:

The Company's operating revenue and operating costs in 2024 were mainly denominated in NT dollars. Therefore, foreign exchange rate fluctuations did not affect the cost and profit performance, and the foreign exchange gain in 2024 was NT\$1,491 thousand.

3. The effect upon the company's profits (losses) of changes in the inflation rate and response measures to be taken in the future:

In 2024 and up to the date of publication of the annual report, inflation has no significant impact on the Company's operations and profits.

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading, main causes of profit or loss incurred and future responsive measures:

1. For financial risk management, the Company has stipulated internal regulations and procedures related to finance and business operations, including the Procedure for Acquisition or Disposal of Assets, which covers the regulations for derivatives transactions. In addition, the Company also stipulates the Procedures for Endorsements/Guarantees and the Loaning of Funds to Others, which regulate the risk management mechanism for the endorsements/guarantees and the loaning of funds to others.

2. The Company is committed to its core business development, and did not engage in high-risk and high-leverage financial investments from early 2024 up to the date of publication of the annual report. The Company only loan funds and provide endorsements/ guarantees

to its subsidiaries, which are limited only to company operations. Therefore, there were no significant financial impact on the Company.

3. The Company's loaning of funds to the subsidiary up to the date of publication of the annual report: None.
4. The Company's endorsements/guarantees to the subsidiary up to the date of publication of the annual report: None.

(III) Future R&D plans and expected R&D expenditure:

The Company currently does not have a research and development department, and its primary focus is in the construction industry; therefore, R&D investment is not applicable.

(IV) Impact on the Company's financial operations due to changes in domestic or foreign policies and laws, and responsive measures:

In the most recent year and up to the date of publication of the annual report, there were no significant changes in domestic or foreign policies and relevant laws that exerted a significant impact on the Company's financial operations. The Company's operations comply with relevant laws and regulations, and the Company keeps track of the development trends of domestic policy and changes in regulations, consulting relevant professionals on a regular basis, and collects relevant information as reference for the management's decision-making, so as to keep in line with changes in the market environment, and timely adjust its business strategy.

(V) Impact on the Company's financial operations due to technological or industrial changes, and responsive measures:

In the most recent year and up to the date of publication of the annual report, the technological and industrial changes have not exerted significant impact on the Company's financial operations. The Company has kept track of industry-related technological changes and technological development trends, and rapidly grasp the latest industry trends in response to the impact of technological and industrial changes on the Company.

(VI) Effect on the company's crisis management of changes in the Company's corporate image, and measures to be taken in response:

In the most recent year as of the publication date of the annual report, there has been no changes in corporate image that has led to corporate crisis. Since its establishment, the Company has focused on its core businesses, complied with relevant laws and regulations, actively strengthened internal management, and improved management quality and performance, so as to maintain a good corporate image and build customer trust. The Company will continue to meet various requirements for corporate governance, in order to avoid the occurrence of corporate risks which may affect the Company's operations.

(VII) Expected benefits and possible risks associated with any merger and acquisitions:

The Company has no acquisitions plans in the most recent year up to the date of publication of the annual report. However, if there is a M&A plan in the future, the Company shall conduct evaluations in accordance with the Company's Procedures for the Acquisition or Disposal of Assets to protect the rights and interests of the Company and our shareholders.

(VIII) Expected benefits and possible risks associated with any plant expansion:

The Company has no factory expansion plans in the most recent year up to the date of publication of the annual report. However, if there is a plant expansion plan in the future, the Company shall conduct evaluations in accordance with the Company's Procedures for the Acquisition or Disposal of Assets to protect the rights and interests of the Company and our shareholders.

(IX) Risks associated with concentrated purchases or sales:

1. Risks associated with concentrated purchases:

In terms of acquiring land, the Company acquires construction land by purchasing land from general landlords. Therefore, the counterparties of land acquisition are specific and mostly different, and there should be no purchase risk.

2. Risks associated with concentrated sales:

The Company has focused on the construction industry since September 2023. However, in compliance with international accounting standards, revenue recognition is required upon the completion of the entire project. Therefore, any decrease in revenue for the Company and its subsidiaries may lead to situations of sales concentration.

- (X) Impacts and risks on the Company in the event of a massive transfer or change of shares by a director or major shareholder holding more than 10% stake of the Company: No major shareholder, director, or supervisor has transferred or replaced any significant stake in the most recent year.
- (XI) Impacts and risks to the Company due to change in management rights: The Company and its subsidiaries did not experience changes in management rights during the most recent year and as of the publication date of the prospectus.
- (XII) If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, general manager, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the prospectus publication date, the prospectus shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case: None.
- (XIII) Cybersecurity risks: In response to the networking technology progress and cross-platform networking trend, the Company uses information security tools to take effective protection strategies at the right moment; train employees' awareness toward information security and to be more cautious about the messages in emails or communication software, in order to mitigate the risk over phishing scams, and help protect personal data and trading safety by installing anti-virus software. Meanwhile, in addition to updating password periodically, the Company uses multi-factor authentication account protection measures and password management tools to protect relevant authentication information and help protect personal confidential data and establish a backup mechanism to ensure the data security. Therefore, the Company evaluates that the information security risk should be minor for the time being.
- (XIV) Other Significant Risks: None.

VII. Other Important Matters: None.

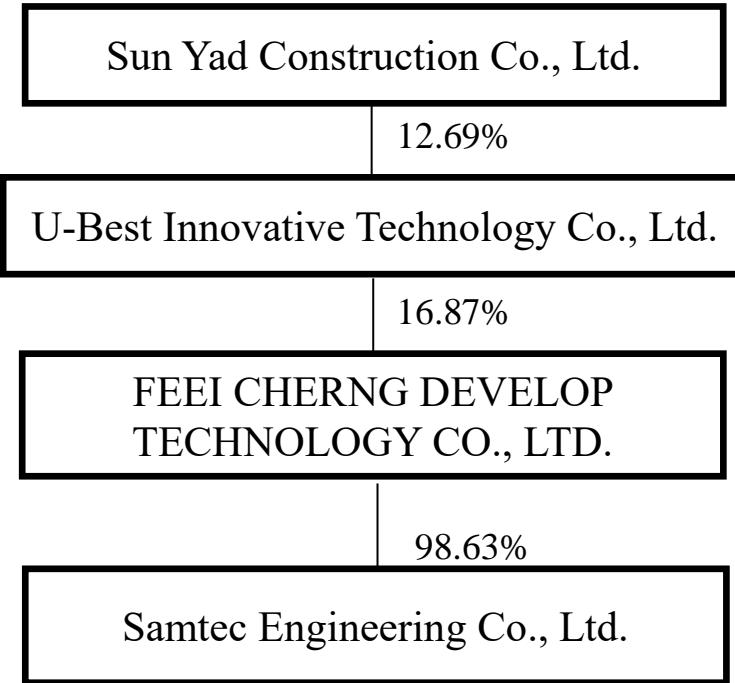
Six. Special Notes

I. Information about Affiliated Companies

(I) The consolidated business reports of affiliates

1. Overview of affiliated companies:

(I) Organizational chart of affiliates (as of December 31, 2024)



(II) Basic information of affiliates:

Name of Company	Date of Establishment	Address	Paid-in capital	Principle business or production lines
Sun Yad Construction Co., Ltd.	1979.12.11	20-6, No. 248, Section 2, Yonghua Road, Anping District, Tainan	3,010,160	Housing and Building Development and Rental. Real Estate Business. Real Estate Leasing.
U-Best Innovative Technology Co., Ltd.	1991.08.29	No. 258-26 Anjia Village, Anding District, Tainan	1,776,872	PU resin Housing and Building Development and Rental.
Samtec Engineering Co., Ltd.	1965.09.20	11F.-3, No. 248, Sec. 2, Yonghua Rd., Jianping Rd., Anping Dist., Tainan	122,500	Construction

(III) Information about the same shareholder presumed to have control and affiliation relations:

Unit: NT\$ thousand; share; %

Inferred cause	Name or title	Shares held		Date of Establishment	Address	Paid-in capital	Main operations
		Quantity of shares	Shareholding				
Ultimate controlling parent company	Sun Yad Construction Co., Ltd.	22,000,000	13.03%	1979.12.11	20-6, No. 248, Section 2, Yonghua Road, Anping District, Tainan	3,010,160	Housing and Building Development and Rental. Real Estate Business. Real Estate Leasing.

(IV) Industries covered by the overall business of affiliates: polymer chemicals, construction, and building.

(V) Information on directors, supervisors, and presidents of affiliates:

Unit: thousand shares

Name of Company	Job Title	Name or representative	Shares held	
			Number of shares (note)	Shareholding
Sun Yad Construction Co., Ltd.	Chairman	Yu-Ming Chang	2,618	0.87%
U-Best Innovative Technology Co., Ltd.	Chairman	Yu-Ming Chang	90	0.06%
Samtec Engineering Co., Ltd.	Chairman	Tung-Hung Li	7	0.06%

Note: If the investee is not a limited company limited by shares, list the amount of capital contribution and the proportion of capital contribution.

II. Corporate Operation Overview

Units: NT\$ thousand December 31, 2024

Name of Company	Paid-in capital	Total assets	Total liabilities	Net value	Operating Revenue	Operating Income	Current profit and loss (after tax)	Earnings per share (NT\$) (after tax)
Sun Yad Construction Co., Ltd.	3,010,160	8,079,975	4,789,424	3,290,551	218,755	(127,240)	(214,390)	(0.79)
U-Best Innovative Technology Co., Ltd.	1,776,872	3,514,447	1,304,501	2,209,946	499,578	(30,554)	64,924	0.38
Samtec Engineering Co., Ltd.	122,500	88,251	22,343	65,908	50,213	(27,995)	(34,213)	(3.44)

(II) Consolidated financial report of affiliates: Please refer to the Market Observation Post System.

(III) Affiliation report:

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

Affiliation Report and Declaration

The affiliation report of the Company for 2024 (from January 1 to December 31, 2024) was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and there is no material inconsistency with the relevant information disclosed in the notes to the financial report of the same period.

Company Name: FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

Chairman: Yu-Ming Chang

February 27, 2025

CPA's review report on the Affiliation Report and Declaration

We have reviewed the 2024 Affiliation Report of Feei Cherng Development Technology Co., Ltd. in accordance with the order referenced Jin-Guan-Zheng-Shen No. 1130382569 dated June 26, 2024. This review was to determine whether the 2024 affiliation report of Feei Cherng Development Technology Co., Ltd. was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and whether there is any material inconsistency between the information disclosed and the information disclosed in the notes to the financial report we audit and certify for the same period, and issue a review opinion accordingly.

According to our review results, we did not find any violation of the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and there was no material inconsistency with the relevant information disclosed in the notes to the financial report of the same period.

To:

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

Company Name: FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

CPA: Yu-Lun Kao (Sealed)

CPA: Cheng-Lung Hsu (Sealed)

February 27, 2025

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

(I) Overview of relationships between subsidiaries and the controlling company

The Company is a subsidiary of U-BEST Inno.Tech Co., Ltd. (the parent company) and Sun Yad Construction Development Co., Ltd. (the ultimate parent company). The information is as follows:

Unit: share; %

Name of controlling company	Reason for control	Shareholding and pledge of shares by the controlling company			Personnel appointed by the controlling company as directors, supervisors, or managers	
		Shares held	Shareholding	Number of pledged shares	Job Title	Name
U-Best Innovative Technology Co., Ltd.	The parent company that has control over the Company	28,492,121	16.88%	-	Chairman Director Director	Yu-Ming Chang Peng-Kuang Tseng Nan-Hao Huang
Sun Yad Construction Co., Ltd.	The ultimate parent company that has control over the Company	22,000,000	13.03%	-	Chairman Director	Yu-Ming Chang Peng-Kuang Tseng

Note: If the controlling company of a subsidiary is the subsidiary of another company, the relevant information of the company should also be filled in; if the company is also a subsidiary of another company, the same procedure should apply, and so on.

Chairman: Yu-Ming Chang

Manager: Tung-Hung Li

Accounting Manager: Yuan-Hsiang Han

(II) Transactions between subsidiaries and the controlling company

The Company's transactions with the controlling company in 2024 are as follows:

1. Purchase and sale transactions:

Unit: NT\$ thousand; %

Name of controlling company	Transactions with the controlling company				Terms of transactions with the controlling company		General transaction terms and conditions		Reason for difference	Accounts and notes receivable (payable)		Overdue accounts receivable			Remark
	Purchase (sale) of goods	Amount	Percentage of total purchase (sales)	Gross profit from sales	Price per share (NT\$)	Credit period	Price per share (NT\$)	Credit period		Balance	Percentage of total accounts and notes receivable (payable)	Amount	Processing method	Allowance for bad debt	
U-Best Innovative Technology Co., Ltd.	Net purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(sales)	\$ 4,346	71.72%	\$ 616	Negotiated by both parties	Monthly settlement 60 days by wire transfer	Negotiated by both parties	Monthly settlement 15 ~ 90 days by wire transfer	No material difference.	\$-	0%	-	-	-	-
Sun Yad Construction Co., Ltd.	Net purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(sales)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2. Property transactions: None.

3. Capital financing: None,

Chairman: Yu-Ming Chang

Manager: Tung-Hung Li

Accounting Manager: Yuan-Hsiang Han

4. Leasing of assets:

Unit: NT\$ thousand

Name of controlling company	Type of transaction (rent or lease)	Subject matter		Lease period	Nature of lease (Note 1)	Basis for rent determination	Collection (payment) method	Comparison with general rent level	Current total rent	Collection/payment in the current period	Other agreed matters (Note 2)
		Name	Location								
U-Best Innovative Technology Co., Ltd.	Lease	Office	11F-2 & 3, No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan	2024.01.01~2024.12.31	Operating lease	Contract signing	Wire transfer before the 10th of each month	No material difference.	11	All paid	None

Note 1: It should be stated whether the nature is a capital lease or an operating lease.

Note 2: If other rights are created, such as superficies, pawning rights, and servitudes, please specify.

Chairman: Yu-Ming Chang

Manager: Tung-Hung Li

Accounting Manager: Yuan-Hsiang Han

5. Other important transactions:

Name of controlling company	Transactions with the controlling company			Comparison of terms and conditions of general transactions and transactions with the controlling company
	Item	Amount	Percentage of the item	
FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.	Operating expenses - other expenses	\$37	0.16%	No material difference.
U-Best Innovative Technology Co., Ltd.	Incremental cost of obtaining a contract - commission expense	57,821	88.91%	No material difference.

(III) Endorsements/guarantees between subsidiaries and the controlling company: None.

(IV) Other events that have a significant impact on finance and business: None.

Chairman: Yu-Ming Chang

Manager: Tung-Hung Li

Accounting Manager: Yuan-Hsiang Han

II. Private placement of securities during the most recent year and up to the date of publication of the annual report:

Item	1st private placement in 2023 Issue Date: July 18, 2023
Type of securities by private placement	Common shares
Date and amount of private placement approved by the shareholders meeting	Date approved by the shareholders meeting: May 26, 2023 Limit on the private placement: 20,000 thousand shares for the 1st private placement, 20,000 thousand shares for the 2nd private placement, and 10,000 thousand shares for the 3rd private placement.
Basis for and reasonableness of the pricing	September 19, 2023 was the price determination date of this private placement. In accordance with the resolution of the shareholders' meeting held on May 26, 2023, the reference price of NT\$10.37 for the private placement was calculated at the higher of the following two prices: <ol style="list-style-type: none"> (1) Simple arithmetic average of ordinary share's closing price on either 1, 3 or 5 business days prior to the pricing date, minus the ex-right free allotment and dividend, and adding back the capital reduction reverse ex-rights. (2) Simple arithmetic average of the common shares closing prices on the 30 business days prior to the pricing date, minus the free allotment ex-rights and dividend, and adding back the capital reduction reverse ex-rights. The price of ordinary shares for this private placement shall not be lower than 80% of the reference price, and shall not be lower than the par value and the net worth per share indicated in the latest financial statements audited and certified by CPAs. Therefore, the subscription price per share of this private placement is set at NT\$8.56 per share, which is 82.55% of the reference price and is not below the par value and the net worth per share of NT\$8.56 per share as indicated in the latest financial statements audited and certified by CPAs. The private-placement ordinary share's actual issue price and pricing conditions are in compliance with relevant laws and regulations, with reference to the Company's business performance, the latest net worth and share price, and are handled according to the "Directions for Public Companies Conducting Private Placements of Securities". Therefore, the price set should be reasonable.
Selection of a placee for private placement	The Company shall select specific personnel as placees for this private placement by resolution of the shareholders meeting in accordance with Article 43-6 of the Securities and Exchange Act. The Board of Directors is fully authorized to handle this matter.
Reason for conducting private placement	Based on the status of the capital market, timeliness and feasibility of fundraising, and the actual needs to attract strategic investors and the regulation that privately placed securities cannot be freely traded within three years, private placement can ensure the long-term cooperation between the Company and strategic investors. Furthermore, authorizing the Board of Directors to conduct private placement for fundraising from specific personnel when necessary.
Completion date	July 18, 2023

	Targets of the private placement	Qualifications	Subscription (shares)	Relationship with the Company	Participation in the operations of the Company
Information on placee	Yu-Ming Chang	In compliance with Article 43-6 of the Securities and Exchange Act	8,000,000	Chairman of the Company	None
	Sun Yad Construction Co., Ltd.	In compliance with Article 43-6 of the Securities and Exchange Act	12,000,000	The chairman is the same person as the chairman of the Company	None
Actual subscription price	NT\$8.56 per share				
The difference between the actual subscription price and the reference price	The actual subscription price is no lower than 80% of the reference price of NT\$10.37 per share.				
The effect of private placement to the shareholders' equity	This private placement will help strengthen the Company's financial structure, enhance operational efficiency and overall competitiveness, indicating that private placements should have a positive impact on the Company's equity.				
Use of proceeds from the private placement and the implementation status of the plan	On July 4, 2023, the Company issued 20,000,000 shares by resolution of the board of directors, which will be subscribed to by specific person(s). The allotment of shares is fully paid up on July 18, 2023. The private placement totaled NT\$171,200,000. As of August 31, 2024, the private placement funds have been utilized according to the plan.				
Realization of the benefits of private placement	The construction land at No. 1269~1276 and 1278~1280 in Fuqian Section, Zhongxi District, Tainan has been purchased, and the transfer of ownership has been completed in September 2024.				

Item	2nd and 3rd private placements in 2023 Issue Date: October 3, 2023				
Type of securities by private placement	Common shares				
Date and amount of private placement approved by the shareholders meeting	Date approved by the shareholders meeting: May 26, 2023 Limit on the private placement: 20,000 thousand shares for the 1st private placement, 20,000 thousand shares for the 2nd private placement, and 10,000 thousand shares for the 3rd private placement.				
Basis for and reasonableness of the pricing	<p>December 3, 2021 was set as the date of pricing of private placement. In accordance with the resolution of the shareholders' meeting held on May 26, 2023, the reference price of NT\$10.35 for the private placement was calculated at the higher of the following two prices:</p> <p>(1) Simple arithmetic average of ordinary share's closing price on either 1, 3 or 5 business days prior to the pricing date, minus the ex-right free allotment and dividend, and adding back the capital reduction reverse ex-rights.</p> <p>(2) Simple arithmetic average of the common shares closing prices on the 30 business days prior to the pricing date, minus the free allotment ex-rights and dividend, and adding back the capital reduction reverse ex-rights. The price of the ordinary shares for this private placement shall not be lower than 80% of the reference price, and shall not below the par value and the net worth per share indicated in the latest financial statements audited and certified by CPAs.</p> <p>Therefore, the subscription price per share of this private placement is set at NT\$8.41 per share, which is 81.25% of the reference price and is not below the par value and the net worth per share of NT\$8.41 per share as indicated in the latest financial statements audited and certified by CPAs. The private placement ordinary share's actual issue price and pricing conditions are in compliance with relevant laws and regulations, with reference to the Company's business performance, the latest net worth and share price, and are handled according to the "Directions for Public Companies Conducting Private Placements of Securities". Therefore, the price set should be reasonable.</p>				
Selection of a placee for private placement	The Company shall select specific personnel as placees for this private placement by resolution of the shareholders meeting in accordance with Article 43-6 of the Securities and Exchange Act. The Board of Directors is fully authorized to handle this matter.				
Reason for conducting private placement	Based on the status of the capital market, timeliness and feasibility of fundraising, and the actual needs to attract strategic investors and the regulation that privately placed securities cannot be freely traded within three years, private placement can ensure the long-term cooperation between the Company and strategic investors. Furthermore, authorizing the Board of Directors to conduct private placement for fundraising from specific personnel when necessary.				
Completion date	October 3, 2023				
Information on placee	Targets of the private placement	Qualifications	Subscription (shares)	Relationship with the Company	Participation in the operations of the Company

	Yu-Ming Chang	In compliance with Article 43-6 of the Securities and Exchange Act	27,000,000	Chairman of the Company	None
	Chang Hui-Feng	In compliance with Article 43-6 of the Securities and Exchange Act	3,000,000	Spouse of the Chairman of the Company	None
Actual subscription price	NT\$8.41 per share				
The difference between the actual subscription price and the reference price	The actual subscription price is no lower than 80% of the reference price of NT\$10.35 per share.				
The effect of private placement to the shareholders' equity	This private placement will help strengthen the Company's financial structure, enhance operational efficiency and overall competitiveness, indicating that private placements should have a positive impact on the Company's equity.				
Status of use of the capital raised through the private placement of securities and the implementation progress of the plan	On September 19, 2023, the Company issued 30,000,000 shares by resolution of the board of directors, which will be subscribed to by specific person(s). The allotment of shares is fully paid up on October 3, 2023. The private placement amount totaled NT\$252,300,000. As of August 31, 2024, the private placement funds have been utilized according to the plan.				
Realization of the benefits of private placement	The construction land at No. 1269~1276 and 1278~1280 in Fuqian Section, Zhongxi District, Tainan has been purchased, and the transfer of ownership has been completed in September 2024.				

III. Other Supplementary Notes: None.

IV. Any occurrences of events defined under subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up to the date of publication of the annual report that significantly impacted shareholders' equity or security price: None.

FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.

Responsible Person: Chang Yu-Ming