

Stock Code: 2548



Huaku Development Co., Ltd.

2024 Annual Report

This Annual Report can be viewed at: <https://mopsov.twse.com.tw/mops/web/index>
(website designated by the Financial Supervisory Commission for online declaration)

<https://www.huaku.com.tw/>
(website for disclosure annual report and related information of the Company)

Printed on March 30, 2025

I. Spokesperson and Acting Spokesperson of the Company

Spokesperson

Name: LIU, JO-MEI

Occupational Title: Chief Financial Officer

Tel. (02)2758-2828

E-mail: susan@huaku.com.tw

Acting Spokesperson

Name: YAO, HSIU-CHIN

Occupational Title: Senior Assistant VP, Administrative Department

Tel. (02)2758-2828

E-mail: yhc@huaku.com.tw

II. Corporate Headquarters

Address: 7F, No. 456, XinYi Road Section 4, Taipei

Tel.: (02)2758-2828

III. Share Registrar and Investor Service Agent

Name: Taishin Securities Co., Ltd.

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

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

Tel.: (02)2504-8125

IV. CPAs for the most recent annual financial statements

Names of CPAs: Hsiao, Chun-Yuan; Lin, Se-Kai

Name of CPA Office: PwC Taiwan

Address: 27F, No. 333, Keelung Road Section 1, Taipei

Website: <https://www.pwc.tw/zh.html>

Tel.: (02)2729-6666

V. Name of Overseas Securities Exchanges Where the Company Listed the Stocks for Trading, and Method for Inquiry of Information on the Securities: None.

VI. Company Website: <https://www.huaku.com.tw/>

Huaku Development Co., Ltd.

2024 Annual Report Table of Contents

Item	Page
One. A Message to the Shareholders	1
I. 2024 Business Results	1
II. 2025 Business Plan Summary	2
III. The effect of the competitive, regulatory and macroeconomic environment on the development strategy of the Company in the future	4
Two. Corporate Governance Report	6
I. Information on the Company's directors, supervisors, General Manager, Deputy General Managers, assistant managers, and the Heads of all the Company's divisions and branch units	6
II. Remuneration paid during the most recent fiscal year to directors, supervisors, the General Manager, and Deputy General Managers	14
III. Corporate governance operation	19
IV. Information on the professional fees of the attesting CPAs	40
V. Information on replacement of CPAs	41
VI. The name and position of the person, and the period during which the position was held where the Company's Chairman, General Manager, or any managers in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliate of such accounting firm	41
VII. The transfer of equity shares or change in the pledge of shares under lien by the Directors, Supervisors, Managers, and shareholders holding more than 10% of the shares issued by the Company in the most recent year to the publication date of this report:	41
VIII. Relationship information, if among the Company's top 10 shareholders, any one is a related party or a relative within the second degree of kinship of another	42
IX. The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the Company	42
Three. Status of Funding	43
I. Sources of capital stock:	43
II. List of Major Shareholders	45
III. Company's dividend policy and implementation thereof	45
IV. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting	46
V. Profit-sharing remuneration of employees, directors, and supervisors	46
VI. Status of a company repurchasing its own shares	46
VII. Issuance of corporate bonds	47

Huaku Development Co., Ltd.

2024 Annual Report Table of Contents

Item	Page
VIII. Issuance of preferred shares	48
IX. Issuance of overseas depository receipts	48
X. The issuance of employee stock options	48
XI. The issuance of new restricted employee shares	48
XII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies	48
XIII. Implementation of the Company's capital allocation plans	48
Four. Operational Overview	49
I. Description of the business	49
II. Overview of market, production, and sales	51
III. The number of employees, average years of service, average age, and distribution of education levels of the employees in the last 2 years to the date this report was printed	55
IV. Disbursements for environmental protection	55
V. Labor relations	55
VI. Cyber security management	56
VII. Important contracts	58
Five. Review and Analysis of Financial Position and Financial Performance and Risks	62
I. Financial position	62
II. Financial performance	62
III. Cashflows	62
IV. The effect upon financial operations of any major capital expenditures during the most recent fiscal year	63
V. The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year	63
VI. Risks	63
VII. Other important matters	64
Six. Additional Information	64
I. Information related to the Company's affiliates	64
II. Any private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report	64
III. Other necessary supplementary information	64
IV. Incidents that significantly affected the shareholders equity or stock price of the Company as specified in Subparagraph 2, Paragraph 3 of Article 36 of the law in the most recent year to the date this Report was printed, if applicable, specify one-by-one	64

One. A Message to the Shareholders

I. 2024 Business Results

(I) Result of Business Operation

Reviewing Taiwan's real estate trends in 2024, the first half of the year saw a recovery in global economic growth, with the Directorate-General of Budget, Accounting and Statistics estimating an annual economic growth rate of 4.27%, the best performance in three years. The continuous expansion of emerging technology applications, particularly in AI and semiconductor-related supply chains, drove exports and stimulated investments, further boosting demand for residential and commercial real estate. Additionally, the Preferential Mortgage Program spurred strong demand from first-time homebuyers, while the stock market remained at high levels, creating a wealth effect that extended to the housing market. The onset of the U.S. interest rate cut cycle further supported domestic real estate activity, keeping both residential and commercial real estate markets relatively robust. However, the implementation of the central bank's mortgage curbs and the seventh round of selective credit controls led to a noticeable cooling in the housing market, with the impact being more pronounced in central and southern Taiwan.

In contrast, Taiwan's real estate market in 2025 is likely to enter an adjustment phase. This is primarily due to the unlikelihood of any short-term relaxation in government policies aimed at regulating the housing market, as well as the need for time to absorb the additional supply introduced over the past two years. Furthermore, uncertainties in the domestic and global political and economic landscape, influenced by a potential "Trump's high tariffs" administration, add to the market's unpredictability. As a result, it is foreseeable that the real estate sector will not perform at the same level as in 2024, with industry sentiment becoming increasingly cautious.

Looking ahead to the overall domestic real estate market in 2025, the residential sector is expected to face challenges due to the effects of the seventh round of selective credit controls by the central bank. Buyers will be restricted by lower loan-to-value ratios, rising interest rates, and an expectation of price reductions, causing the market to shift from the price and volume growth seen in 2024 to a phase of contraction and consolidation. Additionally, with the return of President Trump to office, the global political and economic landscape remains uncertain, and the impact on Taiwan's industries and economy is yet to be fully assessed, casting a shadow over the residential market's outlook. As for commercial real estate, demand remains relatively predictable, bolstered by AI supply chain needs and robust ICT exports. Furthermore, the global ESG trend supports both new and replacement demand for commercial properties, providing more positive prospects for this sector.

In 2024, Huaku Development's business performance was remarkable. The newly launched pre-sale projects, including "Upper Mansion" and "Flourish Mansion" in Taichung, "Mout River" and "The Weaven" in New Taipei City, as well as "The Ultimate Luxury" in the center of Taipei, all showed outstanding sales performance. In terms of revenue recognition, the main contributors were "Greenside Mansion" and "Central Landmark". The Company continued to acquire residential land in areas such as downtown Taichung and the Xindian District of New Taipei City, maintaining a solid land reserve that ensures strong future business momentum.

Huaku had consolidated revenue amounted to NT\$7,212,415 thousand in 2024, which was a decrease from NT\$15,804,993 thousand or 54.37% as was in the same period of 2023. Consolidated net income in the same year amounted to NT\$1,389,575 thousand with basic earnings per share at NT\$4.58.

(II) Budget Execution

Unit: NT\$ thousand

Items	Actual performance in 2024	Projected performance in 2024	Attainment Rate
Operating revenue	7,212,415	Undisclosed Financial Forecasting	Not Applicable
Operating Costs	(4,630,768)		
Gross Profit	2,581,647		
Operating Expenses	(682,502)		
Operating Income	1,899,145		
Non-operating Income and Expense	(63,907)		
Net income before tax	1,835,238		
Income Tax Expenses	(445,663)		
Net Income in Current Period	1,389,575		

(III) Analysis of Financial Position and Profitability

Items		Year	2024	2023
Financial Structure	Liabilities to Assets Ratio (%)		63	52
Profitability	Gross Margin (%)		36	33
	Operating Margin (%)		26	27
	Profit before tax margin (%)		25	27
	Net interest rate for the current period (%)		19	23
	Basic earnings per share (NT\$)		4.58	11.77

(IV) Outlook of Research and Development

1. In market research and development: To accurately grasp the housing market and enhance the proportion of commercial and factory office markets for stable operations, the company adjusts product spaces to keep up with trends. The mode of operation is to advance sales or sales alongside the progress of construction to ensure the completion of work on schedule. Precision positioning of products and a perfect marketing strategy ensure business results.
2. In planning and design: The Company searched for and invited outstanding architects and interior designers both domestic and internationally to build up a positive brand image in the market. In consideration of the specific features of the surrounding environment, the needs of the customers, and applicable laws governing architecture and buildings, the Company launched Huaku architectural engineering and aesthetics properly to map out the best development projects mingled with the elements of green building and smart building to meet the needs of the rapidly changing market.
3. In construction engineering and management: The Company made unceasing efforts in the study and discussion on construction technologies and engineering management so as to exercise strict quality control of products, enhance production efficiency, and reduce the cost of works. The Company also introduced the most appropriate methods to bolster the competitiveness of its products; meanwhile, the engineering deficiencies are improved through the feedback from the post-sales service department, and established standard operation procedures for all items of works with standards of construction drawings. In addition, the Company also introduced prefabricated materials to a certain level just in case of possible labor shortage in the construction industry in the future.
4. To enhance customer service, ensure corporate sustainability, and establish consumer brand loyalty. The Sales Department responds to any defect after occupation of the premises by the consumers in optimal sales efficiency through the improvement of design and work quality, and hence achieves the satisfaction of the customers.
5. With the innovative digital marketing model and investment in development and application of big data analysis, the establishment of Facebook fan page and Instagram page, the Company maintains good interaction and information communication with consumers and achieves initial results. The marketing expense rate has dropped significantly, and the R&D will continuously deepen.

II. 2025 Business Plan Overview

(I) Business Policy:

1. Establish the Taichung Office to cultivate the Greater Taichung Market and build the "Huaku Customer Service Center" beside Central Park.
2. With a dual focus on office spaces and residential buildings, coordinated efforts are being made in both Taipei and Taichung.
3. Commercial and industrial office spaces will be the primary focus of this year's business marketing efforts.
4. To cope with the Central Bank's selective credit control, we should be prudential in terms of financial risks, and rationally allocate land purchase expenditures and joint construction weights.

5. For newly-purchased lands, the high-quality residential lands that may be sold smoothly in advance shall be the core, to reduce the expenditure of self-owned funds and increase the turnover rate of funds.
6. Efforts have been made to revise the positioning of products and mapping out of an appropriate marketing strategy aimed at population structure and structural changes in family composition.
7. The nature of the media and marketing channels has undergone significant changes where digital marketing has replaced the traditional print media channel. With the introduction and use of big data analysis, we can uncover potential customers to use in making judgments of land development by district.
8. We emphasize our professional standing, and stable and sustainable development to create products of superior quality. These will be essential to upgrade customer loyalty and brand value, and strengthen our capacity in creating product value.
9. Proper pursuit of quality control and intensifying post-delivery service to build up the customer service system, and self-demand of an upgrade in construction quality.
10. Cautious budget management and a viable auditing system contributed to effective operation management, lowering costs, and improvement of return on investment.

(II) Expected Sales Volume and Reference:

1. Projects Launched With Sales:

- (1) The residential project "MOON LIGHT" in Zhonghe District, New Taipei, occupies a site area of 1,268 pings, expected approximately NT\$3.8 billion for the total sale. Construction is expected to kick off with sale available while construction is in progress. The sales rate is 97%. The completion and delivery is expected in August 2025.
- (2) The residential project, "Da'an Tower" in Da'an District, Taipei City, occupies a site area of 547 pings, expected approximately NT\$3.4 billion for the total sale. The sales rate is 97%. The completion and delivery is expected in July 2025.
- (3) The residential project "CASA Blanca" in Beitou Shilin Technology Park, Taipei City, occupies a site area of 999 pings, expected approximately NT\$6.1 billion for the total sales. The pre-sales rate is 97%. The completion and delivery is expected in February 2026.
- (4) The residential project of "Sky Tower" in Taishan District, New Taipei, occupied site area of 1,150 pings, expected approximately NT\$4.1 billion for the total sale, with the pre-sales rate of 98%. The completion and delivery is expected in November 2026.
- (5) The residential project of "Upper Mansion" in Xitun District, Taichung City, occupies a site area of 3,243 ping and a total sales amount of approximately NT\$10.8 billion, with a sales rate of 77%. The completion and delivery are expected in May 2027.
- (6) The residential project of "Flourish Mansion" in the Beitun District of Taichung City, with a land area of 1,450 pings and a total sales amount of approximately NT\$4.5 billion, with a sales rate of around 40%. The completion and delivery are expected in October 2027.
- (7) The residential project of "Mout River" in the Sanchong District of New Taipei City, with a land area of 949 pings and a total sales amount of approximately NT\$5 billion, with a sales rate of 90%. The completion and delivery are expected in October 2027.
- (8) The residential project of "Weaven" in the Sanchong District of New Taipei City, with a land area of 621 pings and a total sales amount of approximately NT\$3.3 billion, with a sales rate of 90%. The completion and delivery are expected in May 2028.
- (9) The residential project of "Ultimate Luxury" in the Da'an District of Taipei City, with a land area of 1,450 pings and a total sales amount of approximately NT\$6.7 billion, with a sales rate of 50%. The completion and delivery are expected in August 2028.

2. Projects to be launched in 2025:

- (1) The commercial project of "Asia One Project" in Nangang District, Taipei, occupies a site area of 875 pings, expected approximately NT\$13.2 billion for the total sale. The construction is expected to kick off with sale available while construction is in progress. The construction is expected that the project will be completed

in November 2025.

- (2) The commercial project of "Fortune One Project" in Dachi Taipei City, occupies a site area of 1,329 pings, expected approximately NT\$7.9 billion for the total sale. The project is expected to kick off with sales offered alongside the progress of construction. The construction is expected that the project will be completed in November 2025.
- (3) The commercial project of "Chengda Beitou Commercial Office" in the Beitou District of Taipei City, with a land area of 6,247 pings, a total sales value of approximately NT\$30 billion, adopting a build-as-you-sell approach. The construction is expected that the project will be completed in July 2028
- (4) The residential project of "WenLin North Road Project III" in the Beitou District of Taipei City, with a land area of 746 pings, a total sales value of approximately NT\$5.2 billion, adopting a pre-sale approach. The construction is expected that the project will be completed in September 2028.
- (5) The residential project of "Chongde 10th Road Project" in the Beitou District of Taichung City, with a land area of 1,748 pings, a total sales value of approximately NT\$5.5 billion, adopting sales through the Huaku Customer Service Center. The construction is expected that the project will be completed in May 2028.

(III) Important Production and Sales Policy:

1. Launching both residential and office projects, strategically advancing in both Taipei and Taichung.
2. Among the land inventory, there are numerous large-scale and joint development projects. Careful selection of the construction start time is essential to reduce costs and maximize profits.
3. Currently, our land inventory has more than NT\$130 billion in potential project value. Therefore, in new land development, we focus on high-quality residential lands that can be successfully presold, utilizing the least amount of our own capital to generate profits.
4. Given the increasing difficulty of acquiring land in Taipei and New Taipei, to ensure the Company's long-term sustainable operation, our land development efforts need to expand northward from Taichung, especially continuing to cultivate in Taichung City and Hsinchu City.
5. With the Central Bank's selective credit controls showing no signs of easing, we are strictly managing financial risks, aiming to generate profits with minimal use of our own capital, thereby maintaining greater financial flexibility.
6. Adjusting the inventory ratio of commercial offices and residential properties, to promptly reflect the pulse of the industry's recovery, with rolling adjustments.

III. The effect of the competitive, regulatory and macroeconomic environment on the development strategy of the Company in the future

- (I) For the Central Bank's selective credit control, the financial risks are under strict control, the turnover rate of self-owned funds is increased, the appropriate debt ratio is controlled, and the return on assets is increased.
- (II) With the destocking of the technology industry and the timing of industrial recovery, both commercial offices and residential properties are set to advance simultaneously.
- (III) High-quality residential lands in the north of Taichung will be constantly monitored for purchasing at good opportunities to ensure that the land inventory required for long-term operation is sufficient.
- (IV) To cope with the market movements such as negative population growth, declining birthrate, and multi-family households, in terms of product positioning, the Company will take various strategies depending on locations, and catch the trends.
- (V) Aligning to the global ESG trend, the Company invests in R&D, reduces carbon and saves energy, with smart buildings of green building materials, high energy efficiency, and high energy storage, to enhance the Company's brand image, and create leading advantages in product strength.
- (VI) In response to the shortage of manpower and rising wages, the project introduces foreign workers to ensure the progress of the project and completion on time.

(VII) Political and Economic Situations and Challenges in the Future:

1. Overall Economic Performance:

- (1) According to the Directorate-General of Budget, Accounting and Statistics, the economic growth rate for 2024 has been revised up to 4.3%, better than initially expected. The estimated economic growth rate for 2025 is approximately 3.1%, but this still depends on whether the export market improves. Overall, the economic outlook for this year is more uncertain compared to last year.
- (2) Inflation in the United States has been preliminarily brought under control, and it is anticipated that the Federal Reserve will continue its interest rate reduction cycle.
- (3) Most institutional foreign investors believe that the stock market this year should remain between 18,000 and 28,000 points.

2. Capital Level:

- (1) The Central Bank maintains its selective credit control on the construction industry, and funds are tightened.
- (2) The likelihood that the Central Bank will keep interest rates unchanged this year is high, with rates expected to remain around 3%.

3. Advantages:

- (1) Central Bank is expected to maintain the interest rate flat this year, and the mortgage interest rate will stay 2.5% to 3%.
- (2) The Preferential Mortgage Program supports rigid demand, but no further increases will be made upon expiration.
- (3) As the policy suppresses the housing market with tight funds, construction companies will reduce their operations and supply will also decrease.

4. Disadvantages :

- (1) Amidst the atmosphere of a housing market suppressing policy, home buyers will take a wait-and-see approach for lower prices.
- (2) The continuous rise in construction materials and labor costs has significantly increased project costs, which may not be transferrable.
- (3) The continued tension in cross-strait relations poses the greatest risk, with the uncertainty of Trump 2.0 adding significant variables.

Two. Corporate Governance Report

I. Information on the Company's directors, supervisors, General Manager, Deputy General Managers, assistant managers, and the Heads of all the Company's divisions and branch units:

(I) Information on the Directors and Supervisors:

March 30, 2025

Occupational Title (Note 1)	Nationality or Place of Registration	Name	Gender and age (Note 2)	Date of Election to (assumption of) Office	Tenure	Commencement date of first term (Note 3)	Quantity of Shareholding at the Time of Election to Office		Quantity of Shareholding at Present		Shares held by spouse or underage children		Shares held in the name of a third party		Principal work experience and academic qualification (Note 4)	Holding other positions of the Company and other companies at present	Other Executives, Directors, or Supervisors who are a Spouse or Kindred Within the 2nd Tier Under the Civil Code.			Remarks (Note 5)
							Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding			Occupational Title	Name	Relation	
Chairman	Republic of China	Chung Long-Chang	Male/ 71-80	2023/5/24	3 years	1999/4/12	2,870,606	1.04%	2,137,666	0.70%	550,048	0.18%	None	None	Master's degree Chairman, HUA KU DEVELOPMENT CO., LTD.	CEO of the Company Director: Representative of Pin Hsing Construction Co., Ltd. Chung Shan Investment Co., Ltd. Anntong Ind. Co., Ltd.	None	None	None	Coping with the operational needs of the Company, the director concurrently serves as the CEO to take charges of coordinating the company-wide operational and managerial business. No fewer than four independent directors have been established by December 31, 2023 as required by laws.
Director	Republic of China	Hung Chia-Sheng	Male/ 61-70	2023/5/24	3 years	2023/5/24	373,028	0.13%	410,330	0.13%	25,855	0.01%	None	None	Master's degree General Manager, Huaku Development Co., Ltd.	General Manager of the Company Director: Representative of Hua Pu Construction Co., Ltd.	None	None	None	None
Director	Republic of China	Liu Jo-Mei	Female/ 61~70	2023/5/24	3 years	1999/4/12	667,355	0.24%	734,090	0.24%	124,803	0.04%	None	None	Bachelor's degree CFO of HUA KU DEVELOPMENT CO., LTD.	CFO and Head of the Finance and Accounting Department of the Company Supervisor: Taiwan Digit Automated Control Co., Ltd. Hua Pu Construction Co., Ltd. Representative of Chengdu Wanchengduobao Property Co., Ltd.	None	None	None	None

Occupational Title (Note 1)	Nationality or Place of Registration	Name	Gender and age (Note 2)	Date of Election to (assumption of) Office	Tenure	Commencement date of first term (Note 3)	Quantity of Shareholding at the Time of Election to Office		Quantity of Shareholding at Present		Shares held by spouse or underage children		Shares held in the name of a third party		Principal work experience and academic qualification (Note 4)	Holding other positions of the Company and other companies at present	Other Executives, Directors, or Supervisors who are a Spouse or Kindred Within the 2nd Tier Under the Civil Code.			Remarks (Note 5)
							Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding			Occupational Title	Name	Relation	
Director	Republic of China	Hwang Yih-Ray	Male/ 51-60	2023/5/24	3 years	1999/4/12	4,001,548	1.45%	5,226,702	1.72%	0	0.00%	None	None	Master's degree Chairman of the National Federation of CPA Associations of the ROC	Director, Solomon & Co., CPAs Director: MA KUANG HEALTHCARE HOLDING LIMITED Independent Director: Mega Bills Finance Mega Securities China Airlines Ltd.	None	None	None	None
Director	Republic of China	New Land Investment Co., Ltd.	Female/ 51-60	2023/5/24	3 years	2005/4/28	14,690,982	5.31%	16,160,080	5.31%	0	0.00%	None	None	Master's degree Director, Huang Pao Investment Co., Ltd.	Director: Huang Pao Investment Co., Ltd.	None	None	None	None
		Representative: Tu, Wei-Shan					0	0.00%	0	0.00%	2,006	0.00%	None	None						
Director	Republic of China	Chung Shan Investment Co., Ltd.	Male/ 61-70	2023/5/24	3 years	2006/5/24	19,700,000	7.12%	21,602,000	7.09%	0	0.00%	None	None	Master's degree Head of Chang Chun Business Management Co., Ltd.	Director: Chang Chun Business Management Co., Ltd.	None	None	None	None
		Representative: Chen, Rung-Hua					0	0.00%	0	0.00%	0	0.00%	None	None						
Independent Director	Republic of China	Wang Tze-Chun	Male/ 61-70	2023/5/24	3 years	2017/6/7	0	0.00%	0	0.00%	0	0.00%	None	None	Bachelor's degree Chairman, SIRTEC INTERNATIONAL CO., LTD.	Chairman: Anntong Ind. Co., Ltd.	None	None	None	None
Independent Director	Republic of China	Lan Wen-Hsiang	Male/ 61-70	2023/5/24	3 years	2017/6/7	0	0.00%	0	0.00%	0	0.00%	None	None	Bachelor's degree Judge and Presiding Judge, Taiwan High Court	None	None	None	None	None
Independent Director	Republic of China	Chuang Meng-Han	Male/ 71-80	2023/5/24	3 years	2017/6/7	0	0.00%	0	0.00%	0	0.00%	None	None	Master's degree Vice President of Money Weekly	Independent Director and Member of the Compensation Committee: Sunity Development Co., Ltd.	None	None	None	None
Independent Director	Republic of China	Ding Yu-Jia	Male/ 61-70	2023/5/24	3 years	2009/11/17	0	0.00%	0	0.00%	0	0.00%	None	None	PhD degree General Manager, IBF Financial Holdings Co., Ltd.	Director: Representative of Altek Corporation Independent Director and Member of the Compensation Committee: ABLEREX ELECTRONICS CO.,LTD. YeaShin International Development Co., Ltd.	None	None	None	None

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

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

Note 3: The time for assuming the position as a Director or Supervisor of the Company for the first time. If there was an interruption to the term of office, specify.

Note 4: Experience pertaining to current position. If the person has held a position in the CPA firm or its affiliate in the aforementioned period, specify the occupational title and duties.

Note 5: If the Chairman and General Manager or person at the equivalent position (the top manager) is also the Chairman, or spouse or next of kin to the Chairman, give information on the reason, the rationality, and necessity, and response (e.g., the addition of the seats of independent directors and at least more than half of the Directors are not employees or managers of the Company at the same time).

Major shareholders of the corporate shareholder

March 30, 2025

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
New Land Investment Co., Ltd.	Newland Developers Group(77.14%), Huang Pao Investment Co., Ltd. (6.85%), Hsieh Pao-Yu (5.30%), Chang Hsueh Investment Co., Ltd. (5.00%), Wang Chi-Hsiang (1.79%), Wen Hsiu-Wen (1.79%), Chung Long-Chang (0.71%), Lee Ying-Chao (0.71%), Chou Hsiao-Lee(0.71%)
Chung Shan Investment Co., Ltd.	Chung Long Chang (35.81%), Lee Tao-Chen (28.32%), Chung Chuo-Chun (19.95%), Chung Wan-Chien(15.92%)

Note 1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If the dominant shareholders are institutional shareholders, fill in Table 2 below.

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

If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form

March 30, 2025

Name of corporate/juristic person (Note 1)	Major shareholders of the corporate/juristic person (Note 2)
New Land Developers Group	Hsieh Pao-Yu (44.12%), Chang Hsueh Investment Co., Ltd. (21.12%), Huang Pao Investment Co., Ltd. (9.00%), Wang Chi-Hsiang (7.81%), Wen Hsiu-Wen (7.81%), Chung Long Chang (3.13%), Lee Ying-Chao (3.13%), Chou Hsiao-Lee (3.13%), Luo, Huei-Ming (0.75%)
Huang Pao Investment Co., Ltd.	Hsieh Pao-Yu (45.00%), Tu, Wei-Chuan (22.50%) 、 Tu, Wei-Shan (22.50%), Tu, Huang-Cheng (10.00%)
Chang Hsueh Investment Co., Ltd.	Luo, Huei-Ming (94.10%), Yang, Han-Chang (2.50%), Yang, Xue-Er (3.40%)

Note 1: If the dominant shareholders are institutional shareholders as shown in Table 1 above, put down the names of the institutional shareholders.

Note 2: Put down the dominant shareholders of the institutional shareholder (top 10 shareholders by shareholding) and the proportion of shareholding.

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

(II) Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent

Directors:

Name	Condition	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of public companies that the Independent Director also holds the position as independent director in.
Chung Long-Chang (Chairman)		Has work experience in commerce, legal affairs, finance, accounting, or corporate business; serves as the Chairman of our company, with no circumstances as specified in Article 30 of the Company Act.	Not Applicable	0
Hung Chia-Sheng (Director)		Possesses experience in business, law, finance, accounting, or necessary corporate operations; serves as the General Manager of the Company; and does not fall under any of the circumstances listed in Article 30 of the Company Act.	Not Applicable	0
Liu Jo-Mei (Director)		Possesses experience in business, law, finance, accounting, or necessary corporate operations; serves as the Chief Financial Officer of the company; and does not fall under any of the circumstances listed in Article 30 of the Company Law.	Not Applicable	0
Hwang Yih-Ray (Director)		Possesses experience in business, law, finance, accounting, or necessary corporate operations and holds a certified public accountant qualification; Practices in Solomon & Co., CPAs; serves as a director of the company; and does not fall under any of the circumstances listed in Article 30 of the Company Law.	Not Applicable	3
Tu, Wei-Shan, Representative of the New Land Development Co., Ltd. (Director)		Possesses experience in business, law, finance, accounting, or necessary corporate operations; serves as a director of the company; and does not fall under any of the circumstances listed in Article 30 of the Company Law.	Not Applicable	0
Chen, Rung-Hua, Representative of the Chung Shan Investment Co., Ltd. (Director)		Possesses experience in business, law, finance, accounting, or necessary corporate operations and holds a certified public accountant qualification; serves as a director of the company; and does not fall under any of the circumstances listed in Article 30 of the Company Law.	Not Applicable	0
Wang Tze-Chun (Independent Director)		Possesses experience in business, law, finance, accounting, or necessary corporate operations and holds a certified public accountant qualification; serves as the convener for both the Remuneration Committee and Audit Committee of the company; and does not fall under any of the circumstances listed in Article 30 of the Company Law.	(1) The Company's independent director, and meet the requirement of independence. (2) The independent director, his/her spouse, and relative within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates; not holding the shares in the Company; not a director, supervisor, or employee of any company having specific relationship with the Company. (3) No compensation amount received by providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years	0
Lan Wen-Hsiang (Independent Director)		Possesses experience in business, law, finance, accounting, or necessary corporate operations and holds a judge qualification; serves as an independent director of the company; and does not fall under any of the circumstances listed in Article 30 of the Company Law.	(1) The Company's independent director, and meet the requirement of independence. (2) The independent director, his/her spouse, and relative within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates; not holding the shares in the Company; not a director, supervisor, or employee of any company having specific relationship with the Company. (3) No compensation amount received by providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years	0
Chuang Meng-Han (Independent Director)		Has work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company; and is an instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university; with no circumstances as specified in Article 30 of the Company Act.	(1) The Company's independent director, and meet the requirement of independence. (2) The independent director, his/her spouse, and relative within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates; not holding the shares in the Company; not a director, supervisor, or employee of any company having specific relationship with the Company. (3) No compensation amount received by providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years	1
Ding Yu-Jia (Independent Director)		Has work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company; and is an instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university; with no circumstances as specified in Article 30 of the Company Act.	(1) The Company's independent director, and meet the requirement of independence. (2) The independent director, his/her spouse, and relative within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates; not holding the shares in the Company; not a director, supervisor, or employee of any company having specific relationship with the Company. (3) No compensation amount received by providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company for which the provider in the past 2 years	2

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

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

Note 3: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

Diversity and independence of the Board of Directors

- Pursuant to Article 20 of the “Corporate Governance Best Practice Principles,” the board members shall have the knowledge, skills, and experience necessary to perform their duties. As a whole, the Board of Directors shall have the abilities to make operational judgments, perform accounting and financial analysis, conduct management administration, conduct crisis management, lead and make policy decisions, as well as the knowledge of the industry and an international market perspective. The composition of the Board of Directors shall be determined by taking diversity into consideration. An appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include basic requirements and values (gender, age, nationality, and culture) and professional knowledge and skills (law, accounting, industry, finance, marketing, or technology). The Company places great importance on gender equality in the composition of the Board of Directors and aims to increase the number of female directors to over one-third (i.e., 33%). Following a full re-election approved at the 2023 annual general shareholders' meeting, the current board members were elected by the shareholders. At present, male directors account for 80% (8 members) and female directors account for 20% (2 members). The Company will continue to strive to increase the number of female directors to achieve its target.

The implementation of the Company’s board member diversity in 2024 is as below:

Occupational Title	Name	Gender	Con-currently serving as an employee of the Company	Age			Seniority of service and tenure of the Independent Directors			Operation Judgment Capacity	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Decision-making Capacity
				51 to 60	61 to 70	71 and above	Less than 3 years	3 to 9 years	9 years and more								
Chairman	Chung Long-Chang	Male	✓			✓				✓	✓	✓	✓	✓	✓	✓	✓
Director	Hung Chia-Sheng	Male	✓		✓					✓	✓	✓	✓	✓	✓	✓	✓
Director	Liu Jo-Mei	Female	✓		✓					✓	✓	✓	✓	✓		✓	✓
Director	Hwang Yih-Ray	Male		✓						✓	✓	✓	✓	✓	✓	✓	✓
Director	New Land Investment Co., Ltd.	Female		✓						✓		✓	✓	✓	✓	✓	✓
	Twu Wei-Shan																
Director	Chung Shan Investment Co., Ltd.	Male			✓					✓	✓	✓	✓	✓	✓	✓	✓
	Chen Rung-Hua																
Independent Director	Wang Tze-Chun	Male			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Lan Wen-Hsiang	Male			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Chuang Meng-Han	Male				✓		✓		✓	✓	✓	✓	✓	✓		✓
Independent Director	Ding Yu-Jia	Male			✓		✓			✓	✓	✓	✓	✓	✓	✓	✓

2. Independence of the Board of Directors: The Company has a total of ten board members, and four of them are independent directors, accounting for 40% of the Board of Directors. None of the directors has any relationship as spouses or relatives within the second degree of kinship, meeting the requirements of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. For details, please refer to "The Information on Directors and Supervisors" on Page 6-7.

The Company's Board of Directors instructs the Company's strategies, supervises the management, and is responsible to the Company and shareholders. In the various operations and arrangements of the corporate governance system, the Board of Directors exercises its powers pursuant to laws, the Company's Articles of Incorporation, or resolutions of the shareholders' meetings. The Company's Board of Directors emphasizes the functions of independent operation and transparency. Directors and independent directors are independent individuals and exercise their duties independently. The four independent directors also comply with the relevant laws and regulations, along with the powers of the Audit Committee, to review and measure the control of the Company's existing or potential risks, for effectively supervising the effective implementation of the Company's internal control, the selection (dismissal) of CPAs and their independence, as well as the fair preparation of financial statements.

Our company has established a board performance evaluation system, conducting annual performance assessments of the board, individual directors, and functional committees (Audit Committee and Remuneration Committee). The board's performance is assessed based on the following criteria: (1) involvement in company operations, (2) decision-making quality, (3) board composition and structure, (4) director selection and ongoing education, and (5) internal controls. Self-assessments by board members include their understanding of (1) company goals and tasks, (2) director responsibilities, (3) involvement in company operations, (4) internal relationship management and communication, (5) professional development, and (6) internal controls. Performance evaluations of functional committees cover areas such as (1) involvement in company operations, (2) understanding of committee responsibilities, (3) improvement of committee decision-making quality, (4) committee composition and member selection, and (5) internal controls. The results of the aforesaid self-evaluation are disclosed on the official website after reported to the Board.

(III) Information on the General Manager, Deputy General Managers, Assistant Managers, and Function and Branch Heads:

March 30, 2025

Occupational Title (Note 1)	Nationality	Name	Gender	Date of Election to (assumption of) Office	Quantity of Shareholding		Shares Held by Spouse and/or Children who are Minors		Shares held in the name of a third party		Principal work experience and academic qualification (Note 2)	Positions in Other Companies at Present	Spouse or Kindred Within the 2nd Tier Under the Civil Code who is a Manager			Remark (Note 3)
					Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding			Occupational Title	Name	Relation	
Chief Executive Officer	Republic of China	Chung Long-Chang	Male	2003/2/1	2,137,666	0.70%	550,048	0.18%	None	None	Master's degree Master Degree in Management Science, National Chiao Tung University	Director: Representative of Pin Hsing Construction Co., Ltd. Chung Shan Investment Co., Ltd. Anntong Ind. Co., Ltd.	None	None	None	Coping with the operational needs of the Company, the Chairman concurrently serves as the CEO to take charges of coordinating the company-wide operational and managerial business. No fewer than four independent directors have been established by December 31, 2023 as required by laws.
General Manager	Republic of China	Hung Chia-Sheng	Male	2016/9/1	410,330	0.13%	25,855	0.01%	None	None	Master's degree General Manager, Metropolitan Construction & Development Co., Ltd.	Director: Representative of Hua Pu Construction Co., Ltd.	None	None	None	None
Engineering General Manager	Republic of China	LIAO, WEN-SHAN	Male	2006/3/1	276,879	0.09%	264,925	0.09%	None	None	Master's degree Manager, Engineering Department, Chiao Tai Construction Co, Ltd.	Director: Representative of Pin Hsing Construction Co., Ltd. Representative of Full Come Foundation Engineering, Ltd.	None	None	None	None
CFO and Head of the Finance and Accounting Department	Republic of China	Liu Jo-Mei	Female	2004/1/1	734,090	0.24%	124,803	0.04%	None	None	Bachelor's degree Head of Finance and Accounting Department, Chung Hwa Construction Management Co., Ltd.	Supervisor: Taiwan Digit Automated Control Co., Ltd. Hua Pu Construction Co., Ltd. Representative of Chengdu Wanchengduobao Property Co., Ltd.	None	None	None	None
Head of Land Development Department	Republic of China	LIN, SHIH-SHENG	Male	2015/2/1	49,500	0.02%	891	0.00%	None	None	Bachelor's degree Development Specialist, Kingdom Development Co., Ltd.	Director: Representative of Hua Pu Construction Co., Ltd.	None	None	None	None
Head of the Sales and Marketing Department	Republic of China	Mei-Chen Tu	Female	2023/6/1	10,000	0.00%	0	0.00%	None	None	Bachelor's degree Sales & Marketing Department of HUAKU DEVELOPMENT CO., LTD.	None	None	None	None	None

Occupational Title (Note 1)	Nationality	Name	Gender	Date of Election to (assumption of) Office	Quantity of Shareholding		Shares Held by Spouse and/or Children who are Minors		Shares held in the name of a third party		Principal work experience and academic qualification (Note 2)	Positions in Other Companies at Present	Spouse or Kindred Within the 2nd Tier Under the Civil Code who is a Manager			Remark (Note 3)
					Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding			Occupational Title	Name	Relation	
Deputy General Manager and Head of Engineering Department	Republic of China	Ho, Ping-Hsing	Male	2003/8/1	80,095	0.03%	2,300	0.00%	None	None	Bachelor's degree Team Leader, Construction Division, San Ching Engineering Co., Ltd.	Director: Representative of Pin Hsing Construction Co., Ltd. Representative of Full Come Foundation Engineering, Ltd.	None	None	None	None
Head of Administrative Department and Corporate Governance Officer	Republic of China	Yao, Hsiu-Chin	Female	2000/2/1	235,422	0.08%	0	0.00%	None	None	Bachelor's degree Sales Assistant, Kuo Ting Construction Co., Ltd.	Director: Representative of Taiwan Digit Automated Control Co., Ltd. Supervisor: Representative of Pin Hsing Construction Co., Ltd.	None	None	None	None
Head of the Electrical Machinery Department	Republic of China	WU, SHIH-WEI	Male	2005/2/1	16,830	0.01%	5,500	0.00%	None	None	Junior college Assistant Vice Manager, Taiwan Real Estate Management Co., Ltd.	None	None	None	None	None
Head of the Design Department	Republic of China	Yang, Chih-Wei	Male	2005/2/1	41,487	0.01%	3,753	0.00%	None	None	Bachelor's degree Assistant Vice Manager, Design Department, Metropolitan Construction & Development Co., Ltd.	None	None	None	None	None
Head of the Customer Service Department	Republic of China	Fan, Gang-Chi	Male	2012/12/17	66,300	0.02%	5,548	0.00%	None	None	Master's degree Engineer, Shuang Chuan Engineering Co., Ltd.	None	None	None	None	None
Assistant VP, Land Development Department	Republic of China	Yang, Chi-je	Male	2011/9/1	5,990	0.00%	55,000	0.02%	None	None	Bachelor's degree Manager, OTTO Advertising Co., Ltd.	None	None	None	None	None
Head of the Auditing Office	Republic of China	TANG, HSIANG-LING	Female	2004/2/2	2,532	0.00%	0	0.00%	None	None	Bachelor's degree Deputy Manager, PwC Taiwan	None	None	None	None	None

Note 1: The disclosure shall include the General Manager, Deputy General Managers, Assistant Managers, and the heads of the branches, and those who are at the ranks equal to the General Manager, Deputy General Managers, or Assistant Managers irrespective the name of the titles.

Note 2: Experience pertinent to the current position. If the person has held a position in the CPA office retained by the Company for performing external audits or its affiliates within the aforementioned period, specify the occupational title and the duties.

Note 3: Related information if the General manager or person of relevant position (top manager) also holds the position of Chairman, or spouse to the Chairman or next of kin, disclose the reason, the rationality, necessity, and responses (such as increase the number of seats for independent directors, and no more than half of the directors should also be employees or managers of the Company).

II. Remuneration paid during the most recent fiscal year to directors, supervisors, the General Manager, and Deputy General Managers:

(I) Remunerations to the Directors and Independent Directors:

Unit: NTD thousand

Occupational Title	Name	Remuneration to Directors								Sum of A+B+C+D and ratio to net income (Note 10)		Amount received as an employee.								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration from investee companies other than the subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance Payment and Pension (B)		Remuneration to Directors (C) (Note 3)		Business Subsidy (D) (Note 4)				Salaries, Bonuses, and Special Accounts (E) (Note 5)		Severance Payment and Pension (F)		Remuneration to Employees (G) (Note 6)						
		The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All the companies included in the financial statements	The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All Companies Included in the Financial Statements (Note 7)	The Company		All Companies Included in the Financial Statements (Note 7)		The Company	All the companies included in the financial statements	
Amount of cash	Amount of Stock															Amount of cash	Amount of Stock					
Chairman	Chung Long-Chang	0	0	0	0	19,200	19,310	328	328	19,528 1.4026%	19,638 1.4105%	37,117	37,117	0	0	14,400	0	14,400	0	71,045 5.1028%	71,183 5.1107%	35
Director	Hung Chia-Sheng																					
Director	Liu Jo-Mei																					
Director	Chung Shan Investment Co., Ltd. Representative: Chen, Rung-Hua																					
Director	New Land Investment Co., Ltd. Representative: Tu, Wei-Shan																					
Director	Hwang Yih-Ray																					
Independent Director	Wang Tze-Chun	3,840	3,840	0	0	5,600	5,600	216	216	9,656 0.6935%	9,656 0.6935%	0	0	0	0	0	0	0	9,656 0.6935%	9,656 0.6935%	0	
Independent Director	Lan Wen-Hsiang																					
Independent Director	Chuang Meng-Han																					
Independent Director	Ding Yu-Jia																					
1. Specify the policy, system, standard, and structure of remuneration to the Directors, and the association between the duties charged, the risk, the time required and other factors and the amount of payment to the Directors: The Independent Directors of the Company are entitled to fixed amount of payment monthly. According to the Article of Incorporation and other applicable rules and regulations, Directors will be remunerated on the basis of the operation result of the Company and the self-evaluation result of their performance.																						
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.																						

Table of Salary Scale

Bracket of Payment to Each Director of the Company	Names of Directors			
	Total amount of remuneration of the sum of these 4 items (A+B+C+D).		The total amount of remuneration of the sum of these 7 items (A+B+C+D+E+F+G).	
	The Company (Note 8)	All Companies Included in the Financial Statements (Note 9) H	The Company (Note 8)	Parent company and all investee companies (Note 9) I
Less than NT\$1,000,000	-	-	-	-
NT\$1,000,000 (inclusive) - 2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) - 3,500,000 (exclusive)	Hung, Chia-Sheng, Liu, Joi-Mei, Huang, Yi-Jui, Chen Rung-Hua, Representative of Chung Shan Investment Co., Ltd.; Tu, Wei-Shan, Representative of New Land Investment Co., Ltd.; Wang, Tze-Chun, Lan, Wen-Hsiang, Chuang, Meng-Han, and Ting-Yu-Chia	Hung, Chia-Sheng, Liu, Joi-Mei, Huang, Yi-Jui, Chen Rung-Hua, Representative of Chung Shan Investment Co., Ltd.; Tu, Wei-Shan, Representative of New Land Investment Co., Ltd.; Wang, Tze-Chun, Lan, Wen-Hsiang, Chuang, Meng-Han, and Ting-Yu-Chia	Huang, Yi-Jui, Chen Rung-Hua, Representative of Chung Shan Investment Co., Ltd.; Tu, Wei-Shan, Representative of New Land Investment Co., Ltd.; Wang, Tze-Chun, Lan, Wen-Hsiang, Chuang, Meng-Han, and Ting-Yu-Chia	Huang, Yi-Jui, Chen Rung-Hua, Representative of Chung Shan Investment Co., Ltd.; Tu, Wei-Shan, Representative of New Land Investment Co., Ltd.; Wang, Tze-Chun, Lan, Wen-Hsiang, Chuang, Meng-Han, and Ting-Yu-Chia
NT\$3,500,000 (inclusive) - 5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Chung Long-Chang	Chung Long-Chang	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-	Chung, Long-Chang, Hung, Chia-Sheng, Liu, Jo-Mei	Chung, Long-Chang, Hung, Chia-Sheng, Liu, Jo-Mei
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	10	10	10	10

Note 1: The name of each director shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) and the names of the ordinary directors and independent directors shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a Director also holds the position of General Manager or Deputy General Manager, fill in this Table and Table (3-1) or Table (3-2-1) and (3-2-2) below.

Note 2: This refers to the remuneration to the Directors in the most recent year (including salaries, business subsidies, severance payments, all kinds of bonuses, and awards).

Note 3: Fill in the amount of remuneration to the Directors passed by the Board in the most recent year.

Note 4: This refers to the business subsidy for performing related duties in the most recent year by the Directors (including travelling expenses, special accounts, different forms of subsidies, housing, transport, and other in-kind benefits). If housing, transport, or other means of transportation, or exclusive spending has been provided, disclose the nature and cost of the asset, the actual rent or rent calculated on the basis of fair market value, fuel expenses, and other payments. If a chauffeur is assigned, specify the payment of the Company to the chauffeur in note but not included as a part of the remuneration.

Note 5: The Director who also acted as an employee in the most recent year (including in the position of General Manager, Deputy General Manager, manager, and employee) and the salaries, allowance, severance payments, different forms of bonuses, awards, travelling expenses, special accounts, different subsidies, housing, transport, and other in-kind benefits received by the Director. If housing, transport, or other means of transportation, or exclusive spending has been provided, disclose the nature and cost of the asset, the actual rent or rent calculated on the basis of fair market value, fuel expenses, and other payments. If a chauffeur is assigned, specify the payment of the Company to the chauffeur in note but not included as a part of the remuneration. Salary expense recognized under IFRS 2- "Share-Based Payment", shall include the acquisition of ESO, restricted stocks, and subscription of new shares offered for raising capital, which shall be counted as remuneration.

Note 6: The Director who also acted as an employee in the most recent year (including in the position of General Manager, Deputy General Manager, manager, and employee) and acquired remuneration to employees (including stock and cash), disclose the amount of remuneration to the employee passed by the Board for payment in the most recent year. If estimation is not possible, calculate the amount planned for payment in the current year in proportion to the actual amount of payment in last year, and fill in Table 1-3 attached.

Note 7: Disclose the total amount of remuneration paid to the Directors of the Company by all companies included in the consolidated financial statements (including the Company).

Note 8: Disclose the total amount of remuneration of the Company to each Director, applicable bracket of payment rate, and the name of the Director.

Note 9: Disclose the total amount of remuneration paid to each Director of the Company by all companies included in the consolidated financial statements (including the Company), the applicable bracket of payment rate, and the name of the Director.

Note 10: Net income refers to the earnings after taxation presented in the separate financial statements covering the most recent year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state "None").

b. If the Directors have received payments from investee companies other than the subsidiaries or parent company, include such amount of payment into field I of the salary bracket table and change the name of the field to "Parent company and all Investee Companies".

c. Remuneration shall refer to the rewards and salaries (including the salaries for Employees, Directors, and Supervisors) paid to the Directors of the Company for the performance of duties as Directors, Supervisors, or managers, and related allowances from investee companies or parent company other than the subsidiaries.

Note 12: Director Kuo Chiu-Kun was dismissed after the board elections on May 24, 2023, while Director Hung Chia-Sheng and Independent Director Ding Yu-Jia were appointed.

* The content of remuneration disclosed in this table is different from the Income Tax Act in meaning. The purpose of this table is for disclosure only and not for taxation purpose.

(II) Remuneration to Supervisors: not applicable.

(III) Remuneration to the General Manager and the Deputy General Manager

Unit: NTD thousand

Occupational Title	Name	Salary (A) (Note 2)		Severance Payment and Pension (B)		Profit-sharing compensation (B) (Note 3)		Amount of Remuneration to Employees (D) (Note 4)				Sum of A+B+C and ratio to net income (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All consolidated entities (Note 5)	
								Amount of cash	Amount of Stock	Amount of cash	Amount of Stock			
Chief Executive Officer	Chung Long-Chang	19,921	19,921	0	0	41,314	41,314	22,300	0	22,300	0	83,535 5.9999%	83,535 5.9999%	35
General Manager	Hung Chia-Sheng													
Engineering General Manager	LIAO,WEN-SHAN													
Chief Financial Officer	Liu Jo-Mei													
Deputy General Manager	Ho, Ping-Hsing													
Deputy General Manager	LIN, SHIH-SHENG													
Chief Executive Officer	Chung Long-Chang													

* Disclosure is required for ranks equal to the General Manager, Deputy General Managers (such as: General Manager, CEO, Executive Officer...) irrespective of the occupational title.

Table of Salary Scale

Bracket of remuneration to the General Manager and the Deputy General Managers of the Company	Names of General Manager and Deputy General Managers	
	The Company (Note 6)	Parent company and all investee companies (Note 7) E
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - 2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) - 3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) - 5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Ho, Ping-Hsing, Lin, Shih-Sheng	Ho, Ping-Hsing, Lin, Shih-Sheng
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	Liao Wen-Shan, Liu Ruo-Mei	Liao Wen-Shan, Liu Ruo-Mei
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	Chung Long-Chang, Hung Chia-Sheng	Chung Long-Chang, Hung Chia-Sheng
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	6	6

Note 1: The names of the General Manager and Deputy General Managers should be listed one-by-one and disclose the itemized payment in aggregate. If the Chairman also holds the position as General manager or Deputy General Manager, fill in this table and Table (1-1), or (1-2-1) and (1-2-2) above.

Note 2: This refers to the salaries, business subsidies, and severance payment to the General Manager and Deputy General Managers in the most recent year.

Note 3: The salaries, allowance, severance payments, different forms of bonuses, awards, traveling expenses, special accounts, different subsidies, housing, transports, other in-kind benefits and remunerations received by the General Manager and the Deputy General Managers in the most recent year. If housing, transport, or other means of transportation, or exclusive spending has been provided, disclose the nature and cost of the asset, the actual rent or rent calculated on the basis of fair market value, fuel expenses, and other payments. If a chauffeur is assigned, specify the payment of the Company to the chauffeur in note but not included as a part of the remuneration. Salary expense recognized under IFRS 2- "Share-Based Payment", shall include the acquisition of ESO, restricted stocks, and subscription of new shares offered for raising capital, which shall be counted as remuneration.

Note 4: The Director who also acted as an employee in the most recent year (including in the position of General Manager, Deputy General Manager, manager, and employee) and acquired remuneration to employees (including stock and cash), disclose the amount of remuneration to the employee passed by the Board for payment in the most recent year. If estimation is not possible, calculate the amount planned for payment in the current year in proportion to the actual amount of payment in last year, and fill in Table I-3 attached.

Note 5: Disclose the total amount of remuneration paid to the Directors of the Company by all companies included in the consolidated financial statements (including the Company).

Note 6: Disclose the names of the General Manager and the Deputy General Managers in the relevant bracket showing the remunerations to each of the General Manager and Deputy General Manager.

Note 7: Disclose the names of the General Manager and Deputy General Managers in relevant brackets showing the total amount of remuneration to the General Manager and Deputy General Managers of the Company from all companies included in the consolidated financial statements (including the Company).

Note 8: Net income refers to the net income stated in the separate financial statements of the year.

Note 9: a. Specify the amount of remuneration to the General Manager and Deputy General Managers of the Company from direct investments other than the subsidiaries or related remunerations from the parent company (Put "no" is not applicable).

b. If the General Manager and the Deputy General Managers of the Company have remuneration from the direct investments other than the subsidiaries or the parent company, combine the remuneration of the General Manager and the Deputy General Managers from the direct investments other than the subsidiaries or the parent company with the amount in relevant brackets as presented in field E, and change the name of the field into "Parent Company and all Direct Investments".

c. Remunerations are the rewards and salaries (including the payments paid to the Employees, Directors, and Supervisors) and business subsidies or parent company to the General Manager and Deputy General Managers of the Company in the capacities of Directors, Supervisors, or managers in the direct investments of the Company other than the subsidiaries.

Note 10: The VP of the Sales & Marketing Department, Lin Cheng-li, left on May 31, 2023, and the VP of the Land Development Department, LIN, SHIH-SHENG, was promoted on May 1, 2023

* The content of remuneration disclosed in this table is different from the Income Tax Act in meaning. The purpose of this table is for disclosure only and not for taxation purpose.

(IV) Names of managers remunerated as employees and the state of payment:

Unit: NTD Thousand; March 30, 2025

	Occupational Title (Note 1)	Name (Note 1)	Amount of Stock	Amount of cash	Total	In proportion to net income (%)
Manager	Chief Executive Officer	Chung Long-Chang	0	27,800	27,800	1.9967%
	General Manager	Hung Chia-Sheng				
	Engineering General Manager	LIAO, WEN-SHAN				
	Chief Financial Officer	Liu Jo-Mei				
	Deputy General Manager	Ho, Ping-Hsing				
	Deputy General Manager	LIN, SHIH-SHENG				
	Senior Assistant V.P.	Yao, Hsiu-Chin				
	Assistant Vice President	WU, SHIH-WEI				
	Assistant Vice President	Yang, Chih-Wei				
	Assistant Vice President	Mei-Chen Tu				
	Assistant Vice President	Yang, Chi-jen				

Note 1: Disclose individual names and occupational titles. The distribution of benefits can be presented in aggregate.

Note 2: Disclose the amount of remuneration to the employee passed by the Board for payment in the most recent year to the managers (including stock and cash). If estimation is not possible, calculate the amount planned for payment in the current year in proportion to the actual amount of payment in the last year. Net income refers to the earnings of the Company after taxation in the most recent year. If IFRS is adopted, net income refers to the earnings after taxation presented in the separate financial statements covering the most recent year.

Note 3: Scope of application for manager as per FSC Letter Tai-Cai-Zheng- (III)-Zi 0920001301 dated 2003.03.27 is specified below: (1) General manager and equivalent level personnel; (2) Deputy General Manager and equivalent level personnel; (3) Assistant manager and equivalent level personnel; (4) Head of Finance Department; (5) Head of Accounting Department; (6) Other individuals responsible for company management affairs and vested with signing authority

Note 4: If the Directors, General manager and Deputy General Managers are also remunerated as employees (including stocks and cash), fill in Table 1-2 and also this table.

(V) The total amount of remunerations to the Directors, Supervisors, General Manager and the Deputy General Managers from the Company and all the companies included in the financial statements over the last 2 years in proportion to the net income stated in the separate financial statements

1. The Company: 8.0960% and 4.74% in 2024 and 2023, respectively.
2. All the companies included in the financial statements: 8.1039% and 4.74% in 2024 and 2023, respectively
The remuneration policy, standard and combination, the procedure for setting the remuneration, and association with the operation performance, and risks in the future:
 1. According to Article 29-1 of the Articles of Incorporation of the Company, if the Company has earnings of the year, it shall appropriate 3-5% as remuneration to the employees and no more than 2% as remuneration to the Directors. However, if the Company still has accumulated loss, it shall appropriate an amount to cover such loss first, followed by calculating the appropriation based on the remaining amount. Director remuneration includes travel expenses and director's fees; remuneration for the General Manager and Deputy General Managers includes salary, bonuses, and employee rewards.
 2. The remuneration for the Company's directors and managers is determined based on their level of participation in the Company's operations and performance evaluation. The primary evaluation criteria for directors include: Grasp of the Company's goals and missions (including ESG indicators), understanding of director responsibilities, level of participation in the Company's operations, internal relationship management and communication, professional competence and continuous training, and internal controls. For managers, the evaluation focuses on goal achievement and competency assessment, including: professional knowledge and skills, results orientation, problem-solving ability, communication and coordination, management capabilities, organizational coordination, and strategic thinking. Furthermore, the remuneration of senior managers and department heads is also linked to ESG-related performance (accounting for 10% of the annual remuneration), including operational performance, construction quality and safety, construction waste management, product innovation, corporate governance and ethical corporate management, talent development, and supply chain management, all aligned with key ESG topics.
 3. The policy of remuneration to the General Manager and Deputy General Manager was made with reference to the industry level of salary payment, the responsibility of and contribution to the Company. The procedure for setting the remuneration takes the overall operation performance, operation risk of the industry in the future, and development trends subject to review from time to time as dictated by the status of business operation and the changes in the regulatory environment for a proper balance of sustainable development and risk control of the Company.

III. Corporate governance operation:

(I) The Performance of the Board:

The Board convened seven times in the most recent year. The attendance of the Directors is specified below:

Occupational Title	Name (Note 1)	No. of meetings attended in person	Attendances by Proxy	Actual Attendance (presence as observers) Rate (Note 2)	Remark
Chairman	Chung Long-Chang	7	0	100%	None
Director	Hung Chia-Sheng	7	0	100%	None
Director	Hwang Yih-Ray	7	0	100%	None
Director	Liu Jo-Mei	7	0	100%	None
Director	Chen, Rung-Hua: Representative of Chung Shan Investment Co., Ltd.	7	0	100%	None
Director	Tu, Wei-Shan: Representative of New Land Investment Co., Ltd.	6	0	85.71%	None
Independent Director	Wang Tze-Chun	7	0	100%	None
Independent Director	Lan Wen-Hsiang	6	1	85.71%	None
Independent Director	Chuang Meng-Han	7	0	100%	None
Independent Director	Ding Yu-Jia	7	0	100%	None

Additional Information:

I. If any of the following occurs to the operation of the Board, specify the date, the session, the content of the motion, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:

- (I) The particulars exhibited in Article 14-3 of the Securities and Exchange Act: for further information, refer to p.36-39. "Important resolutions of the Shareholders Meeting and the Board in the most recent year to the date this report was printed".
- (II) Further to the aforementioned matters, any adverse opinion or qualified opinion of the Independent Directors against the resolutions of the Board: Nil.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

Board of Directors	Names of Directors	Content of the Motion	Cause for recusal	How the director voted
2024/8/8 10th meeting, 12th term	Chung Long-Chang	The sale of premises and car park of "Huaku Upper Mansion" to related parties	The director at the left-hand-side involved the motion	Not participated the discussion and voting
2024/8/8 10th meeting, 12th term	Hung Chia-Sheng	The sale of premises and car park of "Huaku Upper Mansion" to related parties	The director at the left-hand-side involved the motion	Not participated the discussion and voting

III. For a TWSE or TPEX listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table 2(2) Implementation of Evaluations of the Board of Directors: please refer to the "Implementation of Evaluations of the Board of Directors" on Page 20.

IV. The objective of the Board in fortifying its function in the recent and present year (such as the establishment of the Auditing Committee, and enhancement of transparency) and assessment of the attainment: All sessions of the Board have been recorded by voice recording. In addition, the resolutions of the Board have been properly executed in accordance with applicable laws.

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2: (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office. (2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office. The actual attendance (presence as observers) rate (%) shall be calculated on the basis of the number of attendances (in observation) and the total number of sessions of the Board within the term of office of the Director and Supervisor.

The pursuit of self-evaluation of the Board:

Evaluation period (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Method of evaluation (Note 4)	Method of evaluation (Note 5)
Evaluation conducted once annually and completed in the 1st quarter of the year.	2024/1/1 to 2024/12/31	Board of Directors	Internal self-evaluation of the Board	I. Participation in the operation of the company; II. Improvement of the quality of the board of directors' decision making; III. Composition and structure of the board of directors; IV. Election and continuing education of the directors; and V. Internal control.
Evaluation conducted once annually and completed in the 1st quarter of the year.	2024/1/1 to 2024/12/31	Individual members of the Board	Self-evaluation of the board members	I. Alignment of the goals and missions of the company; II. Awareness of the duties of a director; III. Participation in the operation of the company; IV. Management of internal relationship and communication; V. The director's professionalism and continuing education; and VI. Internal control.
Evaluation conducted once annually and completed in the 1st quarter of the year.	2024/1/1 to 2024/12/31	Functional Committees (Audit Committee and Remuneration Committee)	Functional Committees Internal self-assessment	I. Participation in the operation of the company; II. Awareness of the duties of the functional committee; III. Improvement of quality of decisions made by the functional committee; IV. Makeup of the functional committee and election of its members; and V. Internal control.

Note 1: Put down the frequency of evaluation of the Board, such as: once annually.

Note 2: Put down the period under evaluation of the Board, such as the evaluation of performance from 2019/01/01 to 2019/12/31.

Note 3: The scope of evaluation includes the performance of the Board as a whole, individual Directors and the functional committees.

Note 4: The method of performance evaluation shall include self-evaluation of the Board, self-evaluation of the Directors, peer evaluation, evaluation by a commissioned external professional institution, experts, or other appropriate means.

Note 5: The content of evaluation shall cover at least the following within the scope of evaluation: (1) Evaluation of the performance of the Board: cover at least the level of participation in the operation of the Company, the quality of decision-making of the Board, the organizational structure of the Board, the appointment of Director and continuing education, and internal control. (2) Evaluation of the performance of individual Directors: cover at least the control of the objective and mission of the Company, the understanding of their functions, level of participation in the operation of the Company, cultivation of internal relation and communication, the professional standing and continuing education of the Directors, and internal control. (3) Evaluation of the performance of the functional committees: level of participation in the operation of the Company, the understanding of the duties of the functional committee, the quality of decision-making of the functional committees, the organizational structure of the functional committees and the appointment of the members, and internal control.

(II) Operation of the Audit Committee:

The Auditing Committee convened 7 times in the most current year. The attendance of the Independent Directors as observers is specified below:

Occupational Title	Name	No. of meetings attended in person	Attendances by Proxy	In-person attendance rate (%) (Note 1, Note 2)	Remark
Independent Director	Wang Tze-Chun	7	0	100%	None
Independent Director	Lan Wen-Hsiang	6	1	85.71%	None
Independent Director	Chuang Meng-Han	7	0	100%	None
Independent Director	Ding Yu-Jia	7	0	100%	None

Major authorities: the Auditing Committee is established to assist the Board to supervise the Company in performing the duties of accounting, audit, financial reporting process and financial control for assurance of quality and reliability.

The Audit Committee convened for 7 times in 2024, the motions under review are:

1. Establishment or amendment to the internal control system pursuant to article 14-1.
2. Institution or amendment to the procedures for Acquisition or Disposal of Assets, Derivative Trade, Loaning of Fund, Guarantee and Endorsement, and other acts of major financial undertaking pursuant to Article 36-1.
3. The appointment, dismissal or remuneration of the certified public accountants retained as external auditors.
4. The annual financial reports signed or sealed by the Chairman, managers, and the head of accounting.
5. Other materiality of the Company or the competent authority.

Additional Information:

- I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
 - (I) The particulars exhibited in Article 14-5 of the Securities and Exchange Act: all resolutions passed by the Independent Directors for presentation to the Board for discussion. Refer to p.36-39. (Major Resolutions of the Shareholders Meeting and the Board in the most recent year to the date the annual report was printed).
 - (II) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than 2/3 of the Directors: Nil.
- II. The recusal of the Independent Directors from motions involving the interest of the Independent Directors, the names of the Independent Directors concerned, the content of the motions, the reason for recusal for the avoidance of conflict of interest, and the participation in voting: No motion in the Board meeting in the most recent year that required the recusal of the Independent Directors to avoid the conflict of interest.
- III. The communication between the Independent Directors and the Chief Internal Auditor and the CPAs: The Chief Internal Auditor and the CPAs were present as observers at the meeting of the Auditing Committee on discussion of related motions. No motion was rejected by the Independent Directors.

Note 1: If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

Note 2: If there was an election of Independent Directors held before the end of the fiscal year, list the names of the newly elected and the former Independent Directors, and specify if the Independent Directors remaining in office for the term, newly elected to office, or reelected to office, and the date of the election. The actual attendance rate (%) shall be calculated on the basis of the number of attendances and the total number of sessions of the Auditing Committee within the term of office of the Independent Director.

(III) Profiles of the Members of the Remuneration Committee:

March 30, 2025

Identity (Note 1)	Name	Condition	Professional qualifications and experience (Note 2)	Independence analysis (Note 3)	The number of public companies where the person also holds positions in their remuneration committees.
Convener (Independent Director)	Wang Tze-Chun	Refer to the "Information on the Directors and Supervisors" on Page 9-11.			0
Member (independent director)	Lan Wen-Hsiang				0
Member (independent director)	Chuang Meng-Han				1
Member (independent director)	Ding Yu-Jia				2

Note 1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1 Information on Directors and Supervisors (I) on p. _____. For "Capacity," please specify whether the member is an independent director or other (if the member is the convener, please note that fact).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 4: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

Information on the Operation of the Remuneration Committee:

1. The Remuneration Committee of the Company consists of 4 members.
2. Tenure of members for this term of the committee: From June 1, 2023 to May 23, 2026. The Remuneration Committee has convened 4 times in the most recent year. The qualification and attendance of the members are shown below:

Occupational Title	Name	No. of meetings attended in person	Attendances by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Remark
Convener	Wang Tze-Chun	4	0	100%	None
Committee Member	Lan Wen-Hsiang	3	1	75%	None
Committee Member	Chuang Meng-Han	4	0	100%	None
Committee Member	Ding Yu-Jia	4	0	100%	None

Primary function of the Remuneration Committee: assist the Board in the assessment and implementation of the remuneration system and welfare policy of the Company, and the remuneration to the Directors and Managers.

Its main responsibilities include:

1. Institution with routine review of the regulations governing the remuneration to the Directors and Managers of the Company.
2. Routine review of the evaluation of performance of the Directors and the Managers, and the policy, system, standard, and structure of remuneration.

Additional Information:

- I. If the Board declines to accept or revised the recommendations of the Remuneration Committee, specify the meeting date, the session, the content of the motion, the resolutions of the Board, and the response of the Company to the opinions of the Remuneration Committee: The Board has not rejected or revised the recommendations of the Remuneration Committee in the most recent year.
- II. If a specific member of the Remuneration Committee has adverse or qualified opinions on the resolutions of the Remuneration Committee on record or in written declaration, specify the meeting date, the session, the content of the motion, the opinions of all members, and the response to the opinions of the members.

Date	Content of the Motion	Resolution Result	The Company's handling of opinions
January 24, 2024 2nd meeting, 5th term	Amendment to the sustainable employee stock ownership plan for employees (including managers).	The motion has been passed by all members as stated in common consent.	Proposed to the board of directors and unanimously approved by all attending directors
	Undistributed employee compensation and performance bonuses to the Company's managers.	The motion has been passed by all members as stated in common consent.	Proposed to the board of directors and unanimously approved by all attending directors
February 27, 2024 3rd meeting, 5th term	Total remunerations to the employees and Directors in 2023, and the method of payment.	The motion has been passed by all members as stated in common consent.	Proposed to the board of directors and unanimously approved by all attending directors
March 20, 2024 4th meeting, 5th term	The distribution of directors' remuneration and the employee compensation to managers for 2023.	The motion has been passed by all members as stated in common consent.	Proposed to the board of directors and unanimously approved by all attending directors
May 8, 2024 5th meeting, 5th term	Adjustment of salaries of the managerial officers.	The motion has been passed by all members as stated in common consent.	Proposed to the board of directors and unanimously approved by all attending directors
	Adjustment of the organization.	The motion has been passed by all members as stated in common consent.	Proposed to the board of directors and unanimously approved by all attending directors

Note: (1) If a specific member of the Remuneration Committee resigns before the end of the fiscal year, specify the date of departure in the field. The actual attendance rate (%) shall be calculated on the basis of the number of attendances and the total number of sessions of the committee within the term of office of the member.

- (2) If an election of the Remuneration Committee was held before the end of the fiscal year, list the names of the newly elected and the former members and specify if the members are remaining in office for the term, newly elected to office, or reelected to office, and the date of the election. The actual attendance rate shall be based on the number of meetings held by the Remuneration Committee in the duration of employment and the number of presence to the meetings.

Members of the Nomination committee member information and operation status: Not applicable.

(IV) The pursuit of corporate governance and the variation with the Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies, and the reason:

Items for Evaluation	The Pursuit (Note)			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies and the reason.
	Yes	No	Summary Description	
I. Has the Company instituted its own corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies and made disclosure?	✓		The Company has instituted its corporate governance best practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies” and has disclosed the detail on the Company’ website and the MOPS.	None.
II. The Equity Structure and Shareholders Equity of the Company				
(I) Has the Company established its internal operation procedure for responding to the suggestions, queries, disputes, and legal actions of the shareholders in accordance with the procedure?	✓		(I) The Company has instituted the “Procedure for Shareholders Meeting” and has appointed designated personnel (the spokesperson and share registration and investors service function) to handle the suggestions, queries, disputes, and legal actions of the shareholders.	(I) None.
(II) Has the Company kept the list of the dominant shareholders that exercise de facto control of the Company and the parties that exercise ultimate control of these dominant shareholders under control?	✓		(II) The Company controlled the list of dominant shareholders from the shareholders registry provided by the share registration and investors service agent.	(II) None.
(III) Has the Company established and exercised risk control and firewall mechanisms with its affiliates?	✓		(III) The company and its subsidiaries have established regulations such as "Subsidiary Supervision Operations," "Related Party Transaction Management," and "Financial Business Operations Standards Among Related Parties" in accordance with legal norms.	(III) None.
(IV) Has the Company instituted internal rules and regulations prohibiting insiders from using undisclosed information in the market for the trading of securities?	✓		(IV) The company has established "Insider Trading Prevention Management and Internal Significant Information Handling Management Procedures."	(IV) None.
III. The Organization and Function of the Board				
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓	✓	(I) The Company has the director diversity policy in the Corporate Governance Best Practice Principles; the diversity please refer to “The Information on Directors and Supervisors ” on Page 10.	(I) None.
(II) Has the Company voluntarily established other functional committees further to the establishment of a remuneration committee and auditing committee?			(II) The Company has not established any other functional committees yet except the establishment of the Remuneration Committee and the Auditing Committee as required by law.	(II) The Company will take related measures in compliance with applicable laws in the future.
(III) Has the Company established the rules and regulations and the methods for the evaluation of Board performance, and has it conducted performance evaluation at regular intervals of each year? Present also the evaluation result to the Board as reference for the remuneration to individual Directors and consideration of nomination for a second term of office.	✓		(III) For the proper pursuit of corporate governance, the upgrade of the functions of the Board, setup of performance objectives for strengthening the operation efficiency of the Board, the Company has instituted the “Regulations Governing the Evaluation of Board Performance,” and required the Board to report on the evaluation results in a board meeting every year. The result of the overall evaluation of the Board in performance will be adopted for determining the remunerations and nomination for re-election of individual directors.	(III) None.
(IV) Has the Company assessed the independence status of the CPAs at regular intervals?	✓		(IV) The Company has presented the report on the assessment of the independence of the CPAs to the Board at regular intervals every year for reviewing the independence of the CPAs, and requested the CPSs to issue the “Declaration of the Role, Responsibility and Independence of the Certified Public Accountants”. As confirmed, there is no other financial interest and business relation between the Company between the Company and the CPAs retained as external auditors beyond the payment for financial audit and taxation audit with certification. The appointment of CPAs and the discussion on the payment for the service will be made on such criteria. For further information, refer to “Evaluation of CPAs’ Independence” on Page 26.	(IV) None.

Items for Evaluation	The Pursuit (Note)			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies and the reason.
	Yes	No	Summary Description	
IV. Has the Company listed at TWSE or TPEX appoint appropriate number of competent corporate governance personnel and the Chief Corporate Compliance Officer charged with the duties of corporate governance (including but not limiting to providing the materials to the Directors and Supervisors required for performing their duties, assistance to the Directors and Supervisors in matters of compliance, organization of Board Meeting and Shareholders Meeting and related matters as required by law, compiling minutes of Board Meeting and Shareholders Meeting)?	✓		The board of directors has approved the appointment of Yao Hsiu-Chin, a senior assistant in management, as the corporate governance officer, who has more than three years of experience as the head of a public company's shareholder services unit and meets the qualifications for the role of corporate governance officer. The major duties include: 1. Handling matters relating to board meetings and shareholders meetings according to laws 2. Producing minutes of board meetings and shareholders meetings. 3. Assisting in onboarding and continuous development of directors. 4. Furnishing information required for business execution by directors and supervisors. 5. Assisting directors and supervisors with legal compliance. 6. Report to the Board of Directors on whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination, election, and term of office. 7. Matters with regard to the change of directors. 8. Other matters set out in the laws and regulations, articles of incorporation or contracts. The key tasks in 2024 are shown below: 1. Assist the compliance matters in the board meeting and shareholders' meeting. 2. Assist in reviewing the material information disclosure on important resolutions made by the board of directors and shareholders' meetings and disseminate correct material information in accordance with the law to ensure that investors receive the right information. 3. Assistance to the Directors in the performance of their assigned duties, the supply of materials for performing their duties, and arrangement for continuing education. 4. Assistance to the Directors in reminder of the rules and regulations governing their rights and obligations. 5. Apply the "Liability Insurance for Directors, Supervisors and Key Personnel" and report to the Board of Directors. Please refer to "The Continuing Education of the Corporate Governance Officer" on Page 26. for the continuing education.	None.
V. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social responsibility?	✓		1. The Company has established the system of spokesperson and acting spokesperson for communication with the investors. 2. The Company has established a section dedicated to stakeholders on its official website. Stakeholders include customers, suppliers, investors, and employees, each of whom is provided with specific communication channels to address their concerns regarding key issues. The communication methods and frequency are disclosed, and a report is submitted to the Board of Directors once a year.	None.
VI. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	✓		The Company has appointed a professional share registration and investors service agent- Shareholder Service Department of Taishin Securities Co., Ltd. to handle share registration and related investor services.	None.
VII. Disclosure of Information				
(I) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	✓		(I) The Company has set special sections on "corporate governance", "investor relation", and "ESG" at its official website for the routine disclosure of information on financial and business performance, and corporate governance.	(I) None.
(II) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of a spokesman system, and videotaping institutional investor conferences)?	✓		(II) The Company has set up the official website in traditional Chinese, English and simplified Chinese, and appoints special personnel to be responsible for the collection and disclosure of the company information. The Company has implemented the spokesman system, for the timely disclosure of information that will affect the decisions of the shareholders and stakeholders, as required by laws and regulations.	(II) None.

Items for Evaluation	The Pursuit (Note)			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies and the reason.
	Yes	No	Summary Description	
(III) Has the Company announced and declared the annual financial report within 2 months after the end of the fiscal year, and has announced and declared the quarterly reports of Q1, Q2, and Q3 and the operation highlights of each month prior to the deadline as required?	✓		(III) The Company's quarterly and annual financial statements and the operating status of each month are announced and reported within two months after the end of the year as required.	(III) None.
VIII. Is there any other essential information that would help us to understand the pursuit of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of the Directors and Supervisors, the pursuit of a risk management policy and standard of risk assessment, the pursuit of a customer policy, and professional liability insurance coverage for the Directors and Supervisors)?	✓		- Further to the labor rights under law, the Company has also taken group insurance for the protection of the employees, and established a welfare committee to arrange benefits and related activities for the employees. The Company has also explicitly stated the ratio of employee remuneration in the Articles of Incorporation, and has occasionally organized internal and external trainings for the employees and group activities for benevolent exchanges. - Aiming to the long-term retention and cultivation of outstanding talents, to motivate employees to work in the Company for a long time in the future and to exert their technical expertise, while ensuring the stability of their lives after retirement or resignation, as well as the promotion of sustainable development, the Employee Shareholding Committee was established in November 2022 to implement the trust of employees' shareholding program. - The Company has dedicated personnel to maintain the relationship with investors, and is invited to participate in the institutional investor conference held by the securities dealer once every quarter. - The Company and its subsidiaries have duly observed applicable legal rules promulgated by the government for the protection of stakeholder rights, and have set up a special section of stakeholder relations with the appointment of designated persons to reply to the e-mails from stakeholders for the proper management of stakeholder relations. - The Directors and Supervisors of the Company have complied with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". For information on their annual continuing education, refer to the "Continuing Education of the Directors" on p.27. - For information on the pursuit of the risk management policy and risk assessment standard of the Company and subsidiaries, refer to "Risks" on p.63. - The Company has established the Sales and Marketing Department, and the Customer Service Department for the services of the customers, before, during, and after the purchase of housing. - The Company has taken professional liability insurance for the protection of the Directors and Supervisors. - An intellectual property management plan linked to operational objectives has been established, and its implementation status is disclosed on the Company's website. A report is submitted to the Board of Directors once a year.	None.
IX. The state of corrective action taken in response to the corporate governance evaluation result announced by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the issues requiring special effort for improvement and related measures. Conformity to the new indicators and improvements made: 1. Promoting sustainable development (1) Disclose the policy linking senior managers' remuneration to ESG-related performance evaluations. (2) The sustainability report is approved by resolution of the Board of Directors. The Company will make improvement incrementally for the pursuit of the areas not being improved for this time.				

Note: Give the summary description in the field provided irrespective of choosing either "Yes" or "No" in the answer.

Items for evaluation of the independence of CPAs

The Audit Committee of the Company evaluates the independence of CPAs by the following criteria every year, and reports the evaluation results to the Board of Directors:

1. CPAs' statement of independence
2. Audit or non-audit services provided by CPAs must be reviewed by the Audit Committee in advance to ensure that non-audit services will not affect the results of the audit
3. Audit quality indicators (AQI) are summarized by the CPAs and reported in meetings of the Audit Committee. The evaluation results of the most recent year have been discussed and approved by the Audit Committee on February 26, 2025, and submitted to the Board of Directors on February 26, 2025, which resolved to approve the independence and competence assessment of the CPAs.
4. The evaluation items are as below

Items for Evaluation	Assessment result	In conformity to independence
1. Is there direct or significant indirect relation between the CPAs and the Company in financial interest	No	Yes
2. Is there any undertaking of financing or guarantee between the CPAs and the Company or the Directors of the Company	No	Yes
3. Is there any close business relation or employment relation between the Company and the CPAs	No	Yes
4. Have the CPAs or members of the audit team assumed positions as Directors, Managers, or duties that have significant influence on audit work of the Company for the time being or over the last 2 years	No	Yes
5. Have the CPAs provided non-audit services to the Company that may directly affect the audit works	No	Yes
6. Have the CPAs held or acted as intermediary for the shares or other securities issued by the Company.	No	Yes
7. Have the CPAs acted as the defense counsel or acted on behalf and in the name of the Company in coordination with a third party in the settlement of disputes between the Company and the third party.	No	Yes
8. Are the CPAs relatives to the Directors, Managers, or personnel that have significant influence on the audits of the Company.	No	Yes
9. Whether the CPAs were punished	No	Yes
10. Have the CPAs provided audit service for the Company for 7 consecutive years	No	Yes

Continuing Education Training of Corporate Governance Officer

Occupational Title	Name	Total hours	Date	Hours	Unit	Name
Corporate Governance Officer	Yao, Hsiu-Chin	24	2024/3/8	3	Taiwan Corporate Governance Association	Crisis Management and Communication of Enterprises
			2024/3/22	3	BCSD Taiwan	CDP Taiwan Conference - Shaping a New Carbon Era through Sustainable Knowledge
			2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/7/3	3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
			2024/9/3 to 2024/9/4	9	Taiwan Corporate Governance Association	Climate Risk Identification Workshop and Net Zero Carbon Emission Promotion Conference - Taipei Session
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook

Continuing Education of the Directors

Occupational Title	Name	Total hours	Date	Hours	Unit	Name
Director	Chung Long-Chang	6	2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
	Hung Chia-Sheng	6	2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
	Liu Jo-Mei	9	2024/7/3	6	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
	Chen Rung-Hua	6	2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
	Tsu Wei-Shan	6	2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
	Hwang Yih-Ray	18	2024/2/26	6	The National Federation of CPA Associations of the ROC	GHG Inventory Practice (Part 1)
			2024/2/29	6	The National Federation of CPA Associations of the ROC	GHG Inventory Practice (Part 2)
			2024/10/16	3	The National Federation of CPA Associations of the ROC	Money Laundering Patterns That CPAs Should Pay Attention to in Practice: An Analysis of Tax Crime Cases
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
Independent Director	Wang Tze-Chun	18	2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/10/29	3	The National Federation of CPA Associations of the ROC	Construction and Outlook of Domestic and International Carbon Trading Markets
			2024/11/8	3	The National Federation of CPA Associations of the ROC	Analysis of Key Points in ESG Evaluation Design
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
			2024/11/29	3	Securities and Futures Institute	Silicon Photonics Network Definition: Development Trends of Silicon Photonics (SiPh) and Co-Packaged Optics (CPO)
			2024/12/5	3	The National Federation of CPA Associations of the ROC	Analysis of the Latest Regulations and Practical Cases of Money Laundering Control Act
	Lan Wen-Hsiang	6	2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
	Chuang Meng-Han	6	2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook
	Ding Yu-Jia	9	2024/6/19	3	Taiwan Corporate Governance Association	Risks and Opportunities for Corporate Operations Arising from Climate Change and Energy Policy Trends
			2024/8/5	3	Taipei Foundation of Finance	Corporate Governance - Detection and Prevention of Digital Fraud and Digital Financial Crimes
			2024/11/20	3	The Greater China Financial Development Association	Domestic and International Economic Situation and Industry Outlook

(V) Implementation status of sustainable development and differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons therefor:

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	✓		1. The Company's "Corporate Social Responsibility Best Practice Principles" were implemented upon the approval resolved the Board of Directors on November 1, 2017, which formulate a clear corporate social responsibility policy. On January 19, 2022, upon the approval resolved by the Board of Directors, it is renamed as the "Sustainable Development Best Practice Principles." 2. The company has established a cross-departmental sustainability task force responsible for proposing and implementing sustainability policies, systems, or related management guidelines and specific promotion plans. It reports annually to the board of directors on the status of sustainability initiatives and the preparation of sustainability reports, exercising the board's supervisory and management functions to ensure the full implementation of sustainability strategies in daily operations. On November 6, 2024, the Board of Directors approved the revision of the "Self-Evaluation Questionnaire for the Performance of the Board of Directors" to incorporate ESG indicators, in order to assess the board's supervision of sustainable development. 3. The implementation status of sustainable development initiatives for 2024 was reported to the Board of Directors on January 15, 2025.	None.
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	✓		1. On November 4, 2020, the board of directors approved the "Risk Management Policy", and based on the principle of materiality, implemented risk management through risk assessment and identification, confirmation, measure formulation, and regular review. 2. Since 2020, the company has promoted and implemented a risk management mechanism, coordinated by the general manager, with an annual report on the status of risk management operations to the board of directors. The status of risk management operations for the year 2024 was reported to the board of directors on January 15, 2025	None.
III. Environmental Issues (I) Has the Company established an appropriate environmental management system by nature of its industry? (II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(I) The Company and its subsidiaries regularly disinfect office environments at business locations and customer service centers, and also conduct routine cleaning and maintenance of air conditioning systems to ensure optimal performance and avoid energy waste. Construction sites also comply with the regulations of the competent authorities by implementing waste reduction and classification measures, as well as minimizing noise and air pollution generated during construction processes. (II) In the course of operational activities and internal management, the Company and its subsidiaries are committed to enhancing the efficiency of resource utilization to ensure the sustainable use of the Earth's resources. Measures include regular cleaning and maintenance of equipment, zoning control of lighting systems, and the phased replacement of outdated equipment with energy-saving certified alternatives. At the same time, the Company promotes the digitalization of operational processes to reduce paper consumption, actively advocates for the reuse and recycling of printing paper, and diligently implements waste sorting and resource recycling. The Company has also adopted green building design in specific projects, aiming to reduce environmental impact through energy-efficient designs and the use of recyclable building materials.	(I) None. (II) None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons												
	Yes	No	Summary Description													
III. Environmental Issues																
(I) Has the Company established an appropriate environmental management system by nature of its industry?	√		(I) The Company and its subsidiaries regularly disinfect office environments at business locations and customer service centers, and also conduct routine cleaning and maintenance of air conditioning systems to ensure optimal performance and avoid energy waste. Construction sites also comply with the regulations of the competent authorities by implementing waste reduction and classification measures, as well as minimizing noise and air pollution generated during construction processes.	(I) None.												
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	√		(II) In the course of operational activities and internal management, the Company and its subsidiaries are committed to enhancing the efficiency of resource utilization to ensure the sustainable use of the Earth’s resources. Measures include regular cleaning and maintenance of equipment, zoning control of lighting systems, and the phased replacement of outdated equipment with energy-saving certified alternatives. At the same time, the Company promotes the digitalization of operational processes to reduce paper consumption, actively advocates for the reuse and recycling of printing paper, and diligently implements waste sorting and resource recycling. The Company has also adopted green building design in specific projects, aiming to reduce environmental impact through energy-efficient designs and the use of recyclable building materials.	(II) None.												
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	√		(III) Actions of the Company and its subsidiaries in response to climate change: 1. Huaku Development establishes the risk and opportunity list according to the Company’s operational status and environmental interaction along with the consideration of the recommendations of the TCFD Climate Related Financial Disclosure. 2. The Sustainability Team convenes meeting and seeks external experts’ assistance in order to identify climate risks and opportunities through discussion and form survey, and the risks and opportunities are also arranged in sequence according to the impact level and possibility. 3. List climate risks and opportunities of both high impact level and probability, and then analyze the impact on the operation according to different scenarios. 4. Inspect internal policies and climate topics, and establish response strategies for material climate topics. 5. The Sustainability Team and Risk Management Team continues to track each strategy response status and implementation status	(III) None.												
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	√		(IV) The Company’s management policies on GHG emissions, water consumption, and waste, as well as data statistics for the head office area over the past two years, are detailed as follows: 1. Greenhouse gas emissions: Since 2023, the Company has introduced the ISO 14064-1: 2018 standard GHG inventory and compiled the GHG report. As the GHG emissions from the head office are primarily indirect emissions, the Company has set a target to reduce GHG emissions by 0.5% annually based on electricity consumption. The Company has implemented carbon management policy based on GHG inventory results. Please refer to the sustainability report for related management policies. <table><tr><td>Year</td><td>2022</td><td>2023</td></tr><tr><td>Scope 1</td><td>11.2413 tons</td><td>10.8614 tons</td></tr><tr><td>Scope 2</td><td>54.6269 tons</td><td>55.0557 tons</td></tr><tr><td>Total</td><td>65.868 tons</td><td>65.917 tons</td></tr></table> Note: The statistical scope in the table above refers to the office area on the 7th floor of the headquarters. Huaku Development	Year	2022	2023	Scope 1	11.2413 tons	10.8614 tons	Scope 2	54.6269 tons	55.0557 tons	Total	65.868 tons	65.917 tons	(IV) None.
Year	2022	2023														
Scope 1	11.2413 tons	10.8614 tons														
Scope 2	54.6269 tons	55.0557 tons														
Total	65.868 tons	65.917 tons														

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons												
	Yes	No	Summary Description													
			increased electricity usage in public areas for energy statistics starting from 2023. To align with the 2023 statistical scope, the values for 2022 have been adjusted accordingly. 2. Water Consumption: The Company set a target to reduce water consumption per million revenue by 1% compared to the previous year. In 2023, Huaku Development reduced water consumption per million revenue by 3.56% compared to 2022. To achieve the water reduction target, water-saving measures have been implemented in the headquarters office area, such as installing water-saving devices. At the same time, employees are educated on water conservation concepts to reduce water resource consumption. <table><tr><td>Year</td><td>2022</td><td>2023</td></tr><tr><td>Water consumption</td><td>1,329 tons</td><td>1,362 tons</td></tr></table> Note: The statistical range of the table covers the 7th-floor office area of the headquarters, including public water usage. Due to a misprint in the water usage data for 2022, the figures have been adjusted. 3. Waste volume: To implement waste reduction, the Company has established specific measures, including: promoting electronic forms to reduce paper consumption, implementing waste classification and resource recycling, using cloud-based invoices, and other reduction measures. For more details, please refer to the sustainability report. <table><tr><td>Year</td><td>2022</td><td>2023</td></tr><tr><td>Waste volume</td><td>13.94 tons</td><td>17.26 tons</td></tr></table> Note: The statistical scope in the table above refers to the office area on the 7th floor of the headquarters. The Company has previously calculated waste quantity by weight. To improve the accuracy of waste statistics, starting from 2023, the Company will refer to the "General Waste Generation" data announced by the Ministry of Environment, using the daily per capita general waste generation in Taipei City as the baseline. Calculation method = Daily per capita waste generation in Taipei City × Number of working days in the current year × Number of office employees within the Company. Accordingly, adjustments have been made to the figures for 2022.	Year	2022	2023	Water consumption	1,329 tons	1,362 tons	Year	2022	2023	Waste volume	13.94 tons	17.26 tons	
Year	2022	2023														
Water consumption	1,329 tons	1,362 tons														
Year	2022	2023														
Waste volume	13.94 tons	17.26 tons														
IV. Social Issues																
(I) Has the Company established related management policies and procedures in accordance with applicable laws and the international human rights conventions?	✓		(I) The Company seeks to protect the basic human right of the employees to create an environment for human right protection to its entirety at workplace. The Company also supports and observes the “Universal Declaration of Human Rights”, “The UN Global Impact”, and the “ILO Declaration on Fundamental Principles and Rights at Work” of the ILO as well as domestic laws governing labor affairs to ward off any behavior that violate and defy human rights so that all employees of the Company can be treated fairly with respect. As such, the Company has established a human rights policy for such purpose. The Company has pursued the action plans in the proper protection of human rights through internal systems and regulations, education and training from time to time, establishment of the mechanisms for communication, and alerting the people for the concern of human right issues.	(I) None.												
(II) Has the Company established and pursued reasonable welfare policies for the employees (including remuneration, holidays, and other benefits), and reflected the performance or result of operation on the remunerations to the employees?	✓		(II) For further information on the employee benefit policy of the Company, refer to p.55. “Labor-Management Relation”. According to Article 29-1 of the Articles of Incorporation, the Company “shall appropriate 3-5% of its earnings, where applicable, as remunerations to the employees”.	(II) None.												
(III) Has the Company provided safe and healthy work environment for the employees, and education on occupational safety and health for the employees at regular intervals?	✓		(III) The Company and its subsidiaries are committed to building a healthy, safe and comfortable workplace in addition to complying with all labor laws and regulations.	(III) None.												

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(IV) Has the Company established the plan for the training of effective career development and planning of the employees?	√	√	1. The "Safety and Health Management" regulations have been established in the project construction cycle, and the safety and health and other related education and trainings are conducted from time to time. Seven employees of the Company have obtained the certificate of labor safety and health administrators, and 31 employees have obtained certificates of occupational safety and health officers in the construction industry. 2. Check the item in the safety and health log formulated within the Company one by one for the safety measure inspections before commencing the construction every day, including 13 inspections such as general conditions and fall prevention, safety equipment inspection in construction areas, and fire prevention; the site patrol and inspection meetings are conducted every week to for check and audit. Among them, the construction site inspection system developed and used by the Company and information vendor is able to integrate the daily environmental reports, self-inspection sheets, and audit forms in real time on computers and mobile phones, for tracking, prevention and improvement, to effectively improve the control of the construction site, construction quality, and labor safety and health. 3. The Company maintains first-aid kits and has installed Automated External Defibrillators (AEDs) along with conducting related training sessions. To strengthen fire safety and disaster prevention awareness, the office building occasionally hosts seminars on relevant topics and conducts drills. A security access control system is installed to ensure the protection of employee safety. Air purifiers are in place, and in 2024, office carpets were cleaned 12 times. In addition, the Company provides annual subsidies for employee health check-ups to properly manage employee health and fulfill its responsibility of providing a safe and healthy working environment. 4. The number of cases, the number of employees and the ratio to the total number of employees in 2024, and the related improvement measures: No occurrence of occupational injury. 5. The number of fire incidents in 2024, the number of deaths and injuries, and the ratio of the number of fatalities and injuries to the total number of employees, and the relevant improvement measures in response to the fire: No fire incident. (IV) The Company formulates the education and training policy for the new year annually based on its business development and the results of training surveys. A comprehensive training program is planned for directors and all employees, including new employee training, departmental professional training, cross-departmental courses, and training courses for directors. In addition, the Company fully subsidizes each employee for professional training courses related to their respective job functions to enhance individual expertise and skills, supporting employees in learning and development within their professional fields. In 2024, the Company and its departments organized a total of 16 career training sessions, with 764 participants and a total of 1,620 training hours. In addition, a total of 94 participants completed external individual professional career training, accumulating 1,381.5 training hours. During the annual performance review, supervisors and employees jointly discuss and set individual annual career development plans and goals. Through regular reviews and feedback, employees are supported in effectively achieving their annual career training plans.	(IV) None.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		(V) The Company and its subsidiaries have included the clause of consumer rights in related contracts and explained to the consumers their rights at the time of signing the contracts. Currently, the Company has set up a 0800 toll free customer service hotline for filing complaints, and has established related standard operation procedures to meet customer needs and related services.	(V) None.
(VI) Has the Company established the supplier management policy to demand suppliers to observe applicable rules and regulations governing environmental protection, occupational safety and health, or labor right, and the state of implementation?	✓		(VI) The Company and its subsidiaries and the suppliers conducting business transactions with the suppliers in conformity to the procedures for the control of suppliers, and evaluating the suppliers through the supplier evaluation mechanisms.	(VI) None.
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above? Is the aforementioned report subject to the validation or guarantee by a third party accreditor?	✓		Pursuant to the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies,” the sustainability report is prepared pursuant to the latest 2021 Global Reporting Initiatives (GRI) Standards, Task Force on Climate-Related Financial Disclosures (TCFD), and SASB Standards; it is planned to be published and reported by the end of June, 2023. In the future, third-party assurance of the sustainability report will be implemented as required by laws.	None.
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company’s operations: none				
VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development:				
1. Land resources are not renewable and construction is a master plan for a thousand years. All of us realize our social responsibility and provide home buyers safe, elegant, and comfortable living spaces. The Company spares no effort in building good quality living environments with the improvement of green zones, introduction of health and recreational facilities, good community management, and positive post-delivery customer service. 2. The Company realizes the influence of corporate activities and products on society and the environment while going for sustainable development and growth, and spares no effort in making urban aesthetics into practice through sustainability of resources, energy saving and carbon reduction. In addition, the Company has established the “HHuaku Education Foundation” as the platform for feedback to society with its knowledge and resources in architecture and construction. This foundation was established as the ramification of the stable and firm paces spirit of Huaku Development in construction to express concern to every corner of Taiwan in need of warmth and passion.				

Note 1: If “Yes” is ticked in the “Implementation status” column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If “No” is ticked in the “Implementation status” column, please explain the deviations and the reasons in the “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons” column and explain the Company’s plans for adoption of related policies, strategies, and measures in the future. However, for Items 1 and 2, the TWSE/TPEX listed company shall describe its governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal formulation, review measures, etc. It additionally shall describe the company’s risk management policies or strategies for operations-related environmental, social, and corporate governance issues, and their assessment status. Regarding initiatives one and two, listed companies should specify the governance and supervision structure for sustainable development, including but not limited to management policies, strategy and target setting, and review measures. Additionally, state the company’s risk management policies or strategies related to environmental, social, and corporate governance issues, and their assessment situation.

Note 2: Principle of materiality refers to issues pertinent to the environment, society, and corporate governance that caused significant influence on the investors and stakeholders of the Company.

Note 3: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(VI) Climate-related information:

1. Climate-related information implementation situation:

Item	State of Pursuit
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	1. The Company designates the Board of Directors as the highest authority for risk management, with the General Manager serving as the convener of the Risk Management Team. Each year, the Sustainability Team submits the results of the climate risk and opportunity analysis to the Risk Management Team, which then reports to the Board of Directors.
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).	2. The Company prioritizes the 5 climate risks based on their likelihood and impact: Short-term: In order to suppress the cost increase of air pollution control equipment. Mid-term: Increase in carbon fee and decrease in market demand. Long-term: Delay in production and review process, and increase in operating and land acquisition costs. And 3 key climate opportunities: Short-term: Make effective use of the public sector incentive programs and participate in government energy-saving initiatives. Mid-term: Promote energy-saving and carbon-reduction initiatives, as well as low-carbon products and services. Long-term: Adopt green building and smart building technologies, and use low-carbon construction methods and materials.
3. Financial impacts of extreme climate events and transformational actions.	3. The actions taken by the Company to address transformation risks include the introduction of prefabricated construction methods, the execution of GHG inventory, integration of product services, and strengthening of site management, all of which have resulted in increased direct costs.
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	4. The Company adopts the following methods to identify climate risks: (A) Establish climate risk and opportunity list. (B) Summon all departments to identify and arrange topics in sequence. (C) Determine material risks and opportunities and perform scenario analysis (D) Inspect policies and response strategies (E) Execution and progress tracking. The Risk Management Team incorporates the results of climate risk and opportunity analysis into the overall risk management process and reviews the execution of risk management by each unit annually.
5. If scenario analysis is used to assess resilience in the face of climate change risks, the use of scenarios, parameters, assumptions, analysis factors, and major financial impacts shall be described.	5. The Company, referring to the 6th assessment report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC), selected the SSP1-2.6 and SSP5-8.5 scenarios to conduct scenario analysis of climate change. Under the SSP1-2.6 scenario, the Company may be impacted by high carbon prices, strict product efficiency regulations, and air quality control standards, leading to an increase in operational costs. Under the SSP5-8.5 scenario, the increased frequency of extreme weather events may result in equipment damage and safety issues for employees, or cause project delays due to work stoppages and difficulties in raw material transportation, leading to increased expenses.
6. If there is a transformation plan in response to the management of climate-related risks, describe the contents of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	6. The Company has set a target to reduce electricity consumption by 0.5% annually as part of its climate-related indicators and goals. To comprehensively manage carbon, ISO 14064-1 GHG inventory standards were introduced in 2023, and the inventory work is carried out in accordance with the latest ISO 14064-1: 2018 standards. The Company continues to monitor the progress of key indicators and goals, including energy, GHG emissions, and waste.
7. If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.	7. The Company will implement such policy in accordance with applicable laws in the future.
8. If climate-related targets are set, explain the activities covered, greenhouse gas emission scopes, planning periods, and annual progress achieved. If carbon offsets or renewable energy certificates (RECs) are used to meet these targets, explain the source and amount of the carbon reduction or the number of RECs.	8. The Company will implement such policy in accordance with applicable laws in the future.
9. Greenhouse gas inventories, assurance status, and reduction targets, strategies, and concrete action plans (please fill in 1-1 and 1-2 separately).	9. The Company will implement such policy in accordance with applicable laws in the future.

1-1. The Company's greenhouse gas inspection and confirmation in the last two years: Not applicable.

1-2. Greenhouse gas reduction goals, strategies and concrete action plans: Not applicable.

(VII) Fulfillment of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX listed companies, and the reasons therefor:

Items for Evaluation	The Pursuit (Note)			Variation From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies
	Yes	No	Summary Description	
I. Establishment of Ethical Corporate Management Policy and Action Plans (I) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?	√		(I) The Company has instituted the “Ethical Corporate Management Best Practice Principles” passed by the Board with disclosure at the official website of the Company as the ethic code of conduct for the guidance of the members of the Board and employees of the Company.	(I) None.
(II) Has the Company developed the mechanisms for the assessment of integrity risk with routine analysis and assessment on business activities exposed to higher integrity risk in the operation basing on which the Company planned for the prevention of unethical practices. The content shall cover at least the preventive measures contained in Paragraph 2 in Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies”?	√		(II) The Auditing Office of the Company and the retained certified public accountants conducted audits on the business activities on a selective basis at regular intervals. In addition, the Company has established a mail box at its official website for reporting any misconduct for the prevention of unethical practices.	(II) None.
(III) Has the Company established plans for the prevention of unethical practices, and has it specified the operation procedures, code of conduct, and punishment for violation, and the system of complaints in the plans and properly implemented these plan with routine review and revision?	√		(III) The Company has instituted the “Ethical Code of Conduct” as the guide for integrity for the members of the Board and employees to comply with. In addition, the Company has also instituted the “Evaluation, Punishment and Reward Guide”, and the “Regulations Governing Informing and Complaints” for the prevention of unethical practices. These regulations are properly enforced.	(III) None.
II. Implementation of Ethical Corporate Management (I) Has the Company evaluated the record of the counterparties on business ethics, and explicitly stated business integrity as an integral part of the contracts when entering into agreements with counterparties of trade?	√		(I) The Company and its subsidiaries have established proper procedures for the control of suppliers to avoid business engagement with suppliers with records of unethical practices.	(I) None.
(II) Has the Company established a designated body directly under the Board for administering ethical corporate management with routine report to the Board (at least once a year) on the pursuit of the ethical corporate management policy and the plans for the prevention of unethical practices, and the supervision of the implementation of these policies?	√		(II) The Company's "Chairman's Office" is a unit responsible for promoting ethical corporate management, which reports the implementations to the Board of Directors once every year. On January 15, 2025, the Board of Directors reported the implementation of ethical corporate management for 2024.	(II) None.
(III) Has the Company made policies for the prevention of the conflict of interest, and provided the channels for expressions, and has it properly implemented this system?	√		(III) The Company made its policies for the prevention of the conflict of interest in the “Ethical Corporate Management Best Practice Principles” and “Ethical Code of Conduct”: 1. Avoid possible conflicts of interest between the personal interests of the personnel and the overall interests of the Company. 2. If the personnel of the Company involved in financing, endorsement/guarantee, and major asset trade with the affiliates of the Company, proceed with applicable laws and the internal rules and regulations of the Company. The aforementioned measures were properly enforced in conjunction with the reporting systems and the channels for complaints.	(III) None.
(IV) Has the Company established effective accounting system, internal control system, for the proper pursuit of ethical corporate management. Has the internal audit function designed relevant audit plan on the basis of the assessment result of integrity risk for the prevention of unethical practices and	√		(IV) The Company has established an effective accounting system and internal control system. The Audit Office formulates relevant audit plans and conducts audits to ensure the effective implementation of various systems and the implementation of ethical management. The audit results are regularly reported to the Audit Committee and the Board of Directors .	(IV) None.

Items for Evaluation	The Pursuit (Note)			Variation From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies
	Yes	No	Summary Description	
compliance of related rules and regulations, or commissioned certified public accountants to conduct audits on unethical practices? (V) Has the Company provided internal and external trainings on topics of ethical corporate management at regular intervals?	✓		(V) The company and its subsidiaries educate new hires during pre-employment training and regularly hold internal educational sessions on related topics, encouraging staff to pursue further education and providing periodic updates on educational training opportunities.	(V) None.
III. The Function of the Reporting System of the Company (I) Has the Company established substantive systems for reporting and rewards for facilitating the reporting of unethical practices, and appointed designated persons for dealing with the persons being reported? (II) Has the Company established the standard operation procedures for the investigation of complaints as reported, follow-up actions after the investigation, and related mechanisms for confidentiality? (III) Has the Company established related measures for the protection of the informants from undue treatment?	✓ ✓ ✓		(I) The Company and its subsidiaries have instituted the “Regulations Governing Reporting and Filing Complaints” and have appointed the Chairman’s Office to respond to the reports and complaints. (II) The Company and its subsidiaries have instituted the “Regulations Governing Reporting and Filing Complaints” with clear description of the procedures for the investigation of reports/complaints. In addition, the procedure of investigation of the reports/complaints will be carried out in strict confidence. (III) The Company and its subsidiaries have instituted the “Regulations Governing Reporting and Filing Complaints” with the establishment of the principle of confidentiality to protect the informants from undue treatment because of reporting or filing the complaints.	(I) None. (II) None. (III) None.
IV. Intensification of Disclosure Has the Company disclosed its ethical corporate management best practice principles and the effect from the pursuit of these principles at its official website or at MOPS?	✓		The Company has established the “Ethical Corporate Management Best Practice Principles” and disclosed the content at its official website and the MOPS.	None.
V. If the Company has instituted its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE Listed or TPEX listed Companies”, specify the detail of pursuit and the variation from the best practice principles: The Company has established its ethical corporate management best practice principles and has educated the members of the Board and employees of the principles so that they could familiarize with their duties and the legal framework and related restrictions. They should avoid receiving unjustified personal benefits by the functions they perform, and prompt for access to legitimate benefits when conducting business activities of the Company. The implementation of the Ethical Corporate Management Best Practice Principles does not vary with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies”.				
VI. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles): 1. The transactions between the Company and related parties were disclosed on MOPS as required by law. 2. It is explicitly stated that suppliers and contractors shall duly observe the procedure for the control of suppliers. All suppliers are subject to routine evaluation.				

Note: Give the summary description in the field provided irrespective of choosing either “Yes” or “No” in the answer.

(VIII) Any other vital information that could help to understand the pursuit of corporate governance of the Company better: None.

(IX) The Implementation of the Internal Control System

1. Statement of Internal Control: Index: MOPS → Corporate Governance → Internal Control Section → Announcement of the Statement of Internal Control.
<https://mops.twse.com.tw/mops/#/web/t06sg20>
2. When entrusting a CPA to review the internal control system, the CPA's review report should be disclosed: Index: MOPS → Corporate Governance → Internal Control Section → Internal Control Project Review Report. <https://mops.twse.com.tw/mops/#/web/t06sg20>

- (X) Material resolutions of a shareholders' meeting or a Board of Directors' meeting during the most recent year or during the current year up to the publication date of the annual report:

Major resolutions of the shareholders' meeting in the session dated May 29, 2024:

Major Resolution	State of Pursuit
Ratification of the 2023 Business Report and Financial Statements	The resolution has been announced pursuant to Article 230 of the Company Act.
Ratification of the Proposal for Distribution of Earnings in 2023	Cash dividend of NT\$7.5 per share, and stock dividends of NT\$1 per share. The ex-dividend date is set for June 29, 2024, and the cash dividend will be distributed on July 12, 2024; the stock dividend will be distributed on August 16, 2024.
Increase of Capital through Issuance of New Shares	On August 2, 2024, the change of registration was approved by the competent authority, and the new shares issued through the capital increase will be distributed and listed for trading on August 16, 2024.

The Board resolved to pass the motion.

Board of Directors	Content of the Motion	Items specified under §14-5 of the Securities and Exchange Act	Not passed by the Auditing Committee but approved to pass the motion by more than 2/3 of the Directors
2024/1/24 12th term 5th meeting	Motion 1: Discussion on the execution of the 2023 development quota and the termination of the remaining quota.	14-5-11	
	Motion 2: Proposal for the authorization of the development quota for 2024 and agreement that the Chairman handles all land development matters within the quota at appropriate times.	14-5-11	
	Motion 3: The Company plans to enter into an agreement with Pin Hsing Construction Co., Ltd. for the construction works of the "Huaku Upper Mansion Project" (from retaining columns to structural body).	14-5-11	
	Motion 4: The Company planned to enter into an agreement with Pin Hsing Construction Co., Ltd. on the construction and decoration of the "Huaku Asia One Project".	14-5-11	
	Case No. 5: Amendment to the sustainable employee stock ownership plan for employees (including managers).		
	Motion 6: No distribution of remuneration to employees and performance bonus to the managerial officers of the Company.		
	Resolution of the Auditing Committee (The 5th session of the 3rd term dated Jan. 24, 2024): all the committee members in session acted on behalf of the motion as stated at common consent.		
	Response of the Company to the opinions of the Auditing Committee: all the Directors in session voted in favor of the motion in common consent.		
2024/2/27 12th term 6th meeting	Motion 1: 2024 Business Plan.	14-5-11	
	Motion 2: 2023 Declaration of Internal Control System.	14-5-2	
	Motion 3: 2023 Financial Statements.	14-5-10	
	Motion 4: Total remunerations to the employees and Directors in 2023, and the mode of payment.		
	Note: Regular assessment of the attesting certified public accountants' independence.	14-5-8	
	Motion 6: It is intended to approve the attesting CPAs, their firm, and the affiliates of the firm and alliance firms to provide the non-assurance service to the Company and its subsidiaries in advance.	14-5-8	
	Motion 7: Attestation service fees of auditor's firm for 2024 to 2025.	14-5-8	
	Motion 8: Renewal of the credit limit to be due.	14-5-11	
	Motion 9: The Company planned to enter into an agreement with its subsidiary Pin Hsing Construction Co., Ltd. on the construction and decoration of "Casa Blanca."	14-5-11	
	Motion 10: The Company planned to enter into an agreement with Pin Hsing Construction Co., Ltd. on the construction and decoration of "Casa Blanca."	14-5-11	
	Motion 11: The Company intends to sign a contract with the subsidiary Pin Hsing Construction Co., Ltd. for the "Huaku Trade and Finance Center" construction and architectural client alteration project.	14-5-11	
	Motion 12: Set the date for the regular session of the 2024 Shareholders		

Board of Directors	Content of the Motion	Items specified under §14-5 of the Securities and Exchange Act	Not passed by the Auditing Committee but approved to pass the motion by more than 2/3 of the Directors
	Meeting, the place, and related matters.		
	Motion 13: Establishment of the procedure for the proposal of motions and related affairs in the regular session of the 2024 Shareholders Meeting.		
	Motion 14: Amendment to the “Parliamentary Procedure of the Board”.		
	Motion 15: Amendment to the “Organization Code of the Audit Committee” of the Company.		
	Motion 16: Amendment to the “Organization Code of the Compensation Committee” of the Company.		
	Motion 17: Amendment to the “Internal Control System”.	14-5-1	
	Motion 18: Amendment to the “Internal Control System”.	14-5-1	
	Resolution of the Auditing Committee (The 6th session of the 3rd term dated February 27, 2024): all the committee members in session acted on behalf of the motion as stated at common consent.		
	Response of the Company to the opinions of the Auditing Committee: all the Directors in session voted in favor of the motion in common consent.		
2024/3/20 12th term 7th meeting	Motion 1: Proposal for the Distribution of Earnings in 2023.	14-5-11	
	Motion 2: Increase of capital through issuance of new shares.	14-5-7	
	Motion 3: Addition of items for discussion at the 2024 Annual General Meeting.		
	Motion 4: Application for financing of stock dividend.	14-5-11	
	Motion 5: Remuneration to the Directors, managerial officers and employees for 2023 will be set at 2 months.		
	Resolution of the Auditing Committee (The 7th session of the 3rd term dated Mar. 20, 2024): all the committee members in session acted on behalf of the motion as stated at common consent.		
	Response of the Company to the opinions of the Auditing Committee: all the Directors in session voted in favor of the motion in common consent.		
2024/5/8 12th term 8th meeting	Motion 1: Financial reports of Q3, 2024.	14-5-10	
	Motion 2: Application for financing limit of dividend.	14-5-11	
	Motion 3: Application for financing of stock dividend.	14-5-11	
	Motion 4: Disposal of shares in the subsidiary "Chengdu Huaku Property Co., Ltd."		
	Motion 5: The Company planned to enter into an agreement with subsidiary, Pin Shing Construction Co., Ltd. on the construction and decoration of the “Huaku Fortune One”.	14-5-11	
	Motion 6: The Company planned to enter into an agreement with subsidiary, Pin Shing Construction Co., Ltd. on the construction and decoration of the “Huaku Upper Mansion”.	14-5-11	
	Motion 7: The sale of premises and car park of “Casa Blanca” to related parties.	14-5-11	
	Motion 8: Adjustment of salaries of managers.		
	Motion 9: Adjustment of the organization.		
	Resolution of the Auditing Committee (The 8th meeting of the 3rd term dated May 8, 2024): All the committee members in session acted on behalf of the motion as stated at common consent.		
	Response of the Company to the opinions of the Auditing Committee: all the Directors in session voted in favor of the motion in common consent.		
2024/5/29 12th term 9th meeting	Motion 1: Authorization for the Chairman to determine the record date for stock dividend and capital increase, along with related matters.	14-5-7	
	Motion 2: The Company intends to sign the "Jangdah Beitou Project" trial piling engineering contracting agreement with its subsidiary Pin Shing Construction Co., Ltd.	14-5-11	
	Resolution of the Audit Committee (The 9th meeting of the 3rd term dated May 29, 2024): All the committee members in session acted on behalf of the motion as stated at common consent.		
	Response of the Company to the opinions of the Auditing Committee: all the Directors in session voted in favor of the motion in common consent.		

Board of Directors	Content of the Motion	Items specified under §14-5 of the Securities and Exchange Act	Not passed by the Auditing Committee but approved to pass the motion by more than 2/3 of the Directors
2024/8/8 12th term 10th meeting	Motion 1: Financial reports of Q2, 2024.	14-5-10	
	Motion 2: The Company intends to issue the third and fourth domestic unsecured convertible bonds.	14-5-7	
	Motion 3: Application for financing of stock dividend.	14-5-11	
	Motion 4: Renewal of the credit limit to be due.	14-5-11	
	Motion 5: Participation in the cash capital increase of the subsidiary, Pin Shing Construction Co., Ltd.	14-5-11	
	Motion 6: The sale of premises and car park of “Huaku Upper Mansion” to related parties.	14-5-4	
	Motion 7: The Company planned to enter into an agreement with subsidiary, Pin Shing Construction Co., Ltd. on the construction and electromechanical engineering of the “Ultimate Luxury”.	14-5-11	
	Motion 8: The Company planned to enter into an agreement with subsidiary, Pin Hsing Construction Co., Ltd., on the construction (from foundation to structure, elevators and kitchen equipment) of the “Huaku Flourish Mansion”.	14-5-11	
	Motion 9: The Company planned to enter into an agreement with subsidiary, Pin Hsing Construction Co., Ltd., on the construction (from foundation to structure, elevators and kitchen equipment) of the “Mout River”.	14-5-11	
	Motion 10: The Company's 2023 Sustainability Report.		
	Resolution of the Audit Committee (The 10th meeting of the 3rd term dated August 8, 2024): All the committee members in session acted on behalf of the motion as stated at common consent.		
	Response of the Company to the opinions of the Auditing Committee: all the Directors in session voted in favor of the motion in common consent.		
2024/11/6 12th term 11th meeting	Motion 1: Financial reports of Q3, 2024.	14-5-10	
	Motion 2: Application for financing of stock dividend.	14-5-11	
	Motion 3: Application for financing facility of Jangdah Beitou Project.	14-5-11	
	Motion 4: Renewal of the credit limit to be due.	14-5-11	
	Motion 5: The sale of premises and car park of “Casa Blanca” to related parties.	14-5-4	
	Motion 6: The Company planned to enter into an agreement with subsidiary, Pin Hsing Construction Co., Ltd., on the construction (from foundation to structure, elevators and kitchen equipment) of the “Huaku the Weaven”.	14-5-11	
	Motion 7: Amendment to the “Internal Control System”.	14-5-1	
	Motion 8: Amendment to the “Self-Evaluation Questionnaire for the Performance of the Board of Directors”.		
	Motion 9: 2025 audit plan.		
	Resolutions adopted by the Audit Committee (November 6, 2024, 11th meeting of the 3rd Term): Motion 5: The entire committee discussed and approved the deferral of this item, requesting the Board of Directors to discuss it. Other motions: All the committee members in session acted on behalf of the motion as stated at common consent.		
2025/1/15 12th term 12th meeting	Measures taken by the Company regarding the opinions of the Audit Committee Motion 5: With the exception of one stakeholder recusal, the remaining directors agreed to defer the motion. Other motions: All attending directors had no objections and approved the motion as is.		
	Motion 1: Discussion on the execution of the 2024 development quota and the termination of the remaining quota.	14-5-11	
	Motion 2: Proposal for the authorization of the development quota for 2025 and agreement that the Chairman handles all land development matters within the quota at appropriate times.	14-5-11	
	Motion 3: Application for financing of stock dividend.	14-5-11	
	Motion 4: No distribution of remuneration to employees and performance bonus to the managers of the Company.		
	Resolution of the Audit Committee (The 12th meeting of the 3rd term dated January 15, 2025): All the committee members in session acted on behalf of the motion as stated at common consent Response of the Company to the opinions of the Auditing Committee: all the Directors in session voted in favor of the motion in common consent.		

Board of Directors	Content of the Motion	Items specified under §14-5 of the Securities and Exchange Act	Not passed by the Auditing Committee but approved to pass the motion by more than 2/3 of the Directors
2025/2/26 12th term 13th meeting	Motion 1: 2025 Business Plan.	14-5-11	
	Motion 2: 2024 Statement of Internal Control System.	14-5-2	
	Motion 3: 2024 Financial Statements.	14-5-10	
	Motion 4: The proposed remuneration to employees and directors for 2024.		
	Motion 5: Proposal for the replacement of CPAs retained by the Company.	14-5-8	
	Motion 6: Regular assessment of the attesting certified public accountants' independence.	14-5-8	
	Motion 7: Application and renewal of the Company's financing facilities.	14-5-11	
	Motion 8: The Company planned to enter into an agreement with Pin Hsing Construction Co., Ltd. on the construction (from foundation to structure and outer walls) of the office buildings in the "Huaku Jangdah Beitou Project".	14-5-11	
	Motion 9: Set the date, venue, and related matters for the 2025 annual general shareholders' meeting.		
	Motion 10: Establish procedures for shareholder proposals for the 2025 annual general shareholders' meeting.		
	Motion 11: Amendment to the "Articles of Incorporation" of the Company.		
	Motion 12: Amendment to the "Internal Control System".	14-5-1	
	Motion 13: Amendment to the "Internal Control System".	14-5-1	
	Motion 14: Amendment to the "Internal Control System".	14-5-1	
	Motion 15: Dismissal of the Company's managers.		
	Resolution of the Audit Committee (The 13th meeting of the 3rd term dated February 26, 2025): All the committee members in session acted on behalf of the motion as stated at common consent.		
	Response of the Company to the opinions of the Auditing Committee: all the Directors in session voted in favor of the motion in common consent.		
2025/3/12 12th term 14th meeting	Motion 1: Proposal for the distribution of earnings in 2024.	14-5-11	
	Motion 2: Increase of capital through issuance of new shares.	14-5-7	
	Motion 3: Addition of items for discussion at the 2025 annual general shareholders' meeting.		
	Motion 4: The sale of premises and car park of "Casa Blanca" to related parties.	14-5-4	
	Motion 5: Remuneration to the Directors, managers and employees for 2024 will be set at 2 months.		
	Resolutions adopted by the Audit Committee (March 12, 2025, 14th meeting of the 3rd term): Motion 1: Approved by all committee members after discussion, with an adjustment to the attached amount, and submitted to the Board of Directors for discussion. Motion 2: Approved by all committee members after discussion, with an adjustment to the proposed amount, and submitted to the Board of Directors for discussion. Other motions: All the committee members in session acted on behalf of the motion as stated at common consent.		
	Measures taken by the Company regarding the opinions of the Audit Committee Motion 1: After discussion by all attending directors, the adjusted amount in the attachment, as proposed by the Audit Committee, was approved without objection. Motion 2: After discussion by all attending directors, the proposed amount adjustment by the Audit Committee was approved without objection. Other motions: All attending directors had no objections and approved the motion as is.		

(XI) The summary of the adverse opinions of the directors and supervisors against major resolutions of the board on record or in written declaration in the most recent year to the publication date of this report: None.

IV. Information on the professional fees of the attesting CPAs:

Currency Unit: NTD thousand

Name of CPA Firm	Name of CPA	Examination Period of the CPA	Auditing Fee	Non-auditing Fee	Total	Remark
PwC Taiwan	Hsiao, Chun-Yung	Q1 to Q4, 2024	3,535	1,845	5,380	Non-audit service fees are incurred for transfer pricing certification, audits of restricted deposit agreement procedures, audits of the direct deduction method for business tax, provisional tax audits, project services for free new share allocation, and reviews of CB issuance and evaluation reports, among other items.
	Lin Se-Kai					

Please specify the details of the non-audit service fees. (For example, tax certification, assurance, or other financial advisory and consulting services)
 Note: If the Company has replaced the CPAs or switched to another CPA firm in the current period, specify the examination period of the CPAs separately, and explain the reasons for the change in the remark field. Information on the auditing fee and non-auditing fee should also be disclosed. Please describe the non-audit service fees in the remarks.

- (I) If the payment of the auditing fee to the newly retained CPA firm is less than the auditing fee of the previous year, disclose the auditing fee before and after switching to the new CPA firm and explain the change: None.
- (II) If the auditing fee decreased by more than 10% than from the previous year, disclose the amount reduced, the ratio, and the reason: None.

V. Information on replacement of CPAs:

(I) The previous CPA

Date of replacement	February 26, 2025		
Note to the reason for replacement	Due to the internal operations and personnel adjustment of the accounting firm, the CPAs Hsiao, Chun-Yung and Lin, Se-Kai are replaced by CPAs Wang, Fang-Yu and Lin, Chia-Hung.		
Explain the termination by the Appointer or the CPAs or declined to accept the appointment	Contracting Parties		
	Situation	CPA	Appointer
	Voluntary termination of appointment	Not Applicable	Not Applicable
	Decline to accept (continue) the appointment	Not Applicable	Not Applicable
Opinions other than no qualified opinion stated in the Auditors' Report over the last 2 years and the reason	Not Applicable		
Any adverse opinions from the opinions of the issuer	Yes		Accounting principles or practice
			Disclosure of financial statements
			Scope of procedure of audits
			Others
	None	V	
	Explain		
Others for disclosure (To be disclosed pursuant to Article 10-6-4 to Article 10-6-7 of the Standard)	Not Applicable		

(II) About the succeeding CPAs

Name of CPA Office	PwC Taiwan
Name of CPA	CPAs Wang, Fang-Yu and CPA Lin, Chia-Hung
Date of appointment	February 26, 2025
Consultation for opinions and results pertinent to the accounting of particular transactions or accounting principles and possible opinions issued at the time of certification of financial statements	Not Applicable
Different opinions before the predecessor and successor CPAs in writing	Not Applicable

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

VI. The Chairman, General Manager, Managers of Finance or Accounting who have been working with the retained CPA firm or its affiliates in the last year, disclose the name, title, and the duration of employment with the retained CPA firm or its affiliates: None.

VII. Shareholding transfers and changes in shareholding pledges by directors, supervisors, managers, and shareholders holding more than 10% of the shares during the most recent year and up to the publication date of the annual report: Index: MOPS → Basic Information → Shareholding, Pledges, and Transfers of Directors, Supervisors, and Major Shareholders → Detailed Information on Director and Supervisor Shareholdings.

Shareholding transfers: https://mops.twse.com.tw/mops/#/web/query6_1

changes in shareholding pledges: https://mopsov.twse.com.tw/mops/web/STAMAK03_1

VIII. Relationship information, if among the Company's top 10 shareholders, any one is a related party or a relative within the second degree of kinship of another:

Name (Note 1)	Shareholding		Shares Held by Spouse and/or Children who are Minors		Shares held in the name of others Total shares held		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remark
	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Name	Relation	
Chung Shan Investment Co., Ltd. Representative: Chung Cho-Chun	21,602,000	7.09%	0	0.00%	0	0.00%	None	None	
	227,736	0.07%	0	0.00%	0	0.00%	None	None	
New Land Investment Co., Ltd. Representative: Tu Huang-Chen	16,160,080	5.31%	0	0.00%	0	0.00%	None	None	
	0	0.00%	0	0.00%	0	0.00%	None	None	
Taiwan Life Insurance Co., Ltd. Representative: Cheng, Tai-Keh	13,948,000	4.58%	0	0.00%	0	0.00%	None	None	
	0	0.00%	0	0.00%	0	0.00%	None	None	
Chang Gung Medical Foundation Representative: Wang, Rui-Huei	6,844,000	2.25%	0	0.00%	0	0.00%	None	None	
	0	0.00%	0	0.00%	0	0.00%	None	None	
Hua Nan Bank Custodian Account for Yuanfa Taiwan Value High Dividend ETF Securities Investment Trust Fund	5,444,000	1.79%	0	0.00%	0	0.00%	None	None	
Hwang Yih-Ray	5,226,702	1.72%	0	0.00%	0	0.00%	None	None	
Special investment account of Central Bank of Norway in custody of Citibank (Taiwan)	3,781,813	1.24%	0	0.00%	0	0.00%	None	None	
Standard Chartered Bank Business Department as a custodian for the Vanguard Index Fund Series - International Equity Index Fund	3,572,841	1.17%	0	0.00%	0	0.00%	None	None	
Standard Chartered Bank Business Department as a custodian for Vanguard Emerging Markets Stock Index Fund Investor Shares managed by the Vanguard Group	3,358,020	1.10%	0	0.00%	0	0.00%	None	None	
Tien Sung Investment Co., Ltd. Representative: Chen, Wen-Jang	3,280,019	1.08%	0	0.00%	0	0.00%	None	None	
	178,905	0.06%	0	0.00%	0	0.00%	None	None	

Note 1: List all the top 10 Shareholders. For institutional shareholders, list the names of the institutional shareholders and their representatives separately.

Note 2: The proportion of shareholding is calculated on the basis of the quantity of shares held by the person, spouse, children who are minors, or held in the name of a third party in total.

Note 3: The shareholders disclosed as mentioned include institutional shareholders or natural persons. The relation shall be disclosed in accordance with the Criteria for the Compilation of Financial Statements by Securities Issuers.

IX. The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the Company:

Unit: Share; %

Direct investments (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managers, or investee Company with direct or indirect control.		Overall Investment	
	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding
Pin Hsing Construction Co., Ltd.	70,000,000	100%	0	0%	70,000,000	100%
Taiwan Digit Automated Control Co., Ltd.	800,000	40%	0	0%	800,000	40%
Chengdu Wanchengduobao Property Co., Ltd.	-	80%	-	0%	-	80%
Hua Pu Construction Co., Ltd.	500,000	50%	0	0%	500,000	50%

Note: Long-term equity investment by the Company accounted for under the equity method.

Three. Status of Funding

I. Sources of Equity Capital:

YYYYMM	Issuing price	Authorized Capital		Paid-in Capital		Remark		
		Quantity of Shares	Amount (NT\$ thousand)	Quantity of Shares	Amount (NT\$ thousand)	Sources of Equity Capital	The use of assets other than cash for equity investment.	Others
1989.03	10	3,000,000	30,000	3,000,000	30,000	Capital investment for incorporation at NT\$30,000,000.	None	
1993.01	10	5,000,000	50,000	5,000,000	50,000	Raising new capital of NT\$20,000,000	None	
1995.07	10	6,000,000	60,000	6,000,000	60,000	Raising new capital of NT\$10,000,000	None	
1997.11	11	40,000,000	400,000	40,000,000	400,000	Raising new capital of NT\$340,000,000	None	Description 1
1998.08	12	100,000,000	1,000,000	56,000,000	560,000	Raising new capital of NT\$160,000,000	None	Description 2
1999.06	10	100,000,000	1,000,000	68,000,000	680,000	Capitalization of retained earnings into new shares amounting to NT\$120,000,000	None	Description 3
2000.05	10	100,000,000	1,000,000	85,800,000	858,000	Capitalization of additional paid-in capital amounting to NT\$19,834,240. Capitalization of retained earnings amounting to NT\$158,165,760	None	Description 4
2001.06	10	103,600,000	1,036,000	103,600,000	1,036,000	Capitalization of retained earnings into new shares amounting to NT\$178,000,000	None	Description 5
2002.01	10	112,600,000	1,126,000	102,000,000	1,020,000	Decapitalization through repurchase of treasury shares amounting to NT\$16,000,000	None	Description 6
2002.06	10	112,600,000	1,126,000	112,600,000	1,126,000	Capitalization of retained earnings into new shares amounting to NT\$106,000,000	None	Description 7
2004.06	10	200,000,000	2,000,000	121,800,000	1,218,000	Capitalization of additional paid-in capital amounting to NT\$45,040,000. Capitalization of retained earnings amounting to NT\$46,960,000	None	Description 8
2004.10	10	200,000,000	2,000,000	132,521,118	1,325,211	Conversion of convertible bonds into new shares amounting to NT\$107,211,180	None	Description 9
2005.01	10	200,000,000	2,000,000	135,848,501	1,358,485	Conversion of convertible bonds into new shares amounting to NT\$33,273,830	None	Description 10
2005.05	10	200,000,000	2,000,000	136,640,523	1,366,405	Conversion of convertible bonds into new shares amounting to NT\$7,920,220	None	Description 11
2005.07	10	200,000,000	2,000,000	140,569,700	1,405,697	Conversion of convertible bonds into new shares amounting to NT\$39,291,770	None	Description 12
2005.08	10	200,000,000	2,000,000	140,987,124	1,479,871	Capitalization of additional paid-in capital amounting to NT\$74,174,240	None	Description 13
2005.10	10	200,000,000	2,000,000	155,803,971	1,558,040	Conversion of convertible bonds into new shares amounting to NT\$78,168,470	None	Description 14
2006.08	10	200,000,000	2,000,000	172,884,368	1,728,884	Capitalization of additional paid-in capital amounting to NT\$124,643,180. Capitalization of retained earnings amounting to NT\$46,160,790	None	Description 15
2007.08	10	300,000,000	3,000,000	201,745,866	2,017,459	Capitalization of additional paid-in capital amounting to NT\$103,730,620. Capitalization of retained earnings amounting to NT\$184,884,360	None	Description 16
2008.09	10	300,000,000	3,000,000	233,207,745	2,332,077	Capitalization of additional paid-in capital amounting to NT\$80,698,340. Capitalization of retained earnings amounting to NT\$233,920,450	None	Description 17
2009.08	10	300,000,000	3,000,000	239,166,918	2,391,669	Conversion of convertible bonds into new shares amounting to NT\$59,591,730	None	Description 18
2010.01	10	300,000,000	3,000,000	241,433,410	2,414,334	Conversion of convertible bonds into new shares amounting to NT\$22,664,920	None	Description 19
2010.03	10	300,000,000	3,000,000	242,930,694	2,429,307	Conversion of convertible bonds into new shares amounting to NT\$14,972,840	None	Description 20

YYYYMM	Issuing price	Authorized Capital		Paid-in Capital		Remark		
		Quantity of Shares	Amount (NT\$ thousand)	Quantity of Shares	Amount (NT\$ thousand)	Sources of Equity Capital	The use of assets other than cash for equity investment.	Others
2010.06	10	500,000,000	5,000,000	244,176,331	2,441,763	Conversion of convertible bonds into new shares amounting to NT\$12,456,370	None	Description 21
2010.07	10	500,000,000	5,000,000	258,742,676	2,587,427	Capitalization of additional paid-in capital amounting to NT\$145,663,450	None	Description 22
2010.08	10	500,000,000	5,000,000	259,064,236	2,590,642	Conversion of convertible bonds into new shares amounting to NT\$3,215,600	None	Description 23
2010.11	10	500,000,000	5,000,000	260,245,670	2,602,457	Conversion of convertible bonds into new shares amounting to NT\$11,814,340	None	Description 24
2011.03	10	500,000,000	5,000,000	260,830,053	2,608,300	Conversion of convertible bonds into new shares amounting to NT\$11,814,340	None	Description 25
2011.06	10	500,000,000	5,000,000	261,195,222	2,611,955	Conversion of convertible bonds into new shares amounting to NT\$3,654,690	None	Description 26
2011.07	10	500,000,000	5,000,000	271,385,026	2,713,850	Capitalization of additional paid-in capital amounting to NT\$78,249,020. Conversion of convertible bonds amounting to NT\$23,646,020	None	Description 27
2012.07	10	500,000,000	5,000,000	276,812,726	2,768,127	Capitalization of additional paid-in capital amounting to NT\$54,277,000	None	Description 28
2024.08	10	500,000,000	5,000,000	304,493,998	3,044,940	Capitalization of retained earnings into new shares amounting to NT\$276,812,720	None	Description 29

Description 01: 1997/11/17 Tai-Cai-Zheng- (I)-No. 82757

Description 02: 1998/7/13 Tai-Cai-Zheng- (I)-No. 58993

Description 03: 1999/5/31 Tai-Cai-Zheng- (I)-No. 51115

Description 04: 2000/4/27 Tai-Cai-Zheng- (I)-No. 34173

Description 05: 2001/4/25 Tai-Cai-Zheng- (I)-No. 121561

Description 06: 2002/1/31 Tai-Cai-Zheng- (III)-No. 104503

Description 07: 2002/6/17 Tai-Cai-Zheng- (I)-Zi No. 0910132755

Description 08: 2004/6/21 Tai-Cai-Zheng- (I)-Zi No. 0930127466

Description 09: 2004/10/19 Jing-Shou-Shang-Zi No. 093011197420

Description 10: 2005/1/19 Jing-Shou-Shang-Zi No. 09401006310

Description 11: 2005/5/11 Jing-Shou-Shang-Zi No. 09401079970

Description 12: 2005/7/15 Jing-Shou-Shang-Zi No. 09401135170

Description 13: 2005/8/24 Jing-Shou-Shang-Zi No. 09401166570

Description 14: 2005/10/19 Jing-Shou-Shang-Zi No. 09401206520

Description 15: 2006/8/24 Jing-Shou-Shang-Zi No. 09501188450

Description 16: 2007/8/22 Jing-Shou-Shang-Zi No. 09601203240

Description 17: 2008/9/23 Jing-Shou-Shang-Zi No. 09701242720

Description 18: 2009/8/28 Jing-Shou-Shang-Zi No. 09801196420

Description 19: 2010/1/6 Jing-Shou-Shang-Zi No. 09801300860

Description 20: 2010/3/23 Jing-Shou-Shang-Zi No. 09901053450

Description 21: 2010/6/30 Jing-Shou-Shang-Zi No. 09901135770

Description 22: 2010/7/30 Jing-Shou-Shang-Zi No. 09901172000

Description 23: 2010/8/20 Jing-Shou-Shang-Zi No. 09901188830

Description 24: 2010/11/19 Jing-Shou-Shang-Zi No. 09901254720

Description 25: 2011/3/16 Jing-Shou-Shang-Zi No. 10001051430

Description 26: 2011/6/10 Jing-Shou-Shang-Zi No. 10001119740

Description 27: 2011/7/28 Jing-Shou-Shang-Zi No. 10001172270

Description 28: 2012/7/25 Jing-Shou-Shang-Zi No. 10101151190

Description 29: 2024/8/2 Jing-Shou-Shang-Zi No. 11330120100

Note 1: Fill in the information in the current period to the date this report was printed.

Note 2: Specify the effective (approval) date and approval document number for capitalization.

Note 3: Highlight the items of share offering at discount.

Note 4: Specify if right to debt in currency or technological-know-how was used to offset payment for investment, and also the type and amount of offset.

Note 5: Highlight the items for offering through private placement.

Type of Shares	Authorized Capital			Remark
	Outstanding Shares (note)	Unissued Shares	Total	
Common Shares	304,493,998	195,506,002	500,000,000	Listed on the TWSE

Note: Specify if the stock was listed at TWSE or TPEx (note if the stock is restricted for trade at TWSE or TPEx).

Information pertinent to the declaration system in general: None.

II. List of Major Shareholders:

Names of major shareholders	Shares	Number of shares held	Proportion of Shareholding
Chung Shan Investment Co., Ltd.		21,602,000	7.09%
New Land Investment Co., Ltd.		16,160,080	5.31%
Taiwan Life Insurance Co., Ltd.		13,948,000	4.58%
Chang Gung Medical Foundation		6,844,000	2.25%
Hua Nan Bank Custodian Account for Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund		5,444,000	1.79%
Hwang Yih-Ray		5,226,702	1.72%
Special investment account of Central Bank of Norway in custody of Citibank (Taiwan)		3,781,813	1.24%
Standard Chartered Bank Business Department as a custodian for the Vanguard Index Fund Series - International Equity Index Fund		3,572,841	1.17%
Standard Chartered Bank Business Department as a custodian for Vanguard Emerging Markets Stock Index Fund Investor Shares managed by the Vanguard Group		3,358,020	1.10%
Tien Sung Investment Co., Ltd.		3,280,019	1.08%

III. Company's dividend policy and implementation thereof:

(I) Dividend Policy as Stated in the Articles of Incorporation:

1. The Company is in the construction business and is now at the stage of expansion. The Board of Directors will consider the capital expenditure budget and capital needs of the Company in the future in mapping out the proposal for the distribution of earnings.
2. If the Company has earnings after annual account settlement, appropriate for the payment of corporate income tax as the first priority, followed by the appropriation for covering carryforward loss. If there is still a balance, appropriate 10% of the remainder as legal reserve under law except if the amount of legal reserve is equivalent to the Paid-in Capital. Appropriate or reverse special reserve will give the distributable earnings for current period and the balance will be added to the undistributed earnings carried forward from the previous year to accumulate as distributable income. The Board of Directors shall prepare the proposal for distribution of the aforementioned earnings available for distribution, and present the proposal at the Shareholders' Meeting for approval. The dividend to shareholders shall not fall below 50% of the distributable earnings in current period in total of which cash dividend shall not fall below 60% of the total dividend for payment. The Board shall make decision with the presence of at least 2/3 of the Directors in a session and a simple majority in the vote cast by the Directors in session to determine the payment of stock dividend and bonus, additional paid-in capital or legal reserve, in whole or in part in cash, and report to the Shareholders Meeting where the aforementioned rules governing the resolution of the Shareholders will not be applicable.

(II) The dividends proposed for distribution in the Shareholders Meeting of this year:

1. Resolution of the board on March 12, 2025:
 - (1) Allotment of shareholders' cash dividends: Earnings to be allocated NT\$1,674,716,989 (cash dividend of NT\$5.5 per share).
 - (2) Proposed distribution of stock dividends to shareholders: Capitalization of retained earnings for NT\$152,246,990 (50 shares per thousand shares).
2. The above-mentioned distribution of cash dividends is planned to be reported at the annual general shareholders' meeting on May 28, 2025; the distribution of stock dividends is yet to be approved by the annual general shareholders' meeting to be held on May 28, 2025.

(III) Explain if there is anticipated significant change in the dividend policy: None.

IV. Impact of the proposed bonus issue on the Company's business performance and earnings per share: The Company has not disclosed financial forecasts, so there is no requirement for disclosure.

V. Profit-sharing remuneration of employees, directors, and supervisors:

(I) The Percentage or Scope of Remuneration to the Employees, Directors, and Supervisors as Stated in the Articles of Incorporation:

1. The Company shall appropriate 3-5% of its earnings, where applicable, as remuneration to the employee and no more than 2% as remuneration to the Directors. However, if the Company still has accumulated loss, it shall appropriate an amount to cover such loss first, followed by calculating the appropriation based on the remaining amount. Remuneration to the employees may be made in stock or in cash. The recipients of remuneration shall include employees of subsidiaries meeting designated condition further to the employees of the Company.
2. The remuneration to the employees and Directors shall be released in accordance with applicable legal rules subject to the decision of the Board.

(II) Basis for the estimated allocation of compensation for employees, directors, and supervisors for this period, basis for the calculation of the number of shares distributed as employee compensation, and accounting treatment for any differences between the actual distributed amount and the estimated amount: Based on the net profit after taxes up to the year 2024, considering statutory reserves among other factors, estimated using the coefficient specified in the articles of association. However, if the actual amount distributed as resolved by the subsequent shareholders' meeting differs from the estimated amount, it will be listed as profit or loss for 2025.

(III) The Resolution of the Board on the Release of Remuneration:

1. The amount of remuneration to the employees, directors, and supervisors in cash or stock: The board resolved to approve the allocation of NT\$57,230 thousand and NT\$24,800 thousand as remunerations to the employees and directors on February 26, 2025, respectively. Both distributed in cash, identical to the amount recognized in 2024.
2. The percentage of employee compensation in stock relative to the net profit after tax and total employee compensation for the period: The company does not distribute employee compensation in stock.

(IV) The actual amount of remuneration to the Employees, Directors, and Supervisors in the previous year (including the quantity of shares released, and amount and the stock price), and the difference from the recognized amount of remuneration to the employees, Directors, and Supervisors where applicable, the reason for the difference and the response:

	2023		
	Resolution for distribution numbers by the board.	Actual quantity allotted	Difference
Employees' cash remuneration	135,110,000	135,110,000	0
Employee stock remuneration	-	-	-
Remuneration to Directors	58,550,000	58,550,000	0

VI. The repurchase of shares by the Company: None.

VII. Issuance of corporate bonds:

(I) Issuance of corporate bonds:

Types of corporate bond (Note 2)		3rd unsecured corporate bonds (Note 5)	4th unsecured corporate bonds (Note 5)
Issuance (handling) date		2024.10.2	2024.10.18
Par value		NT\$100,000	NT\$100,000
Place of issuance and trading (Note 3)		Taiwan	Taiwan
Issuing price		NT\$138	NT\$136.3
Total amount		NT\$4,000,000,000	NT\$2,000,000,000
Interest rate		Coupon rate 0%	Coupon rate 0%
Term		5 years; maturity date: October 2, 2029	5 years; maturity date: October 18, 2029
Assurance institution		None	None
Trustee		Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.
Underwriting institution		Fubon Securities Co., Ltd.	Fubon Securities Co., Ltd.
Attorney-at-Law		Handsome Attorneys-at-Law: Attorney Chiu, Ya-Wen	Handsome Attorneys-at-Law: Attorney Chiu, Ya-Wen
CPA		PwC Taiwan: CPAs Hsiao, Chun-Yung and Lin, Se-Kai	PwC Taiwan: CPAs Hsiao, Chun-Yung and Lin, Se-Kai
Repayment method		Unless converted in accordance with the conversion rules or redeemed early, the bonds shall be repaid in full in cash at face value upon maturity.	Unless converted in accordance with the conversion rules or redeemed early, the bonds shall be repaid in full in cash at face value upon maturity.
Outstanding principal		NT\$4,000,000,000	NT\$2,000,000,000
Terms of redemption or early repayment		Handled in accordance with Articles 18 and 19 of the current issuance and conversion regulations for convertible bonds	Handled in accordance with Articles 18 and 19 of the current issuance and conversion regulations for convertible bonds
Restriction clauses (Note 4)		None	None
Name of credit rating agency, rating date, and credit rating result of the corporate bonds		None	None
Additional rights	Amount of common shares, overseas depositary receipts, or other securities converted (exchanged or subscribed) as of the date of the annual report publication	As of the publication date of the annual report, no holder has applied for conversion.	As of the publication date of the annual report, no holder has applied for conversion.
	Procedures for issuance and conversion (exchange or subscription)	Please refer to the Company's Procedures for Issuance and Conversion of Corporate Bonds	Please refer to the Company's Procedures for Issuance and Conversion of Corporate Bonds
Issuance and conversion, exchange or subscription rules, potential equity dilution under the issuance terms, and the impact on existing shareholders' rights		This issuance of the 3rd domestic convertible corporate bonds has an outstanding principal of NT\$4,000,000,000 as of the publication date, with a conversion price of NT\$138 per share. Based on the Company's total issued share count of 304,493,998 shares, if all convertible bonds were converted, the maximum possible number of common shares issued would be approximately 28,985,507 shares, resulting in an estimated capital dilution of about 9.52%. As bondholders will exercise their conversion rights at different times, equity dilution will occur gradually; therefore, this issuance of convertible corporate bonds is not expected to have a significant impact on shareholders' equity.	This issuance of the 4th domestic convertible corporate bonds has an outstanding principal of NT\$2,000,000,000 as of the publication date, with a conversion price of NT\$136.3 per share. Based on the Company's total issued share count of 304,493,998 shares, if all convertible bonds were converted, the maximum possible number of common shares issued would be approximately 14,673,514 shares, resulting in an estimated capital dilution of about 4.82%. As bondholders will exercise their conversion rights at different times, equity dilution will occur gradually; therefore, this issuance of convertible corporate bonds is not expected to have a significant impact on shareholder equity.
Name of custodian institution for the exchange target		None	None

Note 1: The status of the Company bonds includes both public and private offerings that are currently being processed. The public company bonds being processed refer to those that have already been approved (effective) by the board. The private company bonds being processed refer to those that have already been approved by the Board of Directors.

Note 2: The number of columns will be adjusted according to the actual number of times processed.

Note 3: Fill in for overseas corporate bonds.

Note 4: Such as restrictions on the distribution of cash dividends, external investments, or requirements to maintain a certain asset ratio, etc.

Note 5: Highlight the items for offering through private placement.

Note 6: For convertible bonds, exchangeable bonds, aggregate filing bonds, or bonds with stock options, the relevant information should be disclosed according to the nature of the bond, with separate details on convertible bonds, exchangeable bonds, aggregate filing bonds, and bonds with stock options provided as required.

(II) Information on convertible corporate bonds:

Types of corporate bond (Note 1)		3rd unsecured convertible corporate bonds		
Year		2024	2023	Current year up to March 30, 2025 (Note 4)
Item	High	104.25	-	105.75
	Low	100.20	-	100.2
	Average	102.31	-	103.06
Conversion price		NT\$138	-	NT\$138
Issued (handling) date and conversion price at the time of issuance		2024.10.2 NT\$138	-	2024.10.2 NT\$138
Method of fulfilling conversion obligations (Note 3)		Issuance of new shares	-	Issuance of new shares

Note 1: The number of columns will be adjusted according to the actual number of times processed.

Note 2: If there are multiple trading locations for overseas bonds, they should be listed separately by trading location.

Note 3: Delivering issued shares or issuing new shares.

Note 4: Fill in the information covering the current period to the publication date of this report.

Types of corporate bond (Note 1)		4th unsecured convertible corporate bonds		
Year		2024	2023	Current year up to March 30, 2025 (Note 4)
Item	High	2015	-	106.2
	Low	101	-	100
	Average	103.47	-	102.59
Conversion price		NT\$136.3	-	NT\$136.3
Issued (handling) date and conversion price at the time of issuance		2024.10.18 NT\$136.3	-	2024.10.18 NT\$136.3
Method of fulfilling conversion obligations (Note 3)		Issuance of new shares	-	Issuance of new shares

Note 1: The number of columns will be adjusted according to the actual number of times processed.

Note 2: If there are multiple trading locations for overseas bonds, they should be listed separately by trading location.

Note 3: Delivering issued shares or issuing new shares.

Note 4: Fill in the information covering the current period to the publication date of this report.

(III) Information on corporate bonds exchanged: None

(IV) Aggregate filing of issuance of corporate bonds: None

(V) Information of corporate bonds with stock options: None

VIII. Issuance of preferred shares: None.

IX. Issuance of overseas depository receipts: None.

X. The issuance of employee stock options: None.

XI. The issuance of new restricted employee shares: None.

XII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None

XIII. Implementation of capital utilization plan: Index: MOPS → Investment Section → Fundraising Plan Implementation Section.

https://mopsov.twse.com.tw/mops/web/bfhtm_q2

Four. Operational Overview

I. Content of Business:

(I) Scope of Business:

1. Primary Content:
 - (1) Commissioning construction contractors to build public housing and commercial buildings for rental and sale.
 - (2) Indoor Decoration.
 - (3) Trading, import, and export of building materials and machinery.
 - (4) Outsourcing of builders for the construction of industrial plants and warehouses for leasing and sale.
2. Proportion to Operation: Outsourcing of builders for the construction of residential buildings and industrial plants for leasing and sale and the revenue of which accounted for 100% of the business revenue of the Company.
3. Current Products (Services) Carried by the Company: Residential premises, office buildings, industrial plants, and parking lots.
4. New Products (Services) Planned for Development: Further to the launch of finely built residential premises in the greater Taipei area, the Company will also develop industrial plants and office buildings in metropolitan areas to meet market needs. In addition, the Company will develop possible modes of business operation on superficies in the wake of the deregulation of the rights of superficies on public lands.
5. The revenue from commercial office and factory office property will increase.

(II) Industry Overview:

1. Outlook:
 - (1) The global economy and domestic industrial exports are gradually recovering, and the Directorate-General of Budget, Accounting and Statistics estimates an economic growth rate of approximately 3.1% for 2025, while the housing market continues to retain its fundamental and demand-side momentum.
 - (2) Buyers align with the government's "Youth's Housing Subsidy Program," which primarily focuses on first-time and home-upgrading buyers. Luxury homes will continue to be impacted by the central bank's selective credit controls, limiting loan-to-value ratios, and regulatory restrictions on corporate residential purchases, inevitably suppressing transactions.
 - (3) The Central Bank lowers the percentages of financing for civil engineering projects, and assigns deadlines for development. The companies with high financial leverage and poor competitiveness will gradually leave the market.
 - (4) Construction costs remain high with no downward trend, coupled with peak housing prices making cost pass-through difficult for developers, thereby compressing profits in the short term.
 - (5) The decreasing birth rate and negative population growth will change the household demographics; coupling with old houses and aging population, the product development and positioning will be replacing old with new, and replacing small with old. The two- and three-bedroom houses with medium and small space became the mainstream of the market.
2. The association between upstream, midstream and downstream industries:
 - (1) The upstream operation of the property market is land and building materials. The supply of land is mostly from the sale of private lands or joint venture of construction for the acquisition of private lands. Large size non-public use state-owned lands are acquired through bidding for the superficies or urban renewal for other purposes. The advancement of technologies gives rise to the development of new materials such as nano-based environmentally friendly building materials. Accordingly, the proportion of using IoT and green construction will increase.
 - (2) Prices of raw materials and salaries skyrocketed due to the inflation, which resulted in the substantial increase of price for construction, and it takes time to correct.
 - (3) The downstream operation of the property market is mostly the distributors and intermediaries. In the past, the developers tended to work in conjunction with the sale distributors. However, the intermediaries started

to enter the market lately because of their advantage of possessing multiple sale locations. Under this development, operation in the mode of selling in the course of building came onto the scene. Likewise, there are more and more varieties of joint ventures between the sale channels and the builders on the sale of individual projects. The pre-sale market is affected by the housing market suppression policy. Some developers even increase the proportion of marketing their own products.

(4) Digital marketing will emerge as the primary channel of media.

(5) The analysis and application of big data.

3. The development trends of products and competition:

(1) Land in city center is scarce and zones for luxurious housing are even more precious in that there is no substitute. However, in terms of the prices and transaction volume in the short run, due to the limitation of institutional purchase and limited percentage of mortgage, it is challenging for transaction volume and prices to outperform. The products in suburbs and low price are more favored by the market.

(2) Number of household members declined in an average family dictated premises with a small size. As such, two- and three- room premises with a moderate floor area will emerge as the mainstream item in market.

(3) The vitalization of state-owned lands no longer allows for the selling of lands without recourse. Except for the acquisition of lands and buildings through the exchange of rights under urban renewal for public use, superficies products will increase in the proportion, and will be gradually accepted in the market, with the competitive advantage of higher prices.

(4) The best locations in urban downtown are always the key of victory for the market. Under the suppression of the wave of out-of-control housing market suppression and mortgage restrictions, house prices have been compressed, and the transaction volume of luxury houses are not optimistic in the short term.

(5) While transaction volume has shrunk, housing prices have risen. With land prices remaining high and construction costs having increased by more than 50% in the past three years, careful evaluation is needed to determine whether these costs can be passed on.

(III) The overview of R&D in technology:

1. Technologies or products successfully developed by the Company:

(1) The introduction and use of digital marketing coupled with the analysis of social media operation via big data, to help to reduce the sizable cost of advertising.

(2) Continued research and development of construction engineering and aesthetics at Huaku contributed to the in-depth development of green energy applications.

(3) Efforts have been made in the research and development of the refinement of healthy residences and implementation of related indicators helps to augment the application of the IoT.

(4) Reinforcement of the work methods and upgrade of the function of high-performance mitigation of seismic motion, seismic isolation, and shock-proofing.

(5) The research and development and materialization of smart homes to align with the eHome trend in the 21st century.

(6) The ESG policies promote the concepts of net-zero emission for healthy homes and green buildings particularly in the aspects of air quality, low-noise work, energy efficient, and low carbon materials, which will be the main points.

(7) Continue in-depth cultivation of the brand as a construction firm to create higher additional value.

2. The Company's expense incurred from this R&D plan is launched by the subsidiaries of the Group, which is expected to be 1% of the revenues of the subsidiaries.

(IV) Long and Short-term Business Development Plans:

1. Short-term business development plan: In consideration of the size of capital, condition of human resources, and return on investment of the projects and turnover of capital, the Company will continue to invest in the building of mid to large size projects in Taipei for the sales market for stable growth in the short run. At the same time, the Company will expand its business for development of land in the urban renewal zones in counties north of Greater Taichung and cities for sustainable growth.

2. Long-term business development plan: With the company's capital reaching a considerable scale, to maintain certain profitability, long-term stable investment returns must be considered. Therefore, in terms of long-term business development, an office was established in Taichung in 2024 to ensure a long-term source of land, with most capital invested in projects that can be quickly recouped, continuing investment in digital marketing and big data analytics, aiming to create maximum profit for shareholders.
3. As for product categories, the proportion of commercial and plant office projects will increase and the territory for land purchase will expand, to include Hsinchu and Taichung, for assurance of access to the sources of land supply for operation need in the long run.
4. The tenders of superficies on state-owned lands are gradually accepted by consumers due to the advantage of cheap housing prices. The Company can replicate the successful model of "Huaku New World" and develop the best locations of urban downtowns, which may become a new blue ocean of real estate in the future.

II. An analysis of the market as well as the production and marketing situation, including:

(I) Market Analysis:

1. Regions of premium product (services) sale (provision): Most of the housing projects launched by the Company are in the greater Taipei area. The projects launched in the last 4 years are shown below:

Year of Project	Region	Project Name	Project Type
2025	Taipei City	WenLin North Road Project No. 3	Residential Building
2025	Taichung City	Chongde 10th Road Project	Residential Building
2025	Taipei City	Jangdah Beitou Commercial (Plant) Project	Commercial (plant) office building
2024	Taipei City	Ultimate Luxury	Residential Building
2024	New Taipei City	Huaku the Weaven	Residential Building
2024	New Taipei City	Huaku Mout River	Residential Building
2024	Taichung City	Huaku Flourish Mansion	Residential Building
2024	Taichung City	Huaku Upper Mansion	Residential Building
2024	Taipei City	Huaku Asia One	Commercial office building
2024	Taipei City	Huaku Fortune One	Commercial office building
2022	Taipei City	DA'AN TOWER	Residential Building
2022	Taipei City	Greenside Mansion	Residential Building
2022	New Taipei City	Huaku Central Landmark	Office building
2022	New Taipei City	MOON LIGHT	Residential Building
2022	New Taipei City	Sky Tower	Residential Building
2022	Taipei City	TRADE AND FINANCE CENTER	Commercial office building
2022	Taipei City	Casa Blanca	Residential Building

2. Market share, supply and demand and growth in the market in the future:
 - (1) Looking ahead to the housing market in 2025, under the central bank's selective credit controls and with tightening funds, the housing market is expected to experience reduced transaction volume and price consolidation.
 - (2) With land acquisition becoming extremely challenging in Taipei and New Taipei, opening a new market in Taichung ensures the future stability of the company's operations.
 - (3) There is still competition among peers to purchase lands. Huaku chooses to develop the commercial offices and residences parallelly, to create profits with its brand advantage.
3. Competitive Edges: The Company has the following competitive edges:
 - (1) Selecting and integrating complete building sites for residential, commercial office, and factory office purposes, adopting a strategy of simultaneous progression in Taipei and Taichung.
 - (2) Keep abreast of market need with nicely controlled design and planning.

- (3) Precision in operation strategy, proper product positioning, and in-depth development of digital marketing.
 - (4) Viable management system and efficient decision-making model.
 - (5) Strong management team and sound financial management.
 - (6) Solid brand image and market position lead to better abilities to create sales rate of individual projects and price.
 - (7) Brand advantage allows the Company to continue the business of urban renewal at good locations of urban centers, and the assessment of the public lands with superficieses.
 - (8) Financially sound with good credit standing and abundance of capital. Business is done in the mode of joint venture with the land owners will be more competitive, while creating the stable and quality sources of lands.
4. Factors favorable and unfavorable for development in the future, and response:
- (1) Favorable Factors:
 - 1) Regarding the market of commercial office and plant office segmentation, Huaku retains the core competitiveness with a few competitors.
 - 2) The Company has high net worth and in good credit standing as well as brand reputation. Despite the high hand of the Central Bank on financing of the construction industry, Huaku could successfully get financing due to its good credit rating by financial institutions.
 - 3) The Central Bank's selective credit control will eliminate the weak ones and retain the strong ones among peers.
 - 4) The brand of the Company can show off its competitive power even better and has an edge in joint venture in construction and sale.
 - 5) Huaku has the capacity in integration and competition in urban renewal at the urban centers.
 - 6) Capital adequacy is still critical for long-term victory in the real estate market. As always, the Company is financially strong with transparency under proper control, and can secure the sources of working capital in either equity financing from market or debt financing from banks.
 - (2) Unfavorable Factors:
 - 1) Land in city center is scarce and the area for land development will be stretched out further.
 - 2) The implementation of the real estate transaction tax and the substantial increase in business income tax, along with the higher rates for land and construction financing, will erode net profit after tax.
 - 3) The elevated land price and the difficulty in urban renewal integration results in more challenging land development in Taipei and New Taipei.
 - 4) The luxury home tax in Taipei City has been moderately lowered, but the restrictions on the mortgage percentages of expensive houses and the purchase of houses by individual and institutions will slow down the sales of some mid-to-high end products.
 - 5) The market is flooded with first time buyers at low unit price and low total price products, which posed severe challenge to the fine product line of Huaku.
 - 6) Industry peers increase the launching of projects. The construction prices skyrocketed. It would be uneasy to shift the burden of price in the future.
 - (3) The Response of the Company :
 - 1) Carefully Selecting Project Locations and Focusing on Construction Quality to Enhance Product Competitiveness: As always, the Company concentrates in the greater Taipei area for projects, and upholds the design philosophy of “user-friendly, refinement, practical” to launch products in good locations, with a reasonable price, and good quality. For years, the products of the Company have been highly acclaimed by the consumers, which contributed to our sustainable performance in sale. For this reason, only the careful selection of sites, concentration on construction design and interior decoration, construction engineering, and landscape in good quality could sustain the competitive power.
 - 2) Diversifying Products and Segmenting Customer Groups, Multifaceted Approach in Residential, Office, and Factory Spaces: Understanding the risks of a single-product market, our product strategy is dynamic. We will continue to adjust our product types and volumes according to industry and market demand shifts, expanding our land development areas to tap into different real estate markets. In addition, the Company will seek proper positioning of products by location and project size, and market segmentation by customer layers to enlarge the scale and scope of operation with a wide array of products.

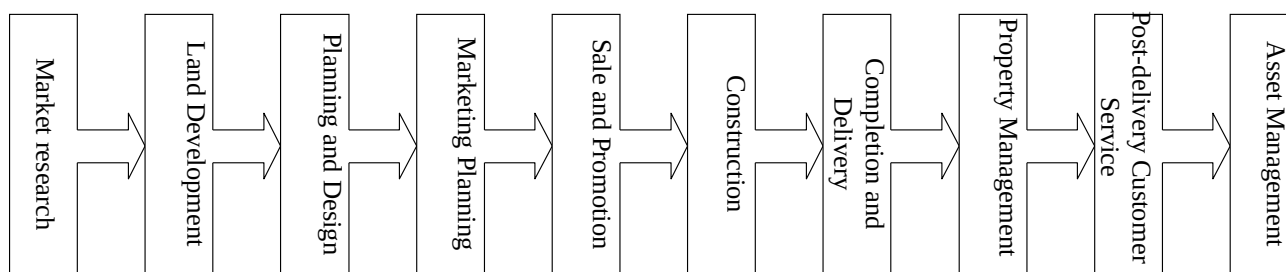
- 3) Establishment of a Taichung Office to Secure Project Sources, Coordinated Development in Taipei and Taichung: Focusing more on prime downtown areas in Hsinchu and Taichung cities, we are actively evaluating premium central urban land rights and accelerating the review and integration of urban renewal projects already underway.
- 4) The Company will sustain its brand reputation to create higher additional value and profit.
- 5) The Company will commit further resources to digital marketing and the analysis and application of big data to reduce the cost of sales and improve the sales rate.

(II) Primary Purpose of the Products and Production Process:

1. The Primary Use of Major Products:

Purpose of	Major Products
Residential Building	Residence, Shops, and Underground Parking
Commercial office building	Office for General Commerce and Strategic Industries
Office building	Plant site and warehouse in general industrial use lands

2. Production Process:



(III) The Supply of Key Materials:

1. Lands: To sustain long-term operational growth, we continue to expand development in suitable areas north of Taichung, focusing equally on residential, commercial, and factory offices, and actively managing urban renewal in prime downtown locations.
2. Construction work: The Company selects stable and reliable construction firms as joint venture partners. We also have instituted strict regulations governing the offering of contract for construction and construction procedure to keep the progress of work and quality of work under control. We start with architectural design for the control of engineering cost and stabilizing the cost of construction, and introduce foreign labor on specific projects to ensure timely progress.
3. Materials: The prices of building materials such as rebar, cement, bricks and gravel, and interior design equipment and related raw materials remained stable in this year. The Company will negotiate with long-term suppliers on prices for bulk purchase to keep the cost of operation stable.

(IV) The names of the customers accounting for more than 10% of the total purchase (sale) in any of the last 2 years, and the amount of purchase (sale) in proportion to total purchase (sale), and the reasons for the changes, if applicable:

1. Information on Major Suppliers of the Last 2 Years:

2024					2023				2025 to the previous quarter: Not applicable			
Item	Name	Amount	Proportion to the Net Purchase of the Year (%)	Relation to the Issuer	Name	Amount	Proportion to the Net Purchase of the Year (%)	Relation to the Issuer	Name	Amount	Proportion to the Net Purchase of the Previous Quarter (%)	Relation to the Issuer
1	Pin Hsing Construction Co., Ltd.	3,616,856	31.04	Subsidiary	Pin Hsing Construction Co., Ltd.	3,205,627	24.30	Subsidiary	-	-	-	-
2	Mr./Ms. A and Chia Chao Investment	1,800,000	15.45	None	JANG DAH FIBER INDUSTRIAL CO., LTD.	2,112,986	16.02	None	-	-	-	-
3	City Government	1,282,470	11.01	None	Landlord A and other 10 persons	2,072,176	15.71	None	-	-	-	-
4	Others	4,953,919	42.50	None	Landlord B	2,048,753	15.53	None	-	-	-	-
5					Others	3,754,064	28.44	None	-	-	-	-
	Net Purchase	11,653,245	100.00	-	Net Purchase	13,193,606	100.00	-	-	-	-	-

Note 1: List the names of the suppliers accounting for more than 10% of the total purchase, the amount of purchase, and the proportion to total purchase in the last 2 years. Code may be used in lieu of the name if relevant supply agreements specified no disclosure of names, or the counterparty of trade is a natural person who is not a related party.

Note 2: Disclose the audited or reviewed financial information of the companies listed at the exchange or OTC market for trading of stocks to the date this report was printed if available.

2. Information on Key Customers in the Last 2 Years:

2024					2023				2025 to the previous quarter: Not applicable			
Item	Name	Amount	Proportion to Net Sale of the Year (%)	Relation to the Issuer	Name	Amount	Proportion to Net Sale of the Year (%)	Relation to the Issuer	Name	Amount	Proportion to Net Sale of the Year to the Last Previous Quarter (%)	Relation to the Issuer
1	Others	7,208,801	100.00	None	Baoyuan Development Co., Ltd.	4,500,219	28.73	None	-	-	-	-
2					Others	11,161,257	71.27	-	-	-	-	-
	Net Sale	7,208,801	100.00	-	Net Sale	15,661,476	100.00	-	-	-	-	-

Note 1: List the names of the customers accounting for more than 10% of the total sale, the amount of sale, and the proportion to total sales in the last 2 years. Code may be used in lieu of the name if relevant sales agreements specified no disclosure of names, or the counterparty of trade is a natural person who is not a related party.

Note 2: Disclose the audited or reviewed financial information of the companies listed at the exchange or OTC market for trading of stocks to the date this report was printed if available.

3. Reasons for Changes in Increases/Decreases: In 2024, the Company's net purchase amount decreased by NT\$1,540,361 thousand compared to 2023, due to a reduction in construction land; In 2024, the Company's net sales decreased by NT\$8,452,675 thousand compared to 2023, due to a decrease in the number of newly completed and delivered houses.

III. The number of employees, average years of service, average age, and distribution of education levels of the employees in the last 2 years to the date this report was printed:

March 31, 2025

Year		2024	2023	Current year up to March 30, 2025 (Note)
Number of Employees	Administrative	68	62	67
	Technical	16	14	17
	Total	84	76	84
Average Age		45.78	46.65	46.17
Average Years of Service		13.83	14.84	14.06
Education level in distribution	PhD degree	0.00%	0.00%	0.00%
	Master's degree	26.19%	21.05%	26.19%
	University	70.24%	76.32%	70.24%
	Senior High School	3.57%	2.63%	3.57%
	Senior High School and Below	0.00%	0.00%	0.00%

Note: Fill in the information covering the current period to the date this report was printed.

IV. Information on spending on environmental protection: The Company is in the business of property investment and construction of building through the contracting with construction contractors. The maintenance of environment at construction sites and the disposition of dumps will be undertaken by respective contractors that the Company just plays the role of supervisor. The Company has pitched protective mesh in the surrounding of projects in construction to prevent falling gravel and dust. In addition, the Company makes efforts to reduce noise and vibration caused by the works and dispatched supervisors to monitor the performance of works of the contractors. The Company has not incurred any fines for major violations of environmental protection regulations as of the publication date of the annual report for 2024. Therefore, no significant environmental capital expenditures are expected in the future.

V. Labor-Management Relations:

(I) Employee benefits, continuing education, training, and retirement system of the employees and the status of implementation, labor-management agreement, and the protection of the rights of the employees: the labor-management relations of the employees are harmonious. The implementation of employee benefits, continuing education, training, and the retirement system for the employees, and the labor-management agreement and the protection of the rights of the employees are specified below:

1. Employee Benefit Policy:

- 1-1 Basic Benefits: Labor insurance and health insurance have been taken for the protection of the employees under law.
- 1-2 Flexible benefits: matrimonial, bereavement and maternity allowances (including the decoration for the setting of wedding and funerals), birthday gifts for the employees, gifts or gift voucher for Dragon Boat Festival, Mid-Autumn Festival.
- 1-3 Health checkups: we subsidize the cost of employee health checkups every year to ensure that the health of our employees is properly managed.
- 1-4 Group Insurance: the group insurance has been designed to provide employees with multiple coverage, including term life insurance, accident insurance, hospitalization and cancer insurance.
- 1-5 Recreational groups and activities: The Company has set up a diversity of recreational groups for the voluntary participation of the employees. The Company also arranges tourist traveling trips, outdoor hiking and other activities for the amusement of the employees and for cohesiveness.

2. Continuing education and training for the employees: The Company organizes routine internal training, subsidize the expenses incurred from receiving professional training of employees related to their assigned duties to everyone for enriching their individual professional knowledge and skills and assist them to learn and develop in their respective areas of specialization.
 3. Retirement System:
 - 3-1 Retirement System Under the Labor Standard Act (The old system): Under this old system, the Company makes its monthly contribution to the pension reserve fund deposited in the "Labor Pension Reserve Account" at the Bank of Taiwan.
 - 3-2 Labor Pension Act (The new system): The Company will allocate 6% of the monthly income of each employee to their individual pension fund account at Labor Insurance Bureau. Some employees may voluntarily make additional monthly contribution to their pension funds in which case the Company will deduct relevant amount from their monthly salaries for such purpose.
 4. Employee shareholding trust: In accordance with the Company's approved implementation measures and the Employee Shareholding Committee's Articles of Incorporation, a fixed percentage of the individual's allocated amount from each monthly salary and annual bonus is set aside as a company incentive.
- (II) The loss caused by labor dispute in the most recent year to the date this report was printed. Disclose the possible amount of loss incurred at present and the future and the response: The Company did not have any loss caused by labor disputes. The labor-management relations at the Company has been and still is harmonious and no labor dispute is expected at present and in the future. Therefore, there is unlikely to be any labor dispute that may inflict loss.

VI. Cyber security management:

- (I) The company, in accordance with the "Guidelines for Internal Control Systems in Public Companies," assesses elements such as the control environment, risk assessment, and information security to establish operational management mechanisms and information security policies. Information security operations are planned and implemented by dedicated personnel, with regular internal IT security audits following the PDCA (Plan-Do-Check-Act) cycle to continuously improve and maintain the confidentiality, integrity, and availability of crucial information systems.

The responsibility for information security within the company lies with the management department, which is tasked with establishing information security policies, planning security measures, and conducting related information security operations. The department includes one director and two dedicated staff members. The Audit Office of the Company acts as the information security risk inspection unit and performs information security inspection annually according to the Internal Control Management Procedure and Regulations for Computerized Information Cycle. In case of discovery of any deficiency or information security incident, it requests the inspected unit to submit relevant improvement plans and report to the Board of Directors timely. In addition, improvement outcome is tracked periodically, in order to ensure that the information security inspection system is implemented continuously and stably.

Resource investment:

Personnel Training: Social engineering drills are conducted annually, and information security awareness campaigns are held quarterly to enhance employees' crisis awareness and response capabilities regarding information security. In addition, external training programs are used to strengthen the professional competencies of information security personnel. During the year, 1 social engineering drill was conducted, involving 154 participants and 462 phishing emails. A total of 108 employees participated in the online information security training course. 4 information security awareness sessions were conducted and announced on the Company's internal website to communicate key regulations and precautions for information security protection.

System information security testing: 1 website vulnerability scan and one source code scan were conducted

Sustainable Business Operations: A comprehensive data backup and off-site backup mechanism has been established. Annual disaster recovery drills are conducted for core operational information systems to minimize the risk of business interruption due to system failures. The drill for this year was completed in Q4.

Work-From-Home Security Mechanism: In response to the pandemic, high-security devices, multi-factor authentication systems, and strict authorization reviews are utilized to enhance the cybersecurity of remote work-from-home arrangements.

External Resources: The company is a member of the TWCERT/CC (Taiwan Computer Emergency Response Team Coordination Center), sharing and receiving cybersecurity information with other alliance members.

Specific Management Plans

Item	Measures
Security Management for Computer Systems	1. Set up a firewall to block unauthorized access to the network. 2. All computers are installed with anti-virus software, virus code is updated periodically and virus scan is scheduled, in order to reduce virus infection probability. 3. Conduct hourly synchronized backup for servers and store them offsite regularly.
Network Security Management	1. Install online behavior management and filtering equipment, control internet network access, block harmful visits or network address and content prohibited under the policy, enhance network security and prevent improper use of bandwidth resource. 2. Adopt multi-layer anti-virus and junk mail filtering system to control mail security. 3. User end connection with two-factor authentication in order to provide secure login authentication mechanism.
Physical and Safety Environment Management	1. The Company's servers and network equipment are installed inside the specialized server room, and the server room access requires use of sensor card for access, and access records are preserved for review. 2. Integrate firefighting facilities and security systems in the server room to reduce the risk of damage. 3. Conduct regular disaster recovery drills annually and submit the reports.
Information/System Access Control	1. Data storage with rigorous control implemented according to account authority. 2. Establish remote connection and security certification for notebooks and mobile phone devices.
Personal Data Management	1. Add confidentiality clauses to all supplier contracts, so the supplier must be responsible to keep personal data and confidential information secure. 2. Written contacts exceeding the preservation period are uniformly destroyed by the Administrative Department.

- (II) List any losses suffered by the company in the most recent fiscal year 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: during the most recent fiscal year and up to the annual report publication date, no material cyber security incident incurred by the Company.

VII. Important contracts:

Nature of the Contracts	Contracting Parties	Term of the Contracts	Principal Content	Restriction Clause
Construction Agreement	Pin Hsing Construction Co., Ltd.	August 1, 2021 - all constructions shall be completed by October 30, 2023	Construction and additional work on TRADE AND FINANCE CENTER project (1)	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	September 1, 2021 - all constructions shall be completed by August 31, 2024	Addition to and new construction of MOON LIGHT	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	October 15, 2021 - all constructions shall be completed by January 14, 2024	New construction and decoration of buildings in Huaku Central Landmark	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	January 1, 2022 - all constructions shall be completed by June 30, 2024	Construction and additional work on DA'AN TOWER	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	March 15, 2023 - all constructions shall be completed by March 15, 2026	Addition to and new construction of Sky Tower(1)	None
Construction Agreement	ACTER GROUP CORPORATION LIMITED	November 1, 2022 - construction based on the main construction onsite	Power, water, and fire-fighting works of Huaku Central Landmark	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	March 15, 2023 - all constructions shall be completed by March 15, 2026	Addition to and construction of Casa Blanca project(1)	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	June 1, 2023 - all constructions shall be completed by October 1, 2025	Addition to and construction of Huaku Asia One project(1)	None
Construction Agreement	ACTER GROUP CORPORATION LIMITED	April 21, 2023 - construction based on the main construction onsite	Power, water, and fire-fighting works of MOON LIGHT	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	September 1, 2023 - all constructions shall be completed by November 5, 2025	Construction of the new project, Huaku Fortune One	None
Construction Agreement	Continental Engineering Corp.	April 17, 2023 - construction based on the main construction onsite	Power, water, and fire-fighting works of Da'an Tower	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	March 15, 2024 - all constructions shall be completed by July 26, 2027	New Building Construction and Customization Works of Huaku Upper Mansion Project	None
Construction Agreement	Continental Engineering Corp.	March 1, 2024 - construction based on the main construction onsite	Casa Blanca's plumbing, electrical, and firefighting engineering	None
Construction Agreement	Continental Engineering Corp.	March 1, 2024 - construction based on the main construction onsite	Plumbing, Electrical, Fire Safety, and Air Conditioning Works of Huaku Asia One	None
Construction Agreement	Jian Yuan Engineering Co., Ltd.	March 1, 2024 - construction to be carried out in coordination with the progress of the on-site main building works	Plumbing, Electrical, Fire Safety, and Air Conditioning Works of Huaku Upper Mansion	None
Construction Agreement	ACTER GROUP CORPORATION LIMITED	May 2, 2024 - construction to be carried out in coordination with the progress of the on-site main building works	Plumbing, Electrical, Fire Safety, and Air Conditioning Works of Sky Tower	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	October 1, 2024 - All constructions shall be completed by November 24, 2027	New Building Construction Works of Huaku Mout River	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	October 15, 2024 - All constructions shall be completed by December 31, 2028	New Building Construction of Huaku Flourish Mansion	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	Use permit obtained from October 1, 2024 to December 17, 2028; project inspection completed on May 25, 2029	New Building Construction of the Ultimate Luxury	None
Construction Agreement	Pin Hsing Construction Co., Ltd.	Commence of construction upon the client's notification - all works shall be completed as schedule.	New Building Construction of The Weaven	None

Nature of the Contracts	Contracting Parties	Term of the Contracts	Principal Content	Restriction Clause
Construction Agreement	Pin Hsing Construction Co., Ltd.	Commence of construction upon the client's notification - all works shall be completed as schedule.	New Building Construction of Jangdah Beitou Project	None
Sales Agreement	Mr./Ms. A	July 21, 2022 - date of transfer	Project of DA'AN TOWER, Xuefu Section, Da'an District, Taipei City	None
Sales Agreement	Mr./Ms. B	July 21, 2022 - date of transfer	Project of DA'AN TOWER, Xuefu Section, Da'an District, Taipei City	None
Sales Agreement	Customer C	July 21, 2022 - date of transfer	Project of DA'AN TOWER, Xuefu Section, Da'an District, Taipei City	None
Sales Agreement	Customer D	August 3, 2022 - date of transfer	Project of DA'AN TOWER, Xuefu Section, Da'an District, Taipei City	None
Sales Agreement	Customer E	March 14, 2023 - date of transfer	Project of DA'AN TOWER, Xuefu Section, Da'an District, Taipei City	None
Sales Agreement	Customer F	March 14, 2023 - date of transfer	Project of DA'AN TOWER, Xuefu Section, Da'an District, Taipei City	None
Sales Agreement	EVER BRIDGE INTERNATIONAL CO., LTD.	September 28, 2023 - transfer date March 25, 2024 - transfer date	Huaku Central Landmark Project-Zhongyuan Section, Zhonghe District, New Taipei City	None
Sales Agreement	Mr./Ms. G	November 17, 2023 - transfer date	Huaku Central Landmark Project-Zhongyuan Section, Zhonghe District, New Taipei City	None
Sales Agreement	Sintrones Technology Corp.	December 5, 2023 - transfer date June 26, 2024 - transfer date	Huaku Central Landmark Project-Zhongyuan Section, Zhonghe District, New Taipei City	None
Sales Agreement	DAILYWELL ELECTRONICS CO., LTD	December 28, 2023 - transfer date January 31, 2024 - transfer date	Huaku Central Landmark Project-Zhongyuan Section, Zhonghe District, New Taipei City	None
Sales Agreement	GoldKey Technology Corporation	January 19, 2024 - transfer date	Huaku Central Landmark Project-Zhongyuan Section, Zhonghe District, New Taipei City	None
Sales Agreement	Mr./Ms. H	April 1, 2024 - transfer date May 31, 2024 - transfer date	Huaku Central Landmark Project-Zhongyuan Section, Zhonghe District, New Taipei City	None
Substitutive	Taichung City Government	February 6, 2023 to date approving and issuing construction permit	Substitutive for Meiho Section, Beitun District, Taichung City	None
Land Purchase Contract	Chia Chao Investment Co., Ltd. and Mr./Ms. A and B	April 19, 2024 - transfer date	Land at Ruanqiao Section in Beitou District, Taipei City	None
Land Purchase Contract	Shangqing Land Development Co., Ltd. and Mr./Ms. C (21 individuals)	April 26, 2024 - transfer date	Land at Dunhe Section, Beitun District, Taichung City	None
Land Purchase Contract	Tripodking International Dining Limited Liability Company and Mr./Ms. D (5 individuals).	August 14, 2024 - transfer date	Land of Huanzhong Section, Beitun District, Taichung City	None
Substitutive	Taipei City Government	November 4, 2024 to date approving and issuing construction permit	Substitutive for Qiyan Section, Beitou District, Taipei City	None
Substitutive	Taichung City Government	December 9, 2024 to date approving and issuing construction permit	Substitutive for Shinping Section, Beitun District, Taichung City	None
Mid-term Loan Agreement	Taishin Bank	November 2020 to November 2024	Content: Financing of Land and Buildings Mortgaged or secured: land for the Huaku Central Landmark project	None
Mid-term Loan Agreement	E. Sun Bank	June 2020 to June 2024	Content: Financing of Land and Buildings Mortgaged or secured: land of the Greenside Mansion project	None

Nature of the Contracts	Contracting Parties	Term of the Contracts	Principal Content	Restriction Clause
Mid-term Loan Agreement	E. Sun Bank	December 2020 to December 2025	Content: Financing of Land and Buildings Collateral or mortgage: land of the MOON LIGHT project	None
Mid-term Loan Agreement	E. Sun Bank	September 2023 to September 2028	Content: Financing of Land and Buildings Collateral or mortgage: Land of the Flourish Mansion project	None
Mid-term Loan Agreement	E. Sun Bank	November 2023 to November 2026	Content: Financing of Land Mortgage or collateral: land for the second phase of the Hsinchu Guangpu project.	None
Mid-term Loan Agreement	Hua Nan Bank	January 2022 to January 2025	Content: Financing of Land Collateral or mortgage: Land of the Da'an Tower project	None
Mid-term Loan Agreement	Hua Nan Bank	November 2021 to December 2026	Content: Financing secured by land, building and performance surety Mortgage or guaranty: the land for Huaku Asia One	None
Mid-term Loan Agreement	Hua Nan Bank	September 2023 to September 2026	Content: Financing of Land Mortgage or guaranty: the land for Jangdah Beitou Project	None
Mid-term Loan Agreement	Cathay United Bank	September 2020 - November 2028	Content: Financing of Land and Buildings Collateral or mortgage: Land of Ultimate Luxury Project	None
Mid-term Loan Agreement	Cathay United Bank	January 2022 to January 2026	Content: Financing secured by land, building and performance surety Mortgaged or secured: land of the Casa Blanca project	None
Mid-term Loan Agreement	Cathay United Bank	March 2022 to December 2025	Content: Financing of Land Collateral or mortgage: land of the Huaku Upper Mansion project	None
Mid-term Loan Agreement	Cathay United Bank	April 2022 to December 2025	Content: Financing of Land Mortgage or guaranty: the land for Fortune One	None
Mid-term Loan Agreement	Taipei Fubon Bank	March 2022 to March 2026	Content: Financing of Land Collateral or mortgage: land of the Sky Tower project	None
Mid-term Loan Agreement	CTBC Bank	November 2023 to November 2028	Content: Financing of Land Mortgaged or secured: the land for the Taichung Jingmao 5th Road Project	None
Mid-term Loan Agreement	CTBC Bank	August 2024 to August 2029	Content: Financing of Land and Buildings Collateral or mortgage: Land for the Taichung Chongde 10th Road Project	None
Mid-term Loan Agreement	E. Sun Bank	June 2024 to June 2029	Content: Financing secured by land, building and performance surety Collateral or mortgage: Land for the WenLin North Road Project No. 3	None
Mid-term Loan Agreement	E. Sun Bank	September 2024 to September 2029	Content: Financing of Land and Buildings Collateral or mortgage: Land for the Taichung Fengle Road Project No. 2	None
Mid-term Loan Agreement	Mega Bank	June 2024 to June 2029	Content: Financing of Land and Buildings Collateral or mortgage: Land of the Huaku Mout River Project	None
Mid-term Loan Agreement	Mega Bank	July 2024 to July 2029	Content: Financing of Land and Buildings Collateral or mortgage: Land of the Huaku The Weawen Project	None

Nature of the Contracts	Contracting Parties	Term of the Contracts	Principal Content	Restriction Clause
Mid-term Loan Agreement	DBS Bank	July 2022 to July 2024	Content: Line of Credit Mortgage or Surety: None	None
Mid-term Loan Agreement	Yuanta Bank	July 2024 to July 2026	Content: Line of Credit Mortgage or Surety: None	None
Mid-term Loan Agreement	Mega Bank	July 2024 to July 2026	Content: Line of Credit Mortgage or Surety: None	None
Short-term Loan Agreement	First Bank	July 2024 to July 2025	Content: Line of Credit Mortgage or Surety: None	None
Short-term Loan Agreement	Hua Nan Bank	March 2025 to March 2026	Content: Line of Credit Mortgage or Surety: None	None
Short-term Loan Agreement	Shanghai Commercial and Saving Bank	March 2025 to March 2026	Content: Line of Credit Mortgage or Surety: None	None
Short-term Loan Agreement	Chang Hua Bank	April 2025 to April 2026	Content: Line of Credit Mortgage or Surety: None	None
Short-term Loan Agreement	KGI Bank	September 2024 to September 2025	Content: Line of Credit Mortgage or Surety: None	None
Short-term Loan Agreement	Bank of East Asia	September 2024 to September 2025	Content: Line of Credit Mortgage or Surety: None	None
Short-term Loan Agreement	First Bank	October 2024 to October 2025	Content: Line of Credit Mortgage or Surety: None	None
Short-term Loan Agreement	China Construction Bank	January 2025 to January 2026	Content: Line of Credit Mortgage or Surety: None	None
Long-Term Loan Agreement	Mega Bank	June 2017 to September 2039	Content: Financing of Account Receivables Mortgage or Surety: The portion of superficies and buildings of the Huaku New World.	None
Long-Term Loan Agreement	Mega Bank	November 2020 to November 2025	Content: Limit under performance surety Mortgage or Surety: The portion of superficies and buildings of the Huaku New World.	None
Long-Term Loan Agreement	Taishin Bank	February 2024 to February 2029	Content: Limit under performance surety Mortgage or Surety: None	None
Long-Term Loan Agreement	Hua Nan Bank	November 2024 to November 2027	Content: Limit under performance surety Mortgage or Surety: None	None

Five. Review and Analysis of Financial Position and Financial Performance and Risks

I. Financial Position

Unit: NTD thousand

Item \ Year	2024	2023	Difference	
			Amount	Ratio (%)
Total Assets	56,502,690	43,592,111	12,910,579	29.62
Total Liabilities	35,650,407	22,796,874	12,853,533	56.38
Total Equity	20,852,283	20,795,237	57,046	0.27
Primary cause of significant changes, and effect thereon: The increase of assets was the result of the increase of inventory. The increase of liabilities was the result of the increase in corporate bonds payable.				

II. Financial Performance

Unit: NTD thousand

Item \ Year	2024	2023	Difference	
			Amount	Ratio (%)
Revenue	7,212,415	15,804,993	8,592,578	54.37
Operating Income	1,899,145	4,350,337	2,451,192	56.34
Net income before tax	1,835,238	4,287,778	2,452,540	57.20
I. Primary cause of significant changes: The decrease in operating revenue was due to a lower amount of revenue recognized from housing deliveries. The decrease in operating profit was due to a lower amount of revenue recognized from housing deliveries. The decrease in net profit before tax was due to a lower amount of revenue recognized from housing deliveries. II. The possible influence of expected sale volume and reference of estimation on the financial position of the Company and the plan in response: refer to "Summary of 2024 Business Plan" on p. 2.				

III. Cash Flows:

Unit: NTD thousand

Item \ Year	2024	2023	Difference	
			Amount	Ratio (%)
Cash Flows From Operations	(4,899,795)	614,890	5,514,685	896.86
Cash Flows From Investment	(1,978,420)	14,845	1,993,265	13,427.18
Cash Flows From Financing	9,115,420	(822,606)	9,938,026	1,208.11
I. Description of change analysis: Decrease in cash flow from operation due to the increase of inventory. The decrease in cash flows from investing activities was due to a reduction in the acquisition of financial assets measured at amortized cost. The increase in cash flows from financing activities was due to the increase in the issuance of corporate bonds. II. Plan for improving liquidity shortage: Utilize credit lines to cover the funding gap. III. Analysis of cash flows in the coming year:				
Cash Balance at Beginning of the Period (Including advance sale trust accounts)	Projected Cash Inflows for the Year	Projected Cash Outflows for the Year	Projected Cash Balance for the Year	
4,414,347	21,273,724	29,579,968	(3,891,897)	

IV. The influence of major capital expenditure on financial position in the most recent year:

None.

V. Regarding our recent investment policy, significant profits or losses, improvement plans, and the investment plans for the upcoming year: Currently, our company's reinvestments include companies like Pin Hsing Construction Co., Ltd., Taiwan Digit Automated Control Co., Ltd., Hua Pu Construction Co., Ltd., and Chengdu Wanchengduobao Property Co., Ltd. The purpose of our investments in Taiwan is to enhance the quality control of construction progress and carry out the development and construction of the Ultimate Luxury project. In China, the investments aim to develop real estate with plans to gradually cease operations after the remaining properties are sold.

VI. Risks

- (I) The effect of fluctuation of interest rate, exchange rate, and inflation on the income position of the Company, and remedy:
 - 1. The interest rate for short and long-term loans for the Company in 2024 ranged from 1.87% to 2.85%. In the future, the Company will negotiate with the lenders for preferential interest rate so as to cut down interest expense.
 - 2. The construction industry is an industry of domestic demand such that the effect of fluctuation of exchange rate on the Company is insignificant.
 - 3. For the effect of the inflation of the Company: please refer to “The future development strategy, and the effect of external competition, the legal environment, and the overall business environment” on Page 4.
- (II) The policies of engagement in high risk and high leverage investment, loaning of funds, endorsement and guarantee, and derivative trade, and the main reasons for profit or loss, and the plan in response in the future: the Company did not engage in the aforementioned activities in 2024.
- (III) The R&D plan and expected investment in R&D in the future: refer to “The overview of technology and R&D” on p. 50.
- (IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: please refer to “The future development strategy, and the effect of external competition, the legal environment, and the overall business environment” on Page 4.
- (V) Effect on the Company's finance and operation of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response: the Company closely monitors the developments in science and technology (including cyber security risks) of the industry where it operates, to grasp the market impulse and evaluates the effect on the Company's operations. During the most recent years up to the publication date of the annual report, there has been no material adverse effect on the Company's from the developments in science and technology and industrial change.
- (VI) The effect of change in corporate image on corporate crisis management and the response: None.
- (VII) Expected result, possible risk deriving from mergers and acquisition, and the response: None.
- (VIII) Expected result, possible risk deriving from capacity expansion: None.
- (IX) The risks deriving from concentration of purchase or sale, and the response: None.
- (X) The influence of and risk deriving from the massive transfer of equity shares by Directors, Supervisors, or shareholders holding more than 10% of the shares issued by the Company, and the response: None.
- (XI) The influence of and risk deriving from the change in ownership of the Company, and the response: None.

(XII) In case of legal proceedings or non-contentious matters, list out the names of the Directors, Supervisors, President, the actual person in charge, shareholders holding more than 10% of the shares issued by the Company, and subsidiaries, with sentence received or pending on sentences of significant legal proceedings non-contentious matters, or administrative appeal, and the result is likely to significantly affect shareholders equity or stock price. Disclose the detail of the contention, the amount involved, the commencement of the legal proceedings, the parties concerned, and the status to the date this report was printed: None.

(XIII) Other material risks and measures to be taken in response: none.

VII. Additional Information: None.

Six. Additional Information

I. Information on affiliates: Index: MOPS -> Basic Information -> E-books -> "Three Tables for Affiliates". https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Any offering of securities through private placement in the most recent year to the date this report was printed: None.

III. Other Nexessary Supplementary Information: None.

IV. Incidents that significantly affected the shareholders equity or stock price of the Company as specified in Subparagraph 2, Paragraph 3 of Article 36 of the law in the most recent year to the publication date of this report, if applicable, specify one-by-one: None.

Huaku Development Co., Ltd.



Chairman: Chung Long-Chang



Printed on March 30, 2025