

Stock Code: 5515



CHIEN KUO CONSTRUCTION CO., LTD.

Annual Report 2024

Notice to readers

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

Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>
Chien Kuo Construction Co. Ltd. 2024 Annual Report is available at: <http://www.ckgroup.com.tw>

Printed on April 15, 2025

I. Names, Titles, Telephone Number and Email Address of the Company's Spokesperson and Deputy Spokesperson

Spokesperson

Name: Ssu-Chia Kung

Title: Vice General Manager

Tel: 886-2-27849730

E-mail: spokesman@ckgroup.com.tw

Deputy Spokesperson

Name: Jing-Tsai Wang

Title: Manager, Finance Department

Tel: 886-2-27849730

E-mail: spokesman@ckgroup.com.tw

II. Headquarters, Branches and Plant: No Branches and Plant

Headquarters

Address: 20F, No. 67, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan

Tel: 886-2-27849730

III. Stock Transfer Agent

Name: Yuanta Securities

Address: B1, No. 67, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City 106, Taiwan

Website: <http://www.yuanta.com.tw>

Tel: 886-2-25865859

IV. Auditors

Deloitte & Touche

Name: Li-Chun Chang, Wen-Chin Lin (CPAs in 2024)

Name: Li-Chun Chang, Wen-Chi Kuo (Current CPAs)

Address: 20F, No. 100, Songren Rd., Xinyi Dist., Taipei, 11073, Taiwan

Website: <http://www.deloitte.com.tw>

Tel.: 886-2-27259988

V. Overseas Securities Exchange

None

VI. Corporate Website: <http://www.ckgroup.com.tw>

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Chapter 1 Letter to Shareholders

Ladies and gentlemen:

In 2024, global inflation eased; however, geopolitical risks and regional conflicts continued to create high uncertainty in international political and economic conditions, disrupting global recovery. Domestically, demand for public infrastructure, commercial buildings, and residential projects remains steady. Taiwan's 2024 Construction Cost Index showed a slight annual increase, with construction costs remaining high and labor shortages continuing to pose significant challenges for the industry. Looking ahead, social housing remains a key policy focus of the government, with a stable project pipeline expected. However, due to central bank policies targeting real estate speculation, the private housing market is expected to become more cautious in the short term, likely leading to reduced project volume. In addition, the inauguration of President Trump in the United States is expected to bring various policy shifts, adding further uncertainty to the global political and economic landscape. In light of these factors, the Company will adopt a cautiously optimistic approach to the construction industry's outlook in 2025.

In 2024, the Company recorded consolidated revenue of NT\$6.12 billion, representing a 46% increase from 2023. Net income after tax was NT\$681.757 million, up 101% year over year, with earnings per share of NT\$2.91. Net cash inflow from operating activities reached NT\$520 million in 2024. The following is a summary report of the Company's 2024 consolidated business results:

(I) Operational Highlight

Unit: NT\$ Thousands

Item	2024	2023	Variance between the two periods	Growth
Operating revenue	6,120,883	4,186,359	1,934,524	46%
Operating costs	5,336,501	3,797,123	1,539,378	41%
Gross profit	784,382	389,236	395,146	102%
Operating expenses	401,773	331,695	70,078	21%
Net operating income	382,609	57,541	325,068	565%
Non-operating income and expenses	428,370	337,902	90,468	27%
Net profit before tax	810,979	395,443	415,536	105%
Net income	681,757	338,513	343,244	101%

✓ Gross profit in 2024 increased by NT\$395.146 million compared to 2023, mainly due to the mass construction phases of several design-build public housing and

commercial/industrial projects, which drove growth in both revenue and gross profit.

- ✓ The difference in net non-operating income between the two years was primarily due to an increase in gains from the valuation of financial assets.

(II) Cash Flows and Profitability Analysis

1. Cash flows

Unit: NT\$ Thousands	
Item	2024
Net cash inflow from operating activities	516,202
Net cash outflow from investing activities	(792,686)
Net cash outflow from the financing activities	(567,995)
Effect of exchange rate changes on cash and cash equivalents	21,170
Cash decrease in the current period	(823,309)
Cash amount - beginning of the year	1,634,295
Cash amount - end of the year	810,986

- ✓ Net cash inflow from the operating activities was mainly driven by this period's profitability.
- ✓ Net cash outflow from investment activities is primarily attributed to the increase in financial assets measured at fair value through profit or loss.
- ✓ Net cash flows used in financing activities were mainly due to capital reduction and cash dividends.

2. Profitability Analysis

Item		2024	2023
Return on assets		8.0%	4.4%
Return on equity		13.9%	7.1%
Ratio of paid-in capital	Operating income	19.0%	2.3%
	Income before tax	40.2%	15.7%
Net profit margin		11.1%	8.1%
Earnings per share (NT\$)		2.91	1.34

- ✓ The increase in key financial ratios compared to the previous year was primarily attributable to improved profitability and the implementation of a cash capital reduction during the current period.

We uphold the core values of “Integrity, Optimization, Wellbeing and Harmony”, and are committed to operating with honesty and integrity. Embracing a growth mindset, we are building a learning-oriented organization that continues to refine its expertise and pursue innovation in response

to evolving industry demands. With a like-minded and cohesive team, we strive for excellence in quality, fulfill our corporate social responsibilities, and pursue mutual prosperity with environmental sustainability, establishing a new generation construction team rooted in technology and enriched with social concern and humanistic aesthetics. Meanwhile, the rising prominence of ESG issues continues to drive industry attention toward environmental responsibility, social impact, and corporate governance. In 2024, the Company ranked in the top 1% of listed companies with a market cap of NT\$5 billion in the 10th Corporate Governance Evaluation. Our Fuxing Social Housing project received the 2024 TIBA Award for Smart Green Building and System Products in the Asia-Pacific region. The Company's aluminum formwork system also obtained low-carbon construction method certification from the Taiwan Architecture & Building Center, becoming one of the first methods officially recognized by the Ministry of the Interior. Looking forward to 2025, the Company will continue to pursue diversified business development through design-build public works, commercial buildings, and residential projects. We will expand the use of aluminum formwork systems to replace traditional formwork, and introduce foreign workers to alleviate labor shortages driven by demographic decline. Staying committed to the ESG philosophy, we will enhance competitiveness through construction digitization and automation, ongoing development of low-carbon methods, and patent technologies. With the professionalism and dedication of our team, the Company will continue to grow and deliver outstanding results.

Last but not least, may all shareholders

Peaceful and joyful

Chairman: Chang-Shiou WU

Chapter 2 Corporate Governance Report

I Information on Directors, General Managers, Vice General Managers, Assistant Managers, and Heads of Departments and Branches

(I) Board of Directors

1. Directors Information

Date of Book Closure: April 15, 2025

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Tenure (Year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding currently		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with the Company or Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relation -ship	
Chairman	Republic of China (R.O.C.)	Chien Hwei Investment Co., Ltd. Representative: Chang-Shiou Wu	Male 66-70	2024.06.18	3	2012.06.18	46,011,532	18.25%	37,769,225	18.73%	0	0.00%	0	0.00%	PhD. Civil Engineering & Engineering Mechanics, University of Arizona (USA)	Chairman (corporate representative) and President, CKTech Engineering Co., Ltd. Director (corporate representative), Golden Canyon Venture Capital Investment Co., Ltd. Director (corporate representative), Golden Canyon II Venture Capital Investment Co., Ltd. Director of Silver Shadow Holding Limited Director of Golden Canyon Limited Director of CK Asia Co., Ltd.	-	-	-	-
						2012.06.18	240,000	0.09%	192,000	0.09%	1,280	0.00%	0	0.00%						

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Tenure (Year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding currently		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with the Company or Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relation -ship	
Vice Chairperson	Republic of China (R.O.C.)	Chi-Te Chen	Male 66-70	2024.06.18	3	1988.04.27	18,844,139	7.47%	15,075,311	7.48%	1,681,337	0.83%	0	0.00%	MBA, University of Santa Clara, (USA)	Director of Chia Hsin Cement Corporation Director (corporate representative) of Chia Hsin Property Management and Development Director (corporate representative) & Vice Chairman of China Real Estate Management Co., Ltd. Chairman (corporate representative) of Golden Canyon Venture Capital Investment Co., Ltd. Chairman (corporate representative), Golden Canyon II Venture Capital Investment Co., Ltd. Director (corporate representative) of CKTech Engineering Co., Ltd. Director of Silver Shadow Holding Limited Director of Golden Canyon Limited Director of CK Asia Co., Ltd. Chairman of Chien Hwei Investment Co., Ltd. Chairman of Jui Hwei Trading Co., Ltd. Chairman of Deqing Investment Co., Ltd. Chairman (corporate representative) of Rock Publishing International Chairman of Chien Kuo Foundation for Arts and Culture Chairman of Chien Hwei Cultural & Educational Foundation	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Tenure (Year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding currently		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with the Company or Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relation-ship	
Directors	Republic of China (R.O.C.)	Chung Cheng	Male 66-70	2024.06.18	3	2003.05.02	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master in Electrical and Computer Engineering, University of California (USA) (USA) Master of Business Administration of Santa Clara University Bachelor, Department of Electrophysics, National Chiao Tung University	Chairman of China Real Estate Management Chairman (corporate representative), China Development Asset Management Co., Ltd. Director of Keyware Electronics Co., Ltd. Director (corporate representative) of VIVASOLIS Biotechnology Co., Ltd.	-	-	-	-
Directors	Republic of China (R.O.C.)	Chu-Hsin Lee	Male, 66-70	2024.06.18	3	2009.06.16	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Electrical Engineering, National Chiao Tung University	Qbic Technology Co., Ltd. Independent Director Independent Director of China United Insurance Group Company Limited	-	-	-	-
Directors	Republic of China (R.O.C.)	Chi-Hsin Chen	Male, 56~60	2024.06.18	3	2009.06.16	1,888,316	0.75%	1,510,652	0.75%	286	0.00%	0	0.00%	Department of Business of Kaohsiung Commercial and Industrial Vocational High School	Business Manager, Headway Group	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Tenure (Year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding currently		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with the Company or Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Directors	Republic of China (R.O.C.)	Chen-Ching Chen	Male 31-35	2024.06.18	3	2024.06.18	14,285,515	5.66%	11,428,412	5.67%	0	0.00%	0	0.00%	MBA, NYU Stern, USA	Chairman (corporate representative) of Chien Kuo Building Co., Ltd. Chairman (corporate representative) of Chien Bang Real Estate Development Co., Ltd. Director (corporate representative) of CKTech Engineering Co., Ltd. Director (corporate representative), Golden Canyon Venture Capital Investment Co., Ltd. Director of Chien Ya (Shanghai) Information Technology Co., Ltd. Director of Silver Shadow Holding Limited Director of Golden Canyon Limited Director of CK Asia Co., Ltd. Supervisor of Deqing Investment Co., Ltd.	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Tenure (Year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding currently		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with the Company or Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relation -ship	
Independent Directors	Republic of China (R.O.C.)	Chin-Pao Tsai	Male, 66-70	2024.06.18	3	2018.06.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.S. in Accounting, National Chengchi University M.A., Graduate School of Law, National Chengchi University	Independent Director of ECOVE Environment Corporation Independent Director of TANVEX BIO PHARMA, INC. Director of TIC Group Chairman (corporate representative) of Jiaguang Development Industrial Co., Ltd. Chairman (corporate representative) of Wonshida Development Industrial Co., Ltd. Director (corporate representative) of TransGlobe Life Insurance Inc. Chairman (corporate representative) of Orient Golf Co., Ltd. Director (corporate representative) of FCB International Leasing,Ltd.	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Tenure (Year)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding currently		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with the Company or Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Directors	Republic of China (R.O.C.)	Li-Hsing I	Male, 66-70	2024.06.18	3	2018.06.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.S. in Civil Engineering, University of Texas at Austin(USA)	Chairman, Citygreat Information Technology Co., Ltd. Adjunct Associate Professor, Department of Business Administration & Department of Civil and Construction Engineering, National Taiwan University of Science and Technology Director, Hold Crown Company Limited Executive Director, Mahasati Meditation Taiwan Supervisor, Construction Management Association of the Republic of China	-	-	-	-
Independent Directors	Republic of China (R.O.C.)	Tai-Sheng Yen	Female 71-75	2024.06.18	3	2024.06.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Business Administration, California State University, Fresno, USA	None	-	-	-	-

2. Major institutional shareholders

April 15, 2025

Name of Institutional Shareholders	Major institutional shareholders	
	Shareholders	Shareholding Ratio (%)
Chien Hwei Investment Co., Ltd.	Chi-Te Chen	89.25%
	Shen-Yu Pang	9.64%
	Chen-Ching Chen	1.11%

3. If any major shareholder is a corporate/juristic person: Not applicable.

4. Directors Information

April 15, 2025

Criteria Name	Professional Qualifications and Experience	Independence Criteria (Note 1)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		1	2	3	4	5	6	7	8	9	10	11	12	
Chien Hwei Investment Co., Ltd. Corporate representative: Chang-Shiou Wu	Former General Manager of Pei-Fon Co., Ltd., Shanghai Former General Manager of Ruentex Resource Integration Co. Ltd. Former General Manager of Ruentex Engineering & Construction Co. Ltd.			✓		✓	✓			✓	✓	✓		0
Chi-Te Chen	Former Chairman, Chien Kuo Construction Co., Ltd.	✓			✓		✓			✓	✓	✓	✓	0
Chung Cheng	Former Independent Director, Chien Kuo Construction Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chu-Hsin Lee	Former Independent Director, Chien Kuo Construction Co., Ltd. Former General Manager, Fubon Financial Holding Venture Capital Corporation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Chi-Hsin Chen	Former Supervisor, Chien Kuo Construction Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chen-Ching Chen	Former Special Assistant, Chien Kuo Construction Co., Ltd.					✓	✓	✓	✓	✓		✓	✓	0
Chin-Pao Tsai (Note 2 and 3)	Former Vice Director of PwC Taiwan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2

Criteria Name	Professional Qualifications and Experience	Independence Criteria (Note 1)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		1	2	3	4	5	6	7	8	9	10	11	12	
Li-Hsing I (Note 2)	Former Consultant of BES Engineering Corporation Former General Manager, Chien Kuo Construction Co., Ltd. Former General Manager, Ruentex Construction Co., Ltd. Former General Manager, Pinghui Construction Co., Ltd. Former General Manager, Runan Electrical Engineering Co., Ltd. Former General Manager, Lisheng Construction Co., Ltd. Former General Manager, Pengfa Construction Co., Ltd. Former Associate Engineer, Deputy Division of RSEA Engineering Corporation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Tai-Sheng Yen (Note 2)	Former Director & General Manager, Operations, Information and Human Resources, Citibank Asia Pacific Former General Manager & Director of Human Resources, Citibank Taiwan Former Senior Manager, Human Resources, FedEx Central and North Asia Former Director, Human Resources, Mobil North Asia Former Vice President of Human Resources, Asia-Pacific Consumer Financial Industry & Hong Kong Region, Bank of America Former Director, Human Resources, Avon Taiwan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Board Diversity and Independence

(I) Board Diversity: Please refer to II. Corporate Governance Report and III. Corporate Governance Operations, (III) Corporate Governance Implementation Status, Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the Reasons, III. Composition and duties of the Board of Directors.

(II) Board Independence:

The Company has a total of 9 members on its 23rd Board of Directors, including 3 independent directors, accounting for 33.33% of the total number of directors. The three incumbent independent directors have submitted declarations of independence, which have been verified by the Corporate Governance Officer. These declarations comply with the requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Among the Board members, only one holds employee status, accounting for 11.1% of the Board members, which is less than one-third of the total number of directors and does not affect the operation and decision making of the Board of Directors, which remains highly independent.

Among the Company's directors, there are a total of 2 seats held by individuals who have a familial relationship within the second degree of kinship, accounting for 22.2% of the total. As this does not constitute a majority, it complies with Article 26-3, Paragraph 3 of the Securities and Exchange Act. None of the Company's independent directors, nor any directors and independent directors, are related to each other by consanguinity or by second degree of kinship, and there is no such situation as provided in Article 26-3, Paragraph 4 of the Securities and Exchange Act.

Note 1: Please tick [✓] the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

- (1) Not an employee of the Company or any of its associates.
- (2) Not a director or supervisor of the Company or any of its associates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer as stated in (1) or any of the persons mentioned in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the Company, or a top 5 shareholder, or a director or supervisor representative appointed by the Company in accordance with paragraph 1 or 2, Article 27 of the Company Act (excluding independent directors appointed by both the Company and its parent company, subsidiary or subsidiaries under the same parent company pursuant to this regulation or the local regulations).
- (6) Not directors, supervisors or employees of other companies controlled by the same person holding a majority of the company's director seats or voting shares of the company. (However, this restriction shall not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (7) Not directors (governors), supervisors or employees of other companies or institutions who are the same person or spouse as the chairperson, general manager or person holding an equivalent position of the company. (However, this restriction shall not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent).
- (8) Not any director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (for a particular company or institution holds more than 20%, but not exceed 50%, of the company's issued shares, and the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, shall not be restricted by this provision.)
- (9) Not any professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides 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 has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. However, members of the special committee on remuneration, public acquisition review, or merger and acquisition who perform their functions and powers in accordance with the provisions of the Securities and Exchange Act or Business Mergers and Acquisitions Act and other relevant regulations shall not be subject to this provision.
- (10) Not a spouse or a relative within the second degree of kinship of other directors.
- (11) Not having any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.

Note 2: None of the following situations apply to the three independent directors:

- (1) He/She, his/her spouse, his/her second degree relative or other relatives are directors, supervisors or employees of the Company or other related companies.
- (2) The Company's shares are held by him/she, his/her spouse, his/her second degree of kinship, etc. (or by using the names of others).
- (3) Serve as a director, supervisor or employee who has a specific relationship with the Company (refer to Article 3, Paragraph 1, Sub-paragraphs 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
- (4) Received compensation for business, legal, financial, and accounting services from the Company or its affiliates in the last 2 years.

Note 3: Chin-Pao Tsai, an independent director, has accounting expertise and is a certified public accountant in the Republic of China. He is the Former Vice Director of PwC Taiwan.

(II) Information on the General Manager, Assistant General Managers, Deputy Assistant General Managers, and the Supervisors of Departments and Branches

Date of Book Closure: April 15, 2025

Title	Nationality	Name	Gender	Date Elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with Other Companies	Managers who are a Spouse or a Relative Within Two Degrees of Kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
General Manager	Republic of China (R.O.C.)	Mao-Sheng Kan	Male	2023.02.03	5,712	0.00%	0	0.00%	0	0.00%	Master of Construction Management, National Central University General Manager, Chien Kuo Construction Co., Ltd. Vice General Manager of Procurement Dept., Chien Kuo Construction Co. Ltd. Assistant Manager of Kedge Construction Co. Ltd.	-	-	-	-	-
Chief Financial Officer	Republic of China (R.O.C.)	Pai-Tso Sun (Note 1)	Male	2014.02.05	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, National Chengchi University Executive Deputy General Manager of Hong Pu Real Estate Development Co., Ltd. General Manager of Chien Kuo Asia Co., Ltd.	-	-	-	-	-
General Manager of Concrete Business	Republic of China (R.O.C.)	Kuo-Feng Ting (Note 2)	Male	2015.07.01	88,000	0.04%	0	0.00%	0	0.00%	Master of Construction Management, New York Institute of Technology, USA Bai Yi Construction Group Pacific Engineers & Constructors, Ltd.	Director and General Manager of Chien Ya (Shanghai) Information Technology Co., Ltd.	-	-	-	-
General Manager of Mechanical and Electrical Engineering Business	Republic of China (R.O.C.)	Jin-Hui Zhou (Note 3)	Male	2023.02.04	0	0.00%	0	0.00%	0	0.00%	Master of Law, Soochow University Bachelor, Department of Electrical Engineering, National Taiwan University Special Assistant, Chien Kuo Construction Co. Ltd. Vice General Manager, Chien Kuo Construction Co. Ltd. Chief of Business Section of Fu Tse Construction Co., Ltd. Executive Secretary of CONSTRUCTION	-	-	-	-	-

Title	Nationality	Name	Gender	Date Elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with Other Companies	Managers who are a Spouse or a Relative Within Two Degrees of Kinship			Note
					Shares	Shareholding Ratio	Shares	Sharehold ing Ratio	Shares	Shareholding Ratio			Title	Name	Relation -ship	
											INDUSTRY FOUNDATION FOR R&D					
General Manager of Aluminum Molding Business	Republic of China (R.O.C.)	Wen- Cheng Li	Male	2024.03.01	0	0.00%	0	0.00%	0	0.00%	Department of Civil Engineering, National Taiwan University	General Manager of Leader Construction Co., Ltd.	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	Kuan- Chun Chang	Male	2016.04.16	21,619	0.01%	2,400	0.00%	0	0.00%	Master of Civil Engineering, National Chiao Tung University San Ching Engineering Division Director of Yicheng Engineering Co., Ltd.	-	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	I-Cheng Lin (Note 4)	Male	2020.09.02	0	0.00%	0	0.00%	0	0.00%	Master of Questrom School of Business (MBA)	-	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	Wei-Pin Wang	Male	2020.11.16	0	0.00%	0	0.00%	0	0.00%	M.S., Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	Hsi-Chun Liu	Male	2021.04.16	0	0.00%	4,000	0.00%	0	0.00%	Master of Civil Engineering, Tamkang University Special Assistant to the Chairman, KENMEC Mechanical Engineering Co., Ltd. Assistant General Manager of Real Estate Department of Nan Shan Life Insurance Company, Ltd.	General Manager, Chien Kuo Building Co., Ltd. General Manager, Chien Bang Building Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date Elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with Other Companies	Managers who are a Spouse or a Relative Within Two Degrees of Kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Vice General Manager	Republic of China (R.O.C.)	Sheng-I Yen	Male	2022.08.01	10,000	0.00%	0	0.00%	0	0.00%	Doctor of Department of Civil Engineering, National Chiao Tung University Project Manager of Ruentex Engineering & Construction Co. Ltd.	Vice General Manager of Plant Engineering Department, Chien Bang Building Co., Ltd.	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	Chung-Fu Kuan	Male	2023.03.01	0	0.00%	0	0.00%	0	0.00%	Master, Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	Wan-Li Huang	Female	2023.08.01	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, Soochow University	-	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	Ching-Yang Lu	Male	2024.02.16	179	0.00%	0	0.00%	0	0.00%	Department of Construction Engineering, National Taiwan Institute of Technology	-	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	Kun-Fang Li (Note 5)	Male	2025.02.05	0	0.00%	0	0.00%	0	0.00%	M.S., Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Vice General Manager	Republic of China (R.O.C.)	Ssu-Chia Kung (Note 6)	Female	2012.05.01	0	0.00%	0	0.00%	0	0.00%	Master of International Finance, University of Birmingham (UK) Associate Manager of Financial Planning Department of Far EasTone Telecommunications Co., Ltd. Manager of the Accounting Department of NCIC	Director of Chien Ya (Shanghai) Information Technology Co., Ltd. Supervisor (corporate representative) of Wan Chang Venture Capital Co., Ltd. Supervisor (corporate representative) of Golden Canyon Venture Capital Investment Co., Ltd. Supervisor (corporate representative), Golden Canyon II Venture Capital Investment Co., Ltd. Supervisor (corporate representative) of Chien Kuo Development Co., Ltd.), Jian Bang Construction Co., Ltd. Supervisor (corporate representative), Wan Fu Venture Capital Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date Elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with Other Companies	Managers who are a Spouse or a Relative Within Two Degrees of Kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
												Supervisor (corporate representative) of CKTech Engineering Co., Ltd.				
Assistant General Manager	Republic of China (R.O.C.)	Cheng-Te Chou	Male	2008.03.28	21,218	0.01%	0	0.00%	0	0.00%	MBA, San Diego State University (USA) Assistant General Manager, Auditing Office, Senao International Assistant General Manager, Auditing Office, Continental Engineering Group	-	-	-	-	-
Assistant General Manager	Republic of China (R.O.C.)	Lin-Ju Lin (Note 7)	Female	2021.08.13	0	0.00%	0	0.00%	0	0.00%	Master in Accounting, National Taiwan University CPA, Taiwan Senior Accounting Manager, Finance & Accounting Center, Information Technology Total Services Co., Ltd. Senior Specialist (Manager), Accounting Division, Management and Accounting Department, Finance and Administration Center, TECO Electric & Machinery Co., Ltd. Finance Manager, Tripod Technology	-	-	-	-	-
Assistant General Manager	Republic of China (R.O.C.)	Yue-Hsin Hsu (Note 8)	Female	2024.09.30	0	0.00%	0	0.00%	0	0.00%	Department of Accounting, National Taiwan University CPA, Taiwan Senior Assistant Manager, Accounting Department,	-	-	-	-	-

Title	Nationality	Name	Gender	Date Elected (Inaugurated)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Positions Currently Held with Other Companies	Managers who are a Spouse or a Relative Within Two Degrees of Kinship			Note
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
											International CSRC Investment Holdings Co., Ltd. Assistant Manager, Accounting Department, Makalot Industrial Co., Ltd. Accounting Manager, Trend Micro Incorporated Assistant General Manager Audit Department, KPMG Taiwan					
Assistant General Manager	Republic of China (R.O.C.)	Yu-Yun Lin	Female	2021.07.22	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, National Chengchi University Master of Law, Soochow University Passed the bar exam in Taiwan	-	-	-	-	-

Note 1: Pai-Tso Sun was relieved of his duties as Chief Financial Officer in December 2024.

Note 2: Kuo-Feng Ting resigned in February 2024.

Note 3: Jing-Hui Zhou resigned in January 2024.

Note 4: I-Cheng Lin resigned in February 2024.

Note 5: Kun-Fang Li was newly elected in February 2025.

Note 6: Ssu-Chia Kung was promoted as Vice General Manager in April 2024.

Note 7: Lin-Ju Lin resigned in August 2024.

Note 8: Yue-Hsin Hsu was newly elected in September 2024.

Note 9: The Company does not have a Chairman and CEO or an equivalent position (top executive) held by the same person, spouses, or first-degree relatives.

II Remuneration to Directors, General Managers, and Vice General Managers in the Most Recent Year

(I) Remuneration Paid to General Directors and Independent Directors

Unit: NT\$ Thousands

Title	Name	Remuneration to Directors								(A+B+C+D) as a % of Net Income (Note 10)		Relevant Remuneration Received by a Director Who is Also an Employee of the Company								Total of (A+B+C+D+E+F+G) and as a % of Net Income (Note 10)		Compensation Paid to Directors from an Invested Company Other than the Company’ s Subsidiary or the Parent Company (Note 11)
		Base Compensation (A) (Note 2)		Pension (B)		Director’s Remuneration (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salary, Bonus, and Allowance (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)						
		The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company		From companies in the consolidated financial statements (Note 7)		The Company	From companies in the consolidated financial statements	
																Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
Chairman	Chien Hwei Investment Co., Ltd. Representative: Chang-Shiou Wu	600	600	-	-	5,683	5,683	16	16	6,299 0.92%	6,299 0.92%	12,438	12,438	-	-	4	-	4	-	18,741 2.75%	18,741 2.75%	-
Vice Chairperson	Chi-Te Chen	0	0	-	-	4,262	4,262	0	0	4,262 0.63%	4,262 0.63%	-	-	-	-	-	-	-	-	4,262 0.63%	4,262 0.63%	-
Directors (Note 12)	Pang-Yen Yang	120	120	-	-	1,015	1,015	6	6	1,141 0.17%	1,141 0.17%	-	-	-	-	-	-	-	-	1,141 0.17%	1,141 0.17%	-
Juristic-person Director (Note 13)	Representative of Chien Hsiang Investment Co., Ltd.: Jui-Hsing Tsai	0	0	-	-	1,015	1,015	0	0	1,015 0.15%	1,015 0.15%	-	-	-	-	-	-	-	-	1,015 0.15%	1,015 0.15%	-
Directors (Note 14)	Tzu-Chiang Yang	120	120	-	-	1,015	1,015	6	6	1,141 0.17%	1,141 0.17%	-	-	-	-	-	-	-	-	1,141 0.17%	1,141 0.17%	-
Juristic-person Director (Note 15)	Chien Hwei Investment Co., Ltd. Representative: Pai-Tso Sun	120	120	-	-	1,015	1,015	6	9	1,141 0.17%	1,144 0.17%	1,225	1,225	-	-	-	-	-	-	2,366 0.35%	2,369 0.35%	-
Directors	Chung Cheng	240	240	-	-	2,841	2,841	16	16	3,097 0.45%	3,097 0.45%	-	-	-	-	-	-	-	-	3,097 0.45%	3,097 0.45%	-
Directors	Chu-Hsin Lee	240	240	-	-	2,841	2,841	16	31	3,097 0.45%	3,112 0.46%	-	-	-	-	-	-	-	-	3,097 0.45%	3,112 0.46%	-
Directors (Note 16)	Yu-Jui Chang	120	120	-	-	1,015	1,015	6	6	1,141 0.17%	1,141 0.17%	-	-	-	-	-	-	-	-	1,141 0.17%	1,141 0.17%	-

Title	Name	Remuneration to Directors								(A+B+C+D) as a % of Net Income (Note 10)		Relevant Remuneration Received by a Director Who is Also an Employee of the Company								Total of (A+B+C+D+E+F+G) and as a % of Net Income (Note 10)		Compensation Paid to Directors from an Invested Company Other than the Company’ s Subsidiary or the Parent Company (Note 11)
		Base Compensation (A) (Note 2)		Pension (B)		Director’s Remuneration (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salary, Bonus, and Allowance (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)						
		The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company		From companies in the consolidated financial statements (Note 7)		The Company	From companies in the consolidated financial statements	
Amount in Cash	Amount in Stock															Amount in Cash	Amount in Stock					
Directors	Chi-Hsin Chen	240	240	-	-	2,841	2,841	16	16	3,097 0.45%	3,097 0.45%	-	-	-	-	-	-	-	-	3,097 0.45%	3,097 0.45%	-
Directors (Note 17)	Chen-Ching Chen	129	129	-	-	1,826	1,826	10	19	1,965 0.29%	1,974 0.29%	-	-	-	-	-	-	-	-	1,965 0.29%	1,974 0.29%	-
Independent Director	Chin-Pao Tsai	960	960	-	-	-	-	40	40	1,000 0.15%	1,000 0.15%	-	-	-	-	-	-	-	-	1,000 0.15%	1,000 0.15%	-
Independent Director (Note 18)	Chen-Yu Feng	480	480	-	-	-	-	16	16	496 0.07%	496 0.07%	-	-	-	-	-	-	-	-	496 0.07%	496 0.07%	-
Independent Director	Li-Hsing I	960	960	-	-	-	-	40	40	1,000 0.15%	1,000 0.15%	-	-	-	-	-	-	-	-	1,000 0.15%	1,000 0.15%	-
Independent Director (Note 19)	Tai-Sheng Yen	515	515	-	-	-	-	18	18	533 0.08%	533 0.08%	-	-	-	-	-	-	-	-	533 0.08%	533 0.08%	-
Please state the policies, systems, standards, and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment: The Regulations Governing Allocation and Payment of Remuneration to Directors was the basis for evaluation. Except as disclosed in the above chart, the remuneration to directors received due to the services provided (such as acting as consultants to non-employees of the parent company/all companies in the financial reporting/transferring businesses, etc.). in the most recent year: None																						

Range of Remuneration

Range of Remuneration Paid to the Company's Directors	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	From the Company (Note 8)	From companies in the consolidated financial statements (Note 9) H	From the Company (Note 8)	From companies in the consolidated financial statements (Note 9) I
Under NT\$1,000,000	Chen-Yu Feng Tai-Sheng Yen	Chen-Yu Feng Tai-Sheng Yen	Chen-Yu Feng Tai-Sheng Yen	Chen-Yu Feng Tai-Sheng Yen
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Pang-Yen Yang Tzu-Chiang Yang Yu-Jui Chang Chen-Ching Chen Chin-Pao Tsai Li-Hsing I Chien Hsiang Investment Co., Ltd. Representative: Jui-Hsing Tsai Chien Hwei Investment Co., Ltd. Representative: Pai-Tso Sun	Pang-Yen Yang Tzu-Chiang Yang Yu-Jui Chang Chen-Ching Chen Chin-Pao Tsai Li-Hsing I Chien Hsiang Investment Co., Ltd. Representative: Jui-Hsing Tsai Chien Hwei Investment Co., Ltd. Representative: Pai-Tso Sun	Pang-Yen Yang Tzu-Chiang Yang Yu-Jui Chang Chen-Ching Chen Chin-Pao Tsai Li-Hsing I Chien Hsiang Investment Co., Ltd. Representative: Jui-Hsing Tsai	Pang-Yen Yang Tzu-Chiang Yang Yu-Jui Chang Chen-Ching Chen Chin-Pao Tsai Li-Hsing I Chien Hsiang Investment Co., Ltd. Representative: Jui-Hsing Tsai
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Chung Cheng Chu-Hsin Lee Chi-Hsin Chen	Chung Cheng Chu-Hsin Lee Chi-Hsin Chen	Chung Cheng Chu-Hsin Lee Chi-Hsin Chen Chien Hwei Investment Co., Ltd. Representative: Pai-Tso Sun	Chung Cheng Chu-Hsin Lee Chi-Hsin Chen Chien Hwei Investment Co., Ltd. Representative: Pai-Tso Sun
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Chi-Te Chen	Chi-Te Chen	Chi-Te Chen	Chi-Te Chen
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	Chien Hwei Investment Co., Ltd. Representative: Chang-Shiou Wu	Chien Hwei Investment Co., Ltd. Representative: Chang-Shiou Wu	-	-
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	-	-	Chien Hwei Investment Co., Ltd. Representative: Chang-Shiou Wu	Chien Hwei Investment Co., Ltd. Representative: Chang-Shiou Wu
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
NT\$100,000,000 or above	-	-	-	-
Total	15	15	15	15

Note 1: The name of directors shall be listed separately (for corporate shareholders, the names of such corporate shareholders and their representatives shall be listed separately), with their titles (Director or Independent Director) being listed separately, and the various payments shall be disclosed in aggregate.

Note 2: Referred to the remuneration paid to directors in 2024 (including their salaries, duty allowance, severance payments, bonuses, and performance rewards).

- Note 3: On March 14, 2025, the Board of Directors approved the directors' remuneration for 2024 in the amount of NT\$25,369 thousand. The amount was calculated in accordance with the Company's "Regulations Governing Allocation and Payment of Remuneration to Directors". Among the total, the amount to be received by corporate directors (NT\$6,698 thousand for Chien Hwei Investment Co., Ltd. and NT\$1,015 thousand for Chien Hsiang Investment Co., Ltd., not paid to their respective representatives) totals NT\$7,713 thousand.
- Note 4: Business expenses paid out to directors in 2024 (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods such as cars). In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. Excluding the company car and driver provided by the Company totaled NT\$3,870 thousand.
- Note 5: Referred to the remuneration paid to directors in 2024 who simultaneously held another position in the Company (as a General Manager, Vice General Manager, manager, or an employee), including salaries, duty allowances, severance payments, bonuses, performance rewards, transport fees, special expenses, various allowances, accommodation, and provision of physical items such as a car. In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. Excluding the company car and driver provided by the Company totaled NT\$1,575 thousand. The salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including acquisition of employee stock option certificates and restricted stock awards (RSA), and participation in subscription of new shares in a capital increase by cash, shall also be accounted for as remuneration.
- Note 6: Referred to the employee compensation (including cash and stock) received by a director who simultaneously held another position in the Company (as a general manager, vice general manager, manager, and an employee) for 2024, disclose the amount of remuneration distributed to employees after being approved by the Board for the past year. For amounts that are unable to estimate, propose the distribution amount for the year based on the actual distribution made last year.
- Note 7: Total remuneration in various items paid out to the Company's directors by all companies (including the Company) listed in the consolidated statements shall be disclosed.
- Note 8: For the total remuneration in various items paid out to the Company's directors, the name of each director shall be disclosed in the corresponding range of the remuneration.
- Note 9: It is required to disclose the various remuneration in the aggregate paid by the Company and all consolidated entities to each director, whose name is also required to be disclosed in the range of remuneration to which they belong.
- Note 10: The Company's net income for 2024 was NT\$681,757 thousand; for those who have adopted IFRS, the term "net income" denotes the net income as stated on the standalone/individual financial statements for the most recent annual period.
- Note 11: a. Compensations received by the directors from other non-subsidiary companies invested by the Company or the parent company shall be disclosed in this column.
b. Where a director has received compensation from an investee other than the Company's subsidiaries or the parent company, such remuneration shall be consolidated into column I of the Table of Remuneration Range, which column shall then be changed to the title of "Parent Company and All Reinvestment."
c. Remuneration denotes the rewards, compensation (including compensation for an employee, a director and a supervisor) and related remuneration in connection with business expenses that are paid to one of the Company's directors who serves as a director, supervisor or manager for an investee other than the Company's subsidiaries or the parent company.
- Note 12: Pang-Yen Yang stepped down in June 2024.
- Note 13: Jui-Hsing Tsai stepped down in June 2024.
- Note 14: Tzu-Chiang Yang stepped down in June 2024.
- Note 15: Pai-Tso Sun stepped down in June 2024; the reported amount does not include compensation received in their capacity as an employee after dismissal.
- Note 16: Yu-Jui Chang stepped down in June 2024.
- Note 17: Chen-Ching Chen was newly appointed in June 2024.
- Note 18: Chen-Yu Feng resigned in June 2024.
- Note 19: Tai-Sheng Yen was newly appointed in June 2024.

*Since the contents of the remuneration disclosed in this table are different from the concept of income used in the Income Tax Act, the purpose of this table is for disclosure, not for taxation use.

(II) Compensation Paid to General Managers and Vice General Manager

Unit: NT\$ Thousands

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonus and special fee (C) (Note 3)		Profit Sharing- Employee Bonus (D) (Note 4)				(A+B+C+D) as a % of Net Income (%) (Note 8)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or the Parent Company (Note 9)
		The Company	From companies in the consolidated financial statements (Note 5)	The Company	From companies in the consolidated financial statements (Note 5)	The Company	From companies in the consolidated financial statements (Note 5)	The Company		From companies in the consolidated financial statements (Note 5)		The Company	From companies in the consolidated financial statements	
								Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
General Manager	Mao-Sheng Kan	21,472	24,208	2,000	2,000	14,167	15,889	55	0	55	0	37,694 5.53%	42,152 6.18%	-
Chief Financial Officer (Note 10)	Pai-Tso Sun													
General Manager of Concrete Business (Note 11)	Kuo-Feng Ting													
General Manager of Mechanical and Electrical Engineering Business (Note 12)	Jin-Hui Zhou													
General Manager of Aluminum Molding Business	Wen-Cheng Li													
Vice General Manager	Kuan-Chun Chang													
Vice General Manager (Note 13)	I-Cheng Lin													
Vice General Manager	Wei-Pin Wang													
Vice General Manager	Hsi-Chun Liu													
Vice General Manager	Sheng-I Yen													
Vice General Manager	Chung-Fu Kuan													
Vice General Manager	Wan-Li Huang													
Vice General Manager	Ching-Yang Lu													
Vice General Manager (Note 14)	Kun-Fang Li													
Vice General Manager (Note 15)	Ssu-Chia Kung													

Range of Remuneration

Range of Remuneration Paid to the General Manager and Vice General Managers	Name of General Manager and Vice General Managers	
	From the Company (Note 6)	From companies in the consolidated financial statements (Note 7)
Under NT\$1,000,000	Kuo-Feng Ting Jin-Hui Zhou Wen-Cheng Li I-Cheng Lin Kun-Fang Li	Kuo-Feng Ting Jin-Hui Zhou I-Cheng Lin Kun-Fang Li
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Kuan-Chun Chang Wei-Pin Wang Sheng-I Yen Chung-Fu Kuan Wan-Li Huang Ching-Yang Lu Ssu-Chia Kung	Kuan-Chun Chang Wei-Pin Wang Sheng-I Yen Chung-Fu Kuan Wan-Li Huang Ching-Yang Lu Ssu-Chia Kung
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Hsi-Chun Liu	Wen-Cheng Li Hsi-Chun Liu
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Mao-Sheng Kan Pai-Tso Sun	Mao-Sheng Kan Pai-Tso Sun
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
NT\$100,000,000 or above	-	-
Total	15	15

- Note 1: The names of general manager and vice general managers shall be listed separately and the payments shall be disclosed collectively.
- Note 2: Referred to the salary, duty allowances and severance payments paid to the general manager or vice general manager in 2024.
- Note 3: Referred to the compensation paid to general managers or vice general managers, namely bonuses, performance rewards, transport fees, special allowances, other allowances, accommodation, provision of physical items such as a car, and other compensation for 2024. Excluding the company car and driver provided by the Company totaled NT\$0 thousand. The salary expenses recognized in accordance with IFRS 2 "Share based Payment," including the acquisition of employee stock option certificates and restricted stock awards (RSA), and participation in subscription of new shares in a capital increase by cash, shall also be accounted for as remuneration.
- Note 4: The compensation paid to employees in 2024 was NT\$25,369 thousand as resolved by the Company's Board Meeting on March 14, 2025; such amount for distribution was estimated in accordance with the Company's Regulations Governing Employee Compensation, as well as personal performance.
- Note 5: Total compensations of various items paid out to this Company's general managers and vice general managers by all companies (including the Company) listed in the consolidated financial statements shall be disclosed.
- Note 6: Names and the of the Company's general managers and vice general managers shall be disclosed in the range corresponding to the total of compensations paid to them. The names of the general manager and vice general managers shall also be disclosed in the proper compensation range.
- Note 7: Total compensation of various items paid to every general manager and vice general manager of the Company by all companies (including the Company) listed in the consolidated financial statements shall be disclosed. The name of the general manager and vice general manager shall also be disclosed in the proper compensation range.
- Note 8: "Net income" refers to the net income for 2024 amounted to NT\$681,757 thousand; for those who have adopted IFRS, the term "net income" denotes the net income as stated on the standalone/individual financial statements for the most recent annual period.
- Note 9: a. Compensations of the Company's general manager and vice general managers received from investees other than the Company's subsidiaries or the parent company shall be disclosed in this column.
b. Where a general manager or vice general manager has received compensation from an investee other than the Company's subsidiaries or the parent company, such compensation shall be consolidated into column E of the Table of Remuneration Range, which column shall then be changed to the title of "Parent Company and All Reinvestment."

- c. Compensation denotes the rewards, compensation (including compensation for an employee, a director and a supervisor) and related compensation in connection with business expenses that are paid to one of the Company's general manager or vice general manager who serves as a director, supervisor or manager for an investee other than the Company's subsidiaries.

Note 10: Pai-Tso Sun resigned as a juristic-person director in June 2024. The reported amount does not include remuneration prior to his resignation. Additionally, he was relieved of his position as Chief Financial Officer in December 2024.

Note 11: Kuo-Feng Ting resigned in February 2024.

Note 12: Jing-Hui Zhou resigned in January 2024.

Note 13: I-Cheng Lin resigned in February 2024.

Note 14: Kun-Fang Li was newly elected in February 2025.

Note 15: Ssu-Chia Kung was promoted as Vice General Manager in April 2024. The reported amount does not include her remuneration prior to the promotion.

*Since the contents of the remuneration disclosed in this table are different from the concept of income used in the Income Tax Act, the purpose of this table is for disclosure, not for taxation use.

(III) Names of Managers Who Distributed Employee Compensation and the Status of Distribution

December 31, 2024 / Unit: NT\$ Thousands

	Title (Note 1)	Name (Note 1)	Amount in Stock	Amount in Cash	Total	Total amount as percentage of net income (%)
Manager	General Manager	Mao-Sheng Kan	0	70	70	0.01%
	Chief Financial Officer (Note 3)	Pai-Tso Sun				
	General Manager of Concrete Business (Note 4)	Kuo-Feng Ting				
	General Manager of Mechanical and Electrical Engineering Business (Note 5)	Jin-Hui Zhou				
	General Manager of Aluminum Molding Business	Wen-Cheng Li				
	Vice General Manager	Kuan-Chun Chang				
	Vice General Manager (Note 6)	I-Cheng Lin				
	Vice General Manager	Wei-Pin Wang				
	Vice General Manager	Hsi-Chun Liu				
	Vice General Manager	Sheng-I Yen				
	Vice General Manager	Chung-Fu Kuan				
	Vice General Manager	Wan-Li Huang				
	Vice General Manager	Ching-Yang Lu				
	Vice General Manager (Note 7)	Kun-Fang Li				
	Vice General Manager (Note 8)	Ssu-Chia Kung				
	Assistant General Manager	Cheng-Te Chou				
	Assistant General Manager (Note 9)	Lin-Ju Lin				
	Assistant General Manager (Note 10)	Yue-Hsin Hsu				
	Assistant General Manager	Yu-Yun Lin				

Note 1: Individual names and titles shall be disclosed, whereas earnings distribution may be disclosed in the aggregate.

Note 2: The compensation paid to employees in 2024 was NT\$25,369 thousand as resolved by the Company's Board Meeting on March 14, 2025; such amount for distribution was estimated in accordance with the Company's Regulations Governing Employee Compensation, as well as personal performance. "Net income" refers to the net income for 2024 amounted to NT\$681,757 thousand; for those who have adopted IFRS, the term "net income" denotes the net income as stated on the standalone/individual financial statements for the most recent annual period.

Note 3: Pai-Tso Sun was relieved of his duties as Chief Financial Officer in December 2024.

Note 4: Kuo-Feng Ting resigned in February 2024.
Note 5: Jing-Hui Zhou resigned in January 2024.
Note 6: I-Cheng Lin resigned in February 2024.
Note 7: Kun-Fang Li was newly elected in February 2025.
Note 8: Ssu-Chia Kung was promoted as Vice General Manager in April 2024.
Note 9: Lin-Ju Lin resigned in August 2024.
Note 10: Yue-Hsin Hsu was newly elected in September 2024.

- (IV) Separately compare and describe total remuneration, as a percentage of net income, as paid by the Company and by all companies included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and vice general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

Title	2023	2024
	Ratio of Total Remuneration to Net Income, Which Remuneration Was Paid to the Company's Directors, Supervisors, General Managers and Vice General Managers by the Company and All Consolidated Entities	Ratio of Total Remuneration to Net Income, Which Remuneration Was Paid to the Company's Directors, Supervisors, General Managers and Vice General Managers by the Company and All Consolidated Entities
Directors	8.97%	6.47%
Supervisor	0%	0%
General Manager and Vice General Managers	13.31%	6.18%

The policy on distribution of remuneration to directors and supervisors is set forth in the Company's Articles of Incorporation and was approved by the Shareholders' Meeting; the means of payment by which remuneration to the general manager and vice general managers are paid was conducted in accordance with the Company's Regulations Governing Management of Salaries and Wages and other related regulations.

III Implementation of Corporate Governance

(I) Implementation Status of the Board of Directors

1. In 2024, the Company held a total of 8 Board Meetings, attended (presented) by directors and supervisors as listed below:

Title	Name (Note 1)	Number of Times of Attendance (Presence) in Person	Number of times Attendance by Proxy	Attendance (Presence) Rate (%) (Note 2)	Note
Chairman	Representative of Chien Hui Investment Co., Ltd.: Chang-Shiou Wu	8	0	100%	Re-elected on June 18, 2024
Vice Chairperson	Chi-Te Chen	8	0	100%	Re-elected on June 18, 2024
Directors	Pang-Yen Yang	3	0	100%	Stepped down on June 18, 2024
Directors	Representative of Chien Siang Investment Co., Ltd.: Jui-Hsing Tsai	3	0	100%	Stepped down on June 18, 2024
Directors	Tzu-Chiang Yang	3	0	100%	Stepped down on June 18, 2024
Directors	Chien Hwei Investment Co., Ltd. Representative: Pai-Tso Sun	3	0	100%	Stepped down on June 18, 2024
Directors	Chung Cheng	8	0	100%	Re-elected on June 18, 2024
Directors	Chu-Hsin Lee	7	1	88%	Re-elected on June 18, 2024
Directors	Chi-Hsin Chen	8	0	100%	Re-elected on June 18, 2024
Directors	Yu-Jui Chang	2	1	67%	Stepped down on June 18, 2024
Directors	Chen-Ching Chen	5	0	100%	Newly elected on June 18, 2024
Independent Director	Chin-Pao Tsai	8	0	100%	Re-elected on June 18, 2024

Title	Name (Note 1)	Number of Times of Attendance (Presence) in Person	Number of times Attendance by Proxy	Attendance (Presence) Rate (%) (Note 2)	Note
Independent Director	Chen-Yu Feng	3	0	100%	Stepped down on June 18, 2024
Independent Director	Li-Hsing I	8	0	100%	Re-elected on June 18, 2024
Independent Director	Tai-Sheng Yen	4	1	80%	Newly elected on June 18, 2024 In the 5th meeting of the 23rd Board of Directors, Independent Director Chin-Pao Tsai was authorized to attend as a proxy

Other Required Disclosure:

- I. In 2024, a total of 8 board meetings were convened, with at least one independent director attending each meeting in person. In cases where an independent director was unable to attend, they authorized another independent director to attend on their behalf. Details of such delegations are provided in the remarks column of the table above.
- II. In case any of the following circumstances occurs at the Board Meeting, it is required to clearly specify the meeting date, meeting session, meeting content, opinions of all independent directors, and the Company's response thereto:
 - (I) Matters listed in Article 14-3 of the Securities and Exchange Act. The Company has established its Audit Committee; for details, please refer to the operations of the Audit Committee under Article 14-5 of the Securities and Exchange Act.
 - (II) Board resolution to which an independent director objects or for which an independent director has a qualified opinion, either in documentation or in writing, in addition to matters stated in the preceding subparagraph. Independent directors who attended the Board Meeting, either in person or by proxy, did not have any objection to or qualified opinion for any of the proposals.

Title	Name (Note 1)	Number of Times of Attendance (Presence) in Person	Number of times Attendance by Proxy	Attendance (Presence) Rate (%) (Note 2)	Note
<p>III. Implementation Status of Directors' Avoidance of Meetings Due to Conflicts of Interests:</p> <p>For the proposal to donate NT\$2 million to the Chien Kuo Foundation For Arts And Culture at the 15th Meeting of the 22nd Board of Directors, Vice-Chairman Chi-Te Chen abstained from the discussion due to the conflict of interests. Such a proposal was approved by all directors presenting as it had been proposed.</p> <p>IV. Measures taken to strengthen the functionality of the Board in the current and the latest year (e.g. establishing the Audit Committee, enhancing information transparency), and implementation status:</p> <p>i. To strengthen supervisory functions and enhance management capabilities, the Company has established functional committees such as the Audit Committee, Remuneration Committee, Sustainable Development Committee, and Nomination Committee. Through these committees, the Company aims to reinforce the functions of the Board of Directors.</p> <p>ii. All board members possess the knowledge, expertise, and skills required to fulfill their duties. The Company's management team regularly reports on the operational status to the Board of Directors, enabling board members to provide guidance and advice. Communication between board members and the management team is effective and collaborative. The accountants also periodically report to the Audit Committee and engage in private discussions with independent directors to confirm the effective implementation of risk control measures.</p> <p>iii. In 2024, a total of 8 board meetings, 2 investor conference, and shareholder meetings were convened. In addition to recording important meeting decisions on the Taiwan Stock Exchange's Market Observation Post System, the Company also publishes full video recordings of shareholder meetings and investor conferences on its official website, ensuring transparency and accessibility of operational information for investors.</p> <p>iv. The election of directors took place at the Company's Shareholders' Meeting on June 18, 2024.</p> <p>v. On March 13, 2024, during the 15th meeting of the 22nd Board of Directors, the Company established a Nomination Committee to improve the efficiency of corporate decision-making.</p>					

Note 1: Where a director or a supervisor is a corporation, disclose the names of such a corporate shareholder and its representative.

Note 2: (1) Where a directors or a supervisor resigns before the end of the annual period, the note column shall be annotated with the date of resignation. Actual attendance (presence) rate (%) shall be calculated as at the number of times of attendance (presence) in person divided by the number of Board Meetings held during his/her term of service.

(2) Where an election of directors or supervisors is held before the end of the annual period, list the names of both the incoming and outgoing directors or supervisors in the note column with annotations specifying whether the directors or supervisors are outgoing, incoming or re-elected, as well as the date of the election. Actual attendance (presence) rate (%) shall be calculated as at the number of times of attendance (presence) in person divided by the number of Board Meetings held during his/her term of service.

2. Evaluation of the performance for the Board of Directors

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Content
Once a year	The evaluation regarding the performance of Board of Directors for the previous year shall be conducted in the 1st quarter of each year. For example, the performance evaluation for January 1, 2024 to December 31, 2024 shall be conducted in the 1st quarter of 2025.	Board of Directors, Individual Directors, Remuneration Committee, Audit Committee, Sustainable Development Committee, Nomination Committee	Internal self-assessment of the Board of Directors, self-assessment of Directors, and self-assessment of functional committee	The performance evaluation on the Board of Directors: Include the degree of participation in the operation of the Company, the quality of the decision-making of the Board of Directors, the composition and structure of the Board of Directors, the selection and continuous education of Directors, and internal control. The performance evaluation on individual Directors: Include the knowledge about the Company's objectives and tasks, the understanding of Director's liabilities, the degree of participation in the Company's operations, the internal relationship management and communication, the specialty and continuous education of Directors, and internal control. The performance evaluation on the Audit, Remuneration, Nomination and Sustainable Development committees: The degree of participation in the Company's operation, the cognition of the responsibilities of the functional committee, the quality of decision-making of the functional committee, the composition and selection of members of the functional committee, internal control.

(II) The operation status of the Audit Committee or the supervisors' participation in the operation of the Board

1. Operation Status of the Audit Committee: The Audit Committee of the Company held a total of 6 meeting in 2024.
2. The main purpose of the operation of the committee is to supervise the following matters:
 - (1) Fair expression of the Company's financial statements.
 - (2) Appointment (Dismissal) of the Company's CPAs and their independence and performance.
 - (3) Effective implementation of internal control of the Company.
 - (4) The Company's compliance with relevant laws and regulations.
 - (5) Management of the existing or potential risks of the Company.
3. The committee has power over the following matters:
 - (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

- (2) Assessment of the effectiveness of the internal control system.
- (3) The adoption of or amendment to the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others, pursuant to Article 36-1 of the Securities and Exchange Act.
- (4) Matters in which a director is an interested party.
- (5) Asset transactions or derivatives trading of a material nature.
- (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The hiring or dismissal of a certified public accountant, or their compensation.
- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) The annual financial report and the second quarterly financial report subject to audit by a certified public accountant.
- (11) Other material matters as may be required by the Company or by the competent authority.
- (12) Donation to related parties or major donations to non-related parties.

4. A total of 6 meetings (A) were held by the Audit Committee in the most recent year. The attendance of independent directors is as follows:

Title	Name	Number of times Actual Attendance (B)	Number of times Attendance by Proxy	Rate of Attendance in Person (%) (B/A) (Note)	Note
Independent Director	Chin-Pao Tsai	6	-	100%	Re-elected on June 18, 2024
Independent Director	Chen-Yu Feng	3	-	100%	Stepped down on June 18, 2024
Independent Director	Li-Hsing I	6	-	100%	Re-elected on June 18, 2024
Independent Director	Tai-Sheng Yen	2	1	67%	Newly elected on June 18, 2024

Other Required Disclosure:

- I. In case any of the following circumstances occurs at the operation of the Audit Committee, it is required to clearly specify the Audit Committee meeting date, meeting session, meeting content, resolutions, content of the objections, reservations or significant recommendations of the

Independent Directors, the resolution's discussion results by the Audit Committee and the Company's response thereto:

(I) Matters enumerated in Article 14-5 of the Securities and Exchange Act.

Date Session	Meeting Content	Resolution Results	Company's Handling of the Opinions of the Audit Committee
2024/3/13 14th meeting of the 2nd term	The Company's 2023 Annual Business Report, Financial Statements and Consolidated Financial Statements Discussion.	Audit Committee: Unanimously approved by all committee members present as it had been proposed. Submitted to the Board of Directors for resolution.	Board of Directors: Approved by all directors. The directors have recused themselves from the discussion of the contents of the meeting and did not participate in the voting.
	Proposal for the discussion on the appointment of the CPAs certifying the 2024 Company's financial statements.		
	The Company's "Statement of Internal Control System" for 2023.		
	The proposal to donate NT\$200 million to "Chien Kuo Foundation For Arts And Culture."		
	Proposal for the discussion on the capital reduction of the Company.		
	The proposal for the discussion on providing endorsement guarantees for bank financing applications by our subsidiary, CKTech Engineering Co., Ltd., for investment purposes.		
	Proposal for the Company's 2023 earnings distribution.		
2024/5/8 15th meeting of the 2nd term	The Company's 2024 (in the first quarter) consolidated financial statements discussion.	Audit Committee: Unanimously approved by all committee members present as it had been proposed. Submitted to the Board of Directors for resolution.	Board of Directors: Approved by all directors.
	Proposal to amend the Company's Corporate Governance Best Practice Principles.		
2024/8/14 1st meeting of the 3rd term	The Company's 2024 (in the second quarter) consolidated financial statements discussion.	Audit Committee: Unanimously approved by all committee members present as it had been proposed. Submitted to the Board of Directors for resolution.	Board of Directors: Approved by all directors presenting.
	Proposal for the discussion on the change of the Company's Accounting Manager.		
	The provision of endorsement or guarantee for the invested subsidiary, Chien Bang Real Estate Development Co., Ltd., for the bank facility credit.		
	Proposal for the discussion on amendments to the Company's Internal Control System for Sustainable Information Management.		

		Proposal for the discussion on the Company's planned investment in the "Nomura Global Technology Multi-Asset Fund" issued by Nomura Asset Management.		
	2024/11/12 2nd meeting of the 3rd term	<p>Proposal for the discussion on the appointment of the Company's Accounting Manager.</p> <p>The Company's 2024 (in the third quarter) consolidated financial statements discussion.</p> <p>Proposal for the discussion on reviewing whether there are any financing arrangements disguised as receivables of the Company and its subsidiaries.</p> <p>Proposal for the discussion on the application form for the Company's 2025 Audit Plan.</p> <p>Proposal for the discussion on adding the "Procedures for Pre-Approval of Non-Assurance Services Provided by Certified Public Accountants" to the Company's policies.</p> <p>Proposal for the discussion on the amendment of the Company's "Audit Committee Organization Regulations."</p> <p>Proposal for the discussion on the application for the renewal of bank credit facilities for our subsidiary, CKTech Engineering Co., Ltd.</p>	Audit Committee: Unanimously approved by all committee members present as it had been proposed. Submitted to the Board of Directors for resolution.	Board of Directors: Approved by all directors.
	2024/12/27 3rd meeting of the 3rd term	<p>Proposal for the discussion on the amendments to the "Operating Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises" section of the Company's regulations.</p> <p>Proposal for the discussion on adding the "Operational Procedures for the Internal Control System of Sustainability Information Management" to the Company's policies.</p> <p>Proposal for the discussion on adding the "Sustainability Information Management Guidelines" to the Company's policies.</p>	Audit Committee: Unanimously approved by all committee members present as it had been proposed. Submitted to the Board of Directors for resolution.	Board of Directors: Approved by all directors.
	2025/3/14 4th meeting of the 3rd term	<p>Proposal for the discussion on the 2024 Company's "Statement of Internal Control System."</p> <p>The Company's 2024 Annual Business Report, Financial Statements and Consolidated Financial Statements Discussion.</p>	Audit Committee: Unanimously approved by all committee members present as it had been proposed.	Board of Directors: Approved by all directors.

	Proposal for the discussion on the Company's 2024 earnings distribution.	Submitted to the Board of Directors for resolution.	
	Proposal for the discussion on providing endorsement and guarantee for bank financing to our subsidiary, CKTech Engineering Co., Ltd., for investment purposes.		
	Proposal for the discussion on the change and appointment of the CPAs certifying the 2025 Company's financial statements.		
	Proposal for the discussion on donating NT\$200 million to "Chien Kuo Foundation For Arts And Culture."		
	The proposal to amend a portion of the Company's "Sustainable Development Best Practice Principles."		

(II) Apart from the preceding matters, any resolution that was not approved by the Audit Committee but approved by two-thirds of all directors: None.

II. The implementation of avoidance of conflicts of interest by independent directors shall clearly specify the name of the independent director, meeting content, reasons for avoidance of conflicts of interest, and their participation in voting: None.

III. Communication between independent directors, internal audit supervisors and CPAs (shall cover the critical matters, methods and results of the Company's financial and business conditions).

(I) Communication policy between independent directors, internal audit supervisors
Independent Directors engage with the internal audit supervisor through seminars and the Audit Committee. The internal audit supervisor reports on the status of internal audits to the Independent Directors at least once a quarter and provides written audit reports on the findings to the Independent Directors monthly. Should the urgency of the matter require it, meetings can be convened any time.

The following table sets out the summary of subject matters for communication with the internal audit officers in 2024:

Date	Communication Content	Status
2023.10 ~2024.11	Audit report for November 2023 to November 2024.	The Audit Office regularly communicates the results of audit reports with the Audit Committee and reports them to the Board of Directors on a regular basis.
2024.1.19 The 3rd Extraordinary Meeting of the 2nd Audit Committee	The Extraordinary Meeting of the Audit Committee reviewed and approved the 2024 budget report.	The communication among the Company's Independent Directors is smooth and effective.

	2024.3.13 The 14th meeting of the 2nd Audit Committee	This report outlines the implementation status of the audit plan for the period from October to December 2023. It includes a review of internal control deficiencies, follow-up on unresolved audit issues, and the approval of the internal control self-evaluation effectiveness report and the annual internal control statement.	The implementation and communication with the Independent Directors of the Company for the audit operations remains healthy.
	2024.5.8 The 15th meeting of the 2nd Audit Committee	This report outlines the implementation status of the audit plan for the period from January to March 2024. It includes a review of internal control deficiencies, follow-up on unresolved audit issues.	The implementation and communication with the Independent Directors of the Company for the audit operations remains healthy.
	2024.5.8 The 15th meeting of the 2nd Audit Committee	The independent director communicates with the audit supervisor independently for 20 minutes on related-party transaction operations and associated internal control issues.	The implementation and communication with the Independent Directors of the Company for the audit operations remains healthy.
	2024.8.14 The 1st meeting of the 3rd Audit Committee	This report outlines the implementation status of the audit plan for the period from February to June 2024. It includes a review of internal control deficiencies, follow-up on unresolved audit issues.	The implementation and communication with the Independent Directors of the Company for the audit operations remains healthy.
	2024.10.30	Industry briefing and issue communication with newly appointed independent director Ms. Yen.	The Company's independent directors' understanding of the industry ecosystem and on-site operations.
	2024.11.12 The 2nd meeting of the 3rd Audit Committee	This report outlines the implementation status of the audit plan for the period from May to September 2024. It includes a review of internal control deficiencies, follow-up on unresolved audit issues, and the approval of the proposed audit plan for the following year.	The Independent Directors of the Company agreed to approve the 2025 Audit Plan. The communication of this meeting was healthy.

2024.12.27 The 3rd meeting of the 3rd Audit Committee	This report outlines the implementation status of the audit plan for the period from October to November 2024. It includes a review of internal control deficiencies and an update on the status of unresolved audit issues.	The implementation and communication with the Independent Directors of the Company for the audit operations remains healthy, and they have recommended the research and application of AI software in operations.
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(II) Communication Policy between Independent Directors and CPAs

Independent Directors and CPAs communicate through meeting. CPAs regularly report to the Independent Directors twice a year on the review and audit results of the financial statements, accounting estimates and other major issues, including changes to financial accounting standards and relevant securities and taxation regulations. CPAs may also initiate contact with independent directors as needed.

The following table sets out the summary of subject matters for communication with the CPAs in 2024:

Date	Communication Content	Status
2024.3.13 The 14th meeting of the 2nd Audit Committee	Audit results of the 2023 consolidated financial statements, long-term construction contracts, significant risks such as potential management override of controls, and non-assurance services for 2023. Proposal for the discussion on the appointment of CPAs certifying the 2024 financial statements.	The overall communication between Independent Directors and the external auditors is healthy.
2024.3.13 The 14th meeting of the 2nd Audit Committee	The communication between Independent Directors and the CPAs has lasted for 25 minutes.	The overall communication between Independent Directors and the external auditors is healthy.
2024.11.12 The 2nd meeting of the 3rd Audit Committee	Discussion on the consolidated financial statements for the third quarter of fiscal year 2024, the annual audit plan, group audit strategy, upcoming applicable standards and regulations, and the proposal to add the "Procedures for Pre-Approval of Non-Assurance Services Provided by Certified Public Accountants."	The overall communication between Independent Directors and the external auditors is healthy.
2024.11.12 The 2nd meeting of the 3rd Audit Committee	The communication between Independent Directors and the CPAs has lasted for 25 minutes.	The overall communication between Independent Directors and the external auditors is healthy.

	2024.12.27 The 3rd meeting of the 3rd Audit Committee	The CPA should report the Firm's various audit quality indicators (AQI) and with a score report compared with peers to independent director.	The overall communication between Independent Directors and the external auditors is healthy.
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5. Supervisors' participation in the operation of the Board of Directors: Not applicable as the Company had established its Audit Committee and replaced the position of supervisors.

(III) Corporate Governance Implementation Status, Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, and the Reasons Therefor

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
I. Has the Company established and disclosed its own corporate governance best practice principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company's "Corporate Governance Best Practice Principles" was established and approved by the Board of Directors on May 11, 2015. The latest amendment was approved by the 16th meeting of the 22nd Board of Directors on May 8, 2024 and has been published on the Market Observation Post System and the Company's website.	No material deviations exist in that such principles has been revised pursuant to the latest version.
II. The shareholding structure of the Company and shareholders' interests				
(I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure?	V		(I) The Company's website (www.ckgroup.com.tw) has a stakeholder area to provide investors with a communication channel to deal with the problems stated on the left side.	No significant deviation.
(II) Does the Company maintain a register of the major shareholders with controlling power, as well as a register of the ultimate controller of those major shareholders?	V		(II) The stock agent provides the shareholders roster on behalf of the Company. Depository & clearing company quarterly provide the shareholder register with more than 5% of the shareholding. The Company also regularly tracks and has insight into it via the monthly declaration of insiders shareholding changes declared by directors and supervisors before 10 days of each year.	No significant deviation.
(III) Does the Company establish and enforce the risk control mechanism and firewall mechanism between itself and its associates?	V		(III) The Company has established a control mechanism and firewall for its investee companies, with a dedicated person responsible for management. Such mechanism has been established in accordance with either the	No significant deviation.

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
(IV) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	V		Company's internal control system, internal audit system and related regulations and procedures, or laws and regulations. (IV) The Company has stipulated "Regulations Governing Insider Trading" that prohibit company insiders from trading securities using information not disclosed to the market. In addition, the Company periodically promotes awareness of the relevant laws and regulations prohibiting such trading activities.	No significant deviation.
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors established a diversity policy, set specific management objectives, and implemented the corresponding strategy?	V		(I) ■Policy on diversification: The Company advocates and respects the policy of diversity of directors to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, and believes that the diversity approach will help to enhance the overall performance of the Company. Board members are selected on the basis of merit and should have industry-related skills and knowledge (e.g., business management, construction management, risk management, etc.). To strengthen the functions of the Board of Directors to achieve the desired objectives of corporate governance, Article 28 of the Company's "Corporate Governance Best Practice Principles" sets forth the diversity guidelines of the Board of Directors, including, but not limited to, the following two broad criteria. 1. Basic conditions and values: Gender, age, nationality and culture. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. The overall competence of the Board of Directors is as follows: 1. Operational judgment 2. Accounting and financial analysis 3. Management capability 4. Crisis management capability 5. Industry	The proportion of female directors has not yet reached one-third of the total number of board seats. Reason for explanation: Due to the specific characteristics of the industry, it is challenging to attract talent in a short period of time.

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor																																																																																																																								
	Yes	No	Summary Description																																																																																																																									
			<p>knowledge 6. International market perspective 7. Leadership capability 8. Decision-making capability 9. Venture capital investment.</p> <p>■Specific management objectives and implementation status:</p> <p>Composition and responsibilities of the Board of Directors</p> <table><tr><th rowspan="2">Name of Director</th><th rowspan="2">Gender</th><th colspan="10">Professional Background</th></tr><tr><th>Business Administration</th><th>Financial Analysis</th><th>Crisis Management</th><th>Leadership and Decision-making</th><th>Industrial Knowledge</th><th>Construction Management</th><th>Risk management function</th><th>Talent Management</th><th>Venture Capital</th></tr><tr><td>Chang-Shiou Wu</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr><tr><td>Chi-Te Chen</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Chen-Ching Chen</td><td>Male</td><td>V</td><td>V</td><td></td><td></td><td></td><td></td><td>V</td><td></td><td></td></tr><tr><td>Chung Cheng</td><td>Male</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td></td></tr><tr><td>Chu-Hsin Lee</td><td>Male</td><td>V</td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td></td><td>V</td></tr><tr><td>Chi-Hsin Chen</td><td>Male</td><td>V</td><td>V</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Chin-Pao Tsai</td><td>Male</td><td>V</td><td>V</td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td></tr><tr><td>Tai-Sheng Yen</td><td>Female</td><td></td><td>V</td><td></td><td></td><td></td><td></td><td></td><td>V</td><td></td></tr><tr><td>Li-Hsing I</td><td>Male</td><td>V</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr></table>	Name of Director	Gender	Professional Background										Business Administration	Financial Analysis	Crisis Management	Leadership and Decision-making	Industrial Knowledge	Construction Management	Risk management function	Talent Management	Venture Capital	Chang-Shiou Wu	Male	V		V	V	V	V	V			Chi-Te Chen	Male	V	V	V	V	V		V	V	V	Chen-Ching Chen	Male	V	V					V			Chung Cheng	Male	V	V		V	V			V		Chu-Hsin Lee	Male	V	V		V					V	Chi-Hsin Chen	Male	V	V								Chin-Pao Tsai	Male	V	V	V				V			Tai-Sheng Yen	Female		V						V		Li-Hsing I	Male	V			V	V	V	V			Measures taken: Upon the completion of the current term of the Board of Directors, we will actively seek talent recommendations from various sources, including industry and academic institutions, to enhance corporate governance effectiveness and implement our policy of board member diversity.
Name of Director	Gender	Professional Background																																																																																																																										
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	Yes	No	Summary Description	
			<p>1. There were 9 members of the 23rd Board of Directors, including 3 independent directors. None of the directors have served more than three consecutive terms, and the independent directors account for one-third of the total board seats, ensuring the independence of the Board of Directors. Only 1 member concurrently serves as an employee of the Company, accounting for 11.1%. The Board of Directors currently comprises one female director. The members of the Board of Directors are highly experienced in business management, and have relevant professional backgrounds, and possess the professional knowledge, skills and qualities necessary for the position of executive director; Among the nine core competencies, the Company focuses on three core areas: business administration, financial analysis and leadership decision-making. More than 50% of the Board members have core competence. Furthermore, with respect to crisis management, industry knowledge, construction management, and risk management, more than one-third of the Board members also possess these essential competencies.</p> <p>2. Other achievement status:</p> <ul style="list-style-type: none"> • Independent directors who are members of the Board of Directors shall serve for a continuous period of not more than nine years: Achieved. • No more than one half of the Independent Directors who are members of the Board of Directors shall serve more than three consecutive terms: Achieved. • The number of directors who are also employees of the Company is less than 1/3 of the number of directors: Achieved. • The members of the Board are of the nationality, the age distribution of the Board members are 1 director aged 31-35, 1 	

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
(II) In addition to the Remuneration Committee and the Audit Committee established according to law, has the company voluntarily established other functional committees?	V		<p>director aged 56-60, 6 directors aged 66-70 and 1 director aged 71-75.</p> <p>The orientation, complementarity and implementation of diversity of directors already include and are superior to the standards set forth in the Company's "Corporate Governance Best Practice Principles". In the future, we will continue to revise our diversity policy in a timely manner depending on the operation, business model and development needs of the Board of Directors, including but not limited to the standards of basic requirements and values, professional knowledge and skills, etc., to ensure that the members of the Board of Directors shall generally possess the necessary knowledge, skills and qualities to perform their duties. The Company is actively committed to gender diversity and fully recognizes the importance of a diverse board composition in achieving sustainable corporate development. During the 2024 board re-election, one female director was appointed. Although this complies with legal requirements, it still falls short of the one-third benchmark. The Company will continue to seek qualified candidates through multiple channels, including industry networks and academic institutions, while also cultivating internal talent through training. Our goal is to identify suitable female candidates for the next board election, thereby strengthening corporate governance and advancing our board diversity policy.</p> <p>(II) At the 8th meeting of the 22nd Board of Directors on November 11, 2022, the Company decided to establish the “Sustainable Development Committee” to integrate and promote sustainable development-related issues such as corporate governance, sustainable management, human rights protection, green engineering and investment, and social welfare, etc, and chairman shall be the convenor of the committee, report to the Board of Directors periodically on the execution of annual policies and</p>	No significant deviation.

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(III)Has the Company established standards to measure the performance of the Board, and does the Company implement such annually? Are the results submitted to the Board of Directors and used as references for the Director Remuneration and the nomination for reappointment?	V		<p>plans, the implementation process, and the outcomes achieved. Under the supervision and promotion of the Board of Directors, we will continue to promote the sustainable development, integrity management, and practice the company's core values. On March 13, 2024, it was resolved by the 15th meeting of 22nd Board of Directors to establish the "Nomination Committee" to nominate director candidates and review candidates for senior management positions, aiming to enhance shareholder activism and improve corporate governance.</p> <p>(III) The Company has established a Regulations Governing Evaluation of Board Performance, which stipulates an external evaluation every three years. In October 2023, the Taiwan Investor Relation Institute was commissioned to conduct the external evaluation, covering the period from October 1, 2022, to September 30, 2023. The evaluation targets include the overall operations of the Board and functional committees. Evaluation Outcome:</p> <ul style="list-style-type: none"> (1)The Board of Directors' performance evaluation has achieved an average score of 95.32, surpassing the set standard. (2)The Functional Committees' performance evaluation has achieved an average score of 94.72, surpassing the set standard. ■ After conducting on-site interviews, the Taiwan Investor Relation Institute has made the following recommendations: <ul style="list-style-type: none"> (1)The composition of the Sustainability Development Committee will be adjusted so that more than half of its members are independent directors. (2)The composition structure of the Board of Directors will incorporate gender diversity. (3)The number of independent directors on the Board has increased to over one-third of the total number of directors. 	No significant deviation.

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
			<p>(4) Develop an intellectual property management plan and implement the Taiwan Intellectual Property Management System (TIPS).</p> <p>(5) Publish the annual financial report verified by CPAs within two months after the end of the accounting year.</p> <p>Regarding the aforementioned recommendations, the Company has drafted the following improvement plan:</p> <p>(1) The recommendations regarding gender diversity on the Board and the seat of independent director were addressed during the re-election of the 23rd Board of Directors of the Company.</p> <p>(2) The implementation of the Intellectual Property Management Plan has undergone relevant procedural discussions and adjustments. Efforts are being made to complete the verification of the management system in the short term.</p> <p>(3) The timing of the release of the annual financial report will be confirmed with the CPAs to ensure feasibility, and internal operational procedures will be reviewed to ensure compliance.</p> <p>In the first quarter of 2025, the performance evaluation of the Board of Directors for the year 2024 was completed. The evaluation covered board members who were in office as of December 31, 2024. The evaluation covers the Board operation as a whole (including functional committees) and the performance of individual Board members. The evaluation was conducted by the team of corporate governance by means of an internal questionnaire.</p> <p>The internal performance evaluation on the Board of Directors:</p> <p>■ The measurement of the performance evaluation of the Board (including functional committees) includes five major dimensions:</p> <p>(1) The extent to which they participate in the operation of the company.</p>	

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor												
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			<p>(2)Understanding of the responsibilities of the Functional Committee.</p> <p>(3)Improvement in the quality of decision-making in Functional Committee.</p> <p>(4)Composition of the functional committee and selection of members.</p> <p>(5)Internal control.</p> <p>■ The measurement items of the performance evaluation of the Board made by Board members themselves comprise six major dimensions:</p> <p>(1)Mastery of company goals and tasks.</p> <p>(2)Cognition of directors' duties.</p> <p>(3)The extent to which they participate in the operation of the company.</p> <p>(4)Internal relationship management and communication.</p> <p>(5)Selection and continuing education of directors.</p> <p>(6)Internal control.</p> <p>■ Evaluation Outcome:</p> <p>(1)Outcome of the self-conducted evaluation of overall Board performance:</p> <table><tr><th>Evaluation Dimension</th><th>Evaluation Outcome</th></tr><tr><td>The extent to which they participate in the operation of the company.</td><td>Beyond the standard</td></tr><tr><td>Improvement in the quality of Board decision-making.</td><td>Beyond the standard</td></tr><tr><td>The composition and structure of the Board and various functional committees.</td><td>Beyond the standard</td></tr><tr><td>Selection and continuing education of directors.</td><td>Beyond the standard</td></tr><tr><td>Internal control.</td><td>Beyond the standard</td></tr></table>	Evaluation Dimension	Evaluation Outcome	The extent to which they participate in the operation of the company.	Beyond the standard	Improvement in the quality of Board decision-making.	Beyond the standard	The composition and structure of the Board and various functional committees.	Beyond the standard	Selection and continuing education of directors.	Beyond the standard	Internal control.	Beyond the standard	
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Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor															
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(IV)Does the Company regularly evaluate the independence of CPAs?	V		<p>(2)The outcome of the self-conducted evaluation by Board members are all beyond the standard.</p> <p>(3)The outcome of the self-conducted evaluation by Functional Committees are all beyond the standard.</p> <table><tr><td>Functional Committee</td><td>Score</td><td>Evaluation Outcome</td></tr><tr><td>Audit Committee</td><td>96.95</td><td>Beyond the standard</td></tr><tr><td>Remuneration Committee</td><td>96.95</td><td>Beyond the standard</td></tr><tr><td>Sustainable Development Committee</td><td>99.69</td><td>Beyond the standard</td></tr><tr><td>Nomination Committee</td><td>97.28</td><td>Beyond the standard</td></tr></table> <p>(4)The outcome of the above evaluation was reported to the Company’s 6th meeting of the 23rd Board of Directors on March 14, 2025.</p> <p>(5)When selecting or nominating an independent director, the Company will accord to its selection as the outcome of evaluation of the performance of such an independent director.</p> <p>(IV) The Audit Committee of the Company assesses the independence and competency of its CPA annually. In addition to requesting the CPA to provide a "Statement of Independence" and "Audit Quality Indicators (AQIs)", the Audit Committee also assesses according to the Standard of Note 1 and Paragraph 13 of AQI. Having confirmed that the CPA has no financial interest or business relationship with the Company other than fees related to audit and tax matters, and the CPA's family members do not violate the independence requirement. Confirm that CPA and firms are on equal with or better than their peers in terms of experience and</p>	Functional Committee	Score	Evaluation Outcome	Audit Committee	96.95	Beyond the standard	Remuneration Committee	96.95	Beyond the standard	Sustainable Development Committee	99.69	Beyond the standard	Nomination Committee	97.28	Beyond the standard	No significant deviation.
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			<p>hours of training by referring to the AQI information. In addition, CPA continues to introduce digital audit tools to improve audit quality in the most recent year. The evaluation results for the most recent year were discussed and approved by the Audit Committee at the 3rd meeting of the 3rd Audit Committee on December 27, 2024, and the 4th meeting of the 3rd Audit Committee on March 14, 2025, and subsequently reported to and approved by the 5th meeting of the 23rd Board of Directors on December 27, 2024, and the 6th meeting of the 23rd Board of Directors on March 14, 2025, regarding the independence and competence of the CPAs.</p> <p>➤ Access the independence and competency</p> <p>1. Access the independence</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th><th rowspan="2">Content</th><th colspan="2">Evaluation Outcome</th><th rowspan="2">Whether it is compliant with Independence Criteria</th></tr> <tr> <th>Yes</th><th>No</th></tr> </thead> <tbody> <tr> <td>1</td><td>If the appointed CPA has a direct or material indirect interest in a matter that affects his or her impartiality and independence, he or she shall recuse himself or herself from the assignment.</td><td>V</td><td></td><td>Yes</td></tr> <tr> <td>2</td><td>An audit, review, examination or opinion of the CPA on financial statements is important not only for formal independence, but also for substantive independence. Accordingly, members of the audit service team, other co-practicing CPAs, the firm and the firm's affiliates must maintain independence from the Company.</td><td>V</td><td></td><td>Yes</td></tr> </tbody> </table>	Item	Content	Evaluation Outcome		Whether it is compliant with Independence Criteria	Yes	No	1	If the appointed CPA has a direct or material indirect interest in a matter that affects his or her impartiality and independence, he or she shall recuse himself or herself from the assignment.	V		Yes	2	An audit, review, examination or opinion of the CPA on financial statements is important not only for formal independence, but also for substantive independence. Accordingly, members of the audit service team, other co-practicing CPAs, the firm and the firm's affiliates must maintain independence from the Company.	V		Yes	
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Item Assessed	Operation Status								Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description						
				3	The CPA maintains the spirit of independence with integrity, fairness and objectivity	V		Yes	
					(1) Integrity: The CPA performs professional services with integrity and rigor, and is honest, open and fair in professional and business relationships.				
					(2) Fairness and objectivity: When performing professional services, the CPA maintains an fair and objective position and avoids bias, conflict of interest or interest that may affect professional judgment. A fair and objective position includes being impartial and exercising professional due diligence between the provision of information and the user.	V		Yes	
				(3) Independence: CPA maintains an independent position, both formal and substantive, in performing and expressing an opinion on financial statements in an audit, review, examination or project review.	V		Yes		
				4	CPA independence is affected by self-interest, self assessment, defensiveness, familiarity, and coercion.		V	Yes	
				5	A CPA's independence is affected by self-interest, meaning that he or she receives financial benefits from an audit client or has a conflict of interest with an audit client due to other interests. Reasons usually include:		V	Yes	

Item Assessed	Operation Status							Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
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				(1) Direct or substantial indirect financial interest with the CPA?				
				(2) The firm is overly dependent on a single client's fee stream.		V	Yes	
				(3) Has the CPA engaged in financing or certificating with the Company or directors?		V	Yes	
				(4) Does the CPA have a close business relationship with the company?		V	Yes	
				(5) Does the CPA consider the possibility of losing customers?		V	Yes	
				(6) Does the CPA have potential employment relationship with the Company?		V	Yes	
				(7) Does the CPA have contingent public expenses related to the examination of cases?		V	Yes	
				(8) The discovery of material errors in the professional services reports previously provided by other members of the firm?		V	Yes	
			6	An accountant's independence is affected by self assessment, which typically includes: (1) Does the CPA provide any non-audit services which may directly affect the audit work of the Company?		V	Yes	
				(2) Does the CPA and members of the audit team currently or in the last two years directors, managers of the Company or positions that have a material impact on the audit?		V	Yes	
			7	CPA independence is affected by defending, which means that members of		V	Yes	

Item Assessed	Operation Status							Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
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				the audit service team become defenders of the audit client's position or opinion, resulting in their objectivity being questioned. Normally includes: (1) Does the CPA broker audits of stocks or other securities issued by the Company?				
				(2) Does the CPA act as an advocate for the Company or act on behalf of the Company in coordinating conflicts with other third parties?		V	Yes	
			8	Familiarity affects the CPA's judgment of independence because the close relationship with the audit client's directors, and managers causes the CPA or audit service team members to be overly concerned with or sympathetic to the interests of the audit client. Situations that may have such an effect usually include: (1) Does the CPA have relationship with the directors, managers, or persons who have significant influence on the audit case?		V	Yes	
				(2) Does a CPA who has discharged his or her duties as a director, supervisor, or manager of the Company within one year or more, or who has significant influence on the audit case.		V	Yes	
				(3) Does the CPA receive gifts or special offers of significant value from the Company or directors, managers or major shareholders?		V	Yes	
			9	The effect of coercion on an accountant's independence is when a member of the		V	Yes	

Item Assessed	Operation Status							Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor	
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					audit services team experiences or perceives intimidation from an audit client that prevents him or her from maintaining objectivity and clarifying professional doubts. Normally includes: (1) The client threatens to file a lawsuit.				
					(2) Threaten to revoke an appointment in a non-audit case to force the firm to choose an inappropriate accounting policy for a particular transaction		V	Yes	
					(3) Threaten to discharge the appointment or reappointment of audit cases.		V	Yes	
					(4) Pressure on CPAs to improperly reduce the number of audits to be performed in order to reduce public expenses.		V	Yes	
					(5) Require the CPA to accept improper accounting policy choices by management or improper disclosures in the financial statements.		V	Yes	
					(6) The client's personnel act as an expert in pressuring the auditor to accept the professional judgment of a disputed issue.		V	Yes	
			10	No one has served as CPA of the Company for seven consecutive years or in a manner that would impair independence.	V		Yes		
			11	The Company's Independent Directors did not work for the CPA firm during the two years prior to and during their term of office.	V		Yes		
			2. Access the competency						

Item Assessed	Operation Status						Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor		
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				Item	Content	Evaluation Outcome		Whether it meets the competency requirements	
						Yes	No		
				1	Qualified as a CPA with considerable professional experience and attitude	V		Yes	
				2	Not disciplined by a competent authority or Article 37 of the Securities and Exchange Act.	V		Yes	
				3	Not taking advantage of his authority to conduct unfair competition.	V		Yes	
				4	Learn the Company’s industry characteristics	V		Yes	
				5	The audit will be conducted in accordance with Generally Accepted Auditing Standards (GAAS) and the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, with the audit report issued according to the planned schedule.	V		Yes	
				6	Does the CPA provide the latest changes in accounting, auditing and other relevant laws and regulations to management, and fully discuss and communicate the significant differences.	V		Yes	
IV. If the company is a publicly-listed company, does the company has sufficient qualified corporate governance personnel in place and assign a chief corporate governance officer, to handle matters relating to corporate governance (including but	V		At the 22nd Board Meeting of the 11st session on May 10, 2023, the Board of Directors resolved at the meeting to appoint Yu-Yun LIN, Assistant General Manager, as the Head of Corporate Governance of the Company, who then summoned representatives from Department of Legal Affairs, Auditing Office, Secretary Office of the Board, and Office of Public Affairs to form the Corporate Governance Team. Yu-Yun LIN is qualified as a lawyer (Lawyer's Certificate No. 104 Taichung No. 12093) and has served as the head of the						No significant deviation.

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not limited to providing directors and supervisors with materials necessary to perform their duties, assist directors and supervisors in legal compliance, handling matters in connection with the Board Meeting and the Shareholders' Meeting in accordance with laws and regulations, and prepare meeting minutes for the Board Meetings and the Shareholders' Meeting)?			<p>Company's corporate affairs department for at least five years, which meets the qualifications required of a corporate governance officer. The terms of reference of the Head of Corporate Governance include, but are not limited to, the following:</p> <ol style="list-style-type: none"> 1. Assist Independent Directors and Directors in general in carrying out their duties, provide necessary information and arrange for further education of Directors. 2. Assist in compliance with the procedures and resolutions of the Board of Directors and shareholders' meetings. 3. The Board of Directors shall notify the directors of the proposed agenda of the meeting seven days in advance and provide information on the meeting. The Board of Directors shall be reminded in advance of any issues that require disqualification of directors' interests and shall complete the minutes of the Board of Directors' meeting within 20 days after the meeting. Provide the material required for the directors to perform their duties. 4. Pre-registration of the date of the shareholders' meeting, preparation of the notice of the meeting, the meeting manual, and the minutes of the meeting within the deadline, and registration of changes in the articles of incorporation or re-election of directors in accordance with the law. <p>In 2024, the training courses for the Corporate Governance Officer covered topics include: crisis management and communication for enterprises, the practical operations of the Sustainable Development Committee (Sustainability Officer, Working Group), the renewable energy certificate system and analysis of green electricity trading, the latest regulations and trends in corporate governance, and the development of a corporate sustainability roadmap. A total of 15 hours of training have been fully registered with the Market Observation Post System, and continuous</p>	

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			training in corporate governance-related courses will be pursued moving forward.	
V. Does the Company establish communication channels between stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder area on the company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders.	V		The Company's website (www.ckgroup.com.tw) has a stakeholder area to provide investors with a communication channel to deal with the problems stated on the left side.	No significant deviation.
VI. Does the Company commission a professional shareholder services agency to handle matters in connection with the shareholders' meeting?	V		The Company appoints Yuanda Securities Co., Ltd. to deal with matters relating to the Shareholders' Meeting.	No significant deviation.
VII. Information Disclosure				
(I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(I) The financial and corporate governance information of the Company is disclosed in the Investor Relations section of our official website: www.ckgroup.com.tw .	No significant deviation.
(II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman	V		(II) The Company has set up an English website to enhance information disclosure, assigned a designated specialist to collect and disclose information, and appointed appropriate personnel to act as spokespersons and acting spokespersons in accordance with the laws and regulations. Website: www.ckgroup.com.tw .	No significant deviation.

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	Yes	No	Summary Description	
<p>system, webcasting investor conferences)?</p> <p>(III) Does the company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.</p>	V		(III) The Company discloses and files its annual and first, second, and third quarter financial reports, as well as monthly operating results, within the required deadlines in accordance with regulations.	No significant deviation.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		<p>(I) The Company has updated its website, at which a brief introduction to the organizational structure and members of the Board of Directors is provided, and an investor zone and stakeholders zone set up to serve as a communication channel.</p> <p>(II) The situation of directors and supervisors of the Company for further training is declared on MOPS according to the prescribed time schedule.</p> <p>(III) The Company purchases directors' and senior managers' liability insurance annually. In addition to reporting to the Board of Directors, we also file the necessary disclosures on the Market Observation Post System.</p> <p>(IV) Cultivation plan for succession of Board members and major management: The Company pays attention to the implementation of the succession plan. In addition to its excellent working ability, the successor is in line with the Company's principle of conduct of "Integrity, Optimization, Well-being and Harmony" and its values, so as to create long-term value and make the Company sustainable. Such cultivation includes</p>	No significant deviation.

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
			<p>relevant curriculum training held annually on planning management ability, professional occupational competence, establishment of company system and reflection of innovation and transformation characteristics. Trainees may apply such professional trainings and foster their own judgment on decision-making. General Manager Mao-Sheng Kan is selected on February 3, 2023 Board of Directors resolution appointment from key reserve candidates.</p> <p>Regarding the succession planning of the Board of Directors, the Company nurtures young senior managers to join the Board of Directors to familiarize them with the operation of the Board of Directors and the business of each unit of the Group, and to deepen their industrial experience through job rotation, equipping them with essential skills in management, financial analysis, and risk management. Director Chen-Ching Chen, having completed the comprehensive training program mentioned above, was successfully elected to the 23rd Board of Directors during the 2024 board re-election, bringing new vitality to the Board. In addition, as the composition of the Board of Directors should reflect diversity, the number of directors concurrently serving as managers within the Company does not exceed one-third of the total board seats. In addition to cultivating our own director candidates, we extensively solicit experts with industry experience, organizational management skills, crisis handling abilities, and expertise in various fields to implement our diversity policy.</p> <p>(V) Linkage between directors and managers performance evaluation and remuneration:</p> <p>1. Compensation paid to directors are determined in accordance with Article 18-1 of the Company's Articles of Incorporation, in which</p>	

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
			<p>the Board is authorized to determine such remuneration by reference to the industry standard, as well as the extent to which directors participate in the management of the Company. With the net income before tax (before netting off employees' and directors' remuneration), the Company shall appropriate 0.1% to 3% of such amount as employees' compensation and no greater than 3% of such amount as directors' remuneration for the current year to directors, managers and employees. The Company determines compensation based on each director's contributions during board meetings, their participation in operational decision-making, and the results of performance evaluations.</p> <p>2. The manager's compensation includes salary and bonus, where the salary is based on the industry standard as well as title, job grade, education, professional ability and responsibilities. Bonuses are calculated based on the performance evaluation results of managers. The evaluation criteria include the achievement rate of individual performance goals, participation in public welfare activities, and self-learning and growth achievement rate. Furthermore, the criteria for evaluating corporate governance will be aligned with the responsibilities of each manager, utilizing the outcomes of the governance evaluation as a key benchmark for assessing managerial performance. This approach will facilitate the policy of linking managerial remuneration to ESG factors.</p> <p>3. The remuneration for the Company's Directors shall subject to Article 23 of the Articles of Incorporation. The procedures for determining the remunerations shall be based on the results of the performance evaluation on the Company's Board of Directors and the Regulations Governing Allocation and Payment of</p>	

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
			<p>Remuneration to Directors. Except for referring to the overall operational performance of the Company, industry-specific business risks, and development trends, we also take into account the individual performance achievements of directors and their contributions to the Company's performance. Based on their performance evaluation results, directors receive corresponding and reasonable compensation.</p> <p>4. The Remuneration Committee and the Board have reviewed the reasonableness of the directors' and managers' performance evaluation and remuneration, and regularly review the reward system in line with real operating conditions and laws and regulations, so as to strike a balance between risk control and sustainable management of the Company.</p> <p>(VI) Implementation status of risk management policies and risk measurement standards: The Company's risk management committee is supervised by the Audit Committee. The Company has established the "Risk Management Policy and Operational Procedures," and annually report the overall risk management implementation to the Board of Directors, with the report in 2024 presented on December 27. The main operations of each risk management aspect have been disclosed on the Company's website: http://www.ckgroup.com.tw/investors/.</p> <p>(VII) Investor relations: The Company values shareholder opinions and has established a spokesperson system and an investor relations contact window to maintain communication channels with investors. For more details, please refer to the Company website: http://www.ckgroup.com.tw/responsibility /. Additionally, the Company hold two investor</p>	

Item Assessed	Operation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
			<p>conference annually and publish the video recordings on the "Latest News" section of the Company website: http://www.ckgroup.com.tw/. Moreover, we disclose significant information in compliance with regulations to enhance the timeliness and transparency of information disclosure, thereby safeguarding the interests of investors.</p> <p>(VIII) Employees rights: The Company regularly maintains the ISO45001 Occupational Health and Safety Management Standard. Additionally, we have established various regulations, including the "Human Rights Policy," "Whistleblowing Procedures," and "Ethical Corporate Management Best Practice Principles," to uphold employee rights. We also disclose information on our official website regarding the "implementation status of measures for employee work environment and personal safety protection." The details of other employee benefits can be found on the Company's website: http://www.ckgroup.com.tw/joinus/.</p> <p>(IX) Employee Care: The Company places great importance on the safety and well-being—both physical and mental—of our employees. We provide regular health check-ups and comprehensive employee insurance, while also focusing on labor relations and ensuring equal employment opportunities. Please refer to page 124 of this annual report, Section "V. Labor Relations".</p>	
<p>IX. Please, based on the latest report of Corporate Governance Evaluation released by the Corporate Governance Center of TWSE, state the circumstances in which improvement has been made, and propose priorities and measures for those that have not yet improved. The most recently released results of the Corporate Governance Assessment by the Center for Corporate Governance are the 11th (2024) Corporate Governance Assessment, with specific improvements as follows:</p> <ol style="list-style-type: none"> 1. During the director election in 2024, directors of different genders were included, echoing the spirit of diversity among board members. 2. During the 2024 director election, the number of independent directors was adjusted to account for one-third of the total board seats. 				

- (IV) Where a company has established a remuneration committee, it is required to disclose the composition, duties and implementation status of such a committee.

The Board of the Company has decided to establish the Remuneration Committee on October 28, 2011, whose composition, duties and implementation status is as follows:

1. Information of Members of the Remuneration Committee April 15, 2025

Title	Criteria	Professional Qualifications and Experience	Independence Criteria (Note 1)												Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
	Name		1	2	3	4	5	6	7	8	9	10	11	12	
Independent Director	Chin-Pao Tsai	Has at least 5 years of work experience in the area necessary business of the Company Former Vice Director of PwC Taiwan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Independent Director	Tai-Sheng Yen	Has at least 5 years of work experience in the area necessary business of the Company Former Director & General Manager, Operations, Information and Human Resources, Citibank Asia Pacific Former General Manager & Director of Human Resources, Citibank Taiwan Former Senior Manager, Human Resources, FedEx Central and North Asia Former Director, Human Resources, Mobil North Asia Former Vice President of Human Resources, Asia-Pacific Consumer Financial Industry & Hong Kong Region, Bank of America Former Director, Human Resources, Avon Taiwan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director	Li-Hsing I	Has at least 5 years of work experience in the area necessary business of the Company Former Consultant of BES Engineering Corporation Former General Manager, Chien Kuo Construction Co., Ltd. Current Chairman, Citygreat Information Technology Co., Ltd. Former General Manager, Ruentex Construction Co., Ltd. Former General Manager, Pinghui Construction Co., Ltd. Former General Manager, Runan Electrical Engineering Co., Ltd. Former General Manager, Lisheng Construction Co., Ltd. Former General Manager, Pengfa Construction Co., Ltd. Former Associate Engineer, Deputy Division of RSEA Engineering Corporation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Independence Criteria: Three of the Company's remuneration committee members are all independent directors, accounting for 33% of the Board members. None of the Company's directors, independent directors, or directors and independent directors are related to each other by consanguinity or by second degree of kinship, and there is no such situation as provided in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

Note 1: Please tick [✓] the boxes below each criterion if a member meets these conditions within two years prior to being elected and during his/her term of service.

- (1) Not an employee of the Company or any of its associates.
- (2) Not a director or supervisor of the Company or any of its associates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer as stated in (1) or any of the persons mentioned in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the Company, or a top 5 shareholder, or a director or supervisor representative appointed by the Company in accordance with paragraph 1 or 2, Article 27 of the Company Act (excluding independent directors appointed by both the Company and its parent company, subsidiary or subsidiaries under the same parent company pursuant to this regulation or the local regulations).
- (6) Not directors, supervisors or employees of other companies controlled by the same person holding a majority of the company's director seats or voting shares of the company. (However, this restriction shall not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (7) Not directors (governors), supervisors or employees of other companies or institutions who are the same person or spouse as the chairperson, general manager or person holding an equivalent position of the company. (However, this restriction shall not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a company and its parent or subsidiary or a subsidiary of the same parent).
- (8) Not any director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (for a particular company or institution holds more than 20%, but not exceed 50%, of the company's issued shares, and the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, shall not be restricted by this provision.)
- (9) Not any professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides 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 has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. However, members of the special committee on remuneration, public acquisition review, or merger and acquisition who perform their functions and powers in accordance with the provisions of the Securities and Exchange Act or Business Mergers and Acquisitions Act and other relevant regulations shall not be subject to this provision.
- (10) Not having any of the circumstances as set forth in the subparagraphs of Article 30 of the Company Act.

2. Operations of the Remuneration Committee

- (1) On June 18, 2024, the Company re-elected the 5th Remuneration Committee, with one member replaced and a total of three members appointed.
- (2) Tenure of members of the committee of the current session: June 18, 2024, to June 17, 2027. A total of 4 Remuneration Committee meetings were held in 2024. The information and attendance of the members was as follows:

Title	Name	Number of times Actual Attendance	Number of times Attendance by Proxy	Number of times Attendance rate (%) (Note)	Note
Convener	Chen-Yu Feng	2	0	100%	Stepped down on June 18, 2024
Convener	Tai-Sheng Yen	1	1	50%	Elected on June 18, 2024
Member	Chin-Pao Tsai	4	0	100%	Re-elected on June 18, 2024
Member	Li-Hsing I	4	0	100%	Re-elected on June 18, 2024

Other Required Disclosure:

- I. In the case that the Board declines to adopt a recommendation of the remuneration committee, or that the Board modifies the same, it shall specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
- II. Where there is any resolution of the Remuneration Committee to which a member objects, or on which a member has a qualified opinion, and such objection or qualified opinion is documented or reduced to a written statement, it is required to disclose the meeting date, meeting session, proposal content, opinions of all members and the response thereto: None.
- III. Subject matters and resolutions of the Remuneration Committee of 2024 are as follows:

Date of Convention	Reason for Discussion	Resolution	Company's Handling of the opinions of members of the Audit Committee
2024/01/19 7th meeting of the 4th term	I. Proposal for the award of year-end performance incentives in 2023.	Approved by all members and reported to the Board.	Approved by all directors and by proxy present and implemented according to the meeting results. The directors have recused themselves from the discussion of the contents of the meeting and did not participate in the voting.
2024/03/13 8th meeting of the 4th term	I. Proposal of employee compensation amount in 2023. II. Proposal of director remuneration amount in 2023.	Approved by all members and reported to the Board.	
2024/08/14 1st meeting of the 5th term	I. Designate the convener of the Remuneration Committee. II. Propose an employee stock ownership trust.	I. The entire committee unanimously elected Member Tai-Sheng Yen to serve as the convener. II. Approved by all members and reported to the Board.	
2024/12/27 2nd meeting of the 5th term	I. Propose the total amount of the year-end performance bonus for employees for 2024.	Approved by all members and reported to the Board.	

(V) Implementation of Promoting Sustainable Development and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor

Item Assessed	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
I. Does the Company establish a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and is supervised by the Board of Directors?	V		<p>At the 8th meeting of the 22nd Board of Directors on November 11, 2022, the Company decided to establish the “Sustainable Development Committee.” This committee serves as the highest-level decision-making body for sustainable development within the Company, with the Chairman acting as the convener. Together with sustainability committee members and the management team, the committee reviews the Company’s core values and operational policies, formulates sustainable development policies and plans, and integrates and promotes issues related to corporate governance, sustainable management, human rights protection, green construction methods and investments, and social welfare. The committee reports to the Board of Directors periodically on the execution of annual policies and plans, the implementation process, and the outcomes achieved. Under the supervision and promotion of the Board of Directors, we will continue to promote the sustainable development, integrity management, and practice the company’s core values.</p> <p>The Board of Director’s supervision of sustainable development: The Sustainable Development Committee shall report periodically to the Board of Directors on the sustainable development policies, plans, and the results of sustainable development activities for the current year. The Board will review the feasibility of these policies and plans, continuously monitor the progress of their implementation, and provide guidance and adjustments as needed.</p>	No significant deviation.

Item Assessed	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company conducts an annual stakeholder survey based on the principle of dual materiality. This process is overseen by the Sustainable Development Committee and its three functional subgroups, consisting of department heads from Corporate Governance, Human Resource Dep., Technology Dept., Procurement Dept., Quality Assurance, Department of Safety and Health, Public Relations Office, and the Cybersecurity Center. These groups perform risk assessments on environmental sustainability, social harmony, and corporate sustainability issues relevant to the company's operations. The assessments identify major risks related to the construction industry, information security, and climate change, and establish appropriate risk management policies. This process enables cross-departmental communication on risks and the adoption of cost-effective response strategies. Responsibility for implementing these strategies is assigned to designated units, which also conduct drills to address significant potential risks and report the results to the Board of Directors. For details of risk management, please refer to page 37-38 of the 2023 Sustainability Report.	No significant deviation.
III. Environmental Issues				
(I) Does the Company establish proper environmental management systems based on the characteristics of their industries?	V		(I) On July 1, 2024, the Chairman approved the revision of the Company's "Environmental Policy," reinforcing our core values and demonstrating our ongoing commitment to environmental protection. To enhance environmental awareness, promote resource recycling, eliminate environmental hazards, and sustainably manage ecological care, we aim to minimize our operational impact on the environment. On November 15, 2024, the British Standards Institution (BSI) confirmed the Company's compliance with the ISO 14001 Environmental Management System. The standard processes of the Environmental Management System have been incorporated into the Company's existing management guidelines. Through the procurement process, we aim to extend our influence to all partners within the supply chain.	No significant deviation.
(II) Does the Company endeavor to improve energy use efficiency and use renewable	V		(II) The Company complies with the ISO 14001 Environmental Management System standards. The Department of Administrative General Affairs is	No significant deviation.

Item Assessed	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
materials which have low impact on the environment?			in charge of the establishment of a management system responsible for resource allocation, recycling and reuse of various construction sites throughout the country, and continuously enhancing material and energy efficiency. The Procurement Dept. is responsible for acquiring bulk materials and is committed to prioritizing the purchase of environmentally friendly products, provided that quality standards are met.	
(III) Does the company assess the potential risks and opportunities brought by climate changes, both for now and in the future, and take measures to cope with relevant issues?	V		(III) From 2019 onwards, the Company will incorporate climate change into its risk management procedures, and assess the impact of climate change on business operations so as to develop countermeasures. Please refer to page 67-72 of the 2023 Sustainability Report.	No significant deviation.
(IV) Does the Company conduct statistics on the greenhouse gas emissions, water consumption, and total weight of waste for the past two years, and correspondingly formulate policies for greenhouse gas reduction, water use reduction, or other waste management?	V		(IV) Since 2023, the Company has conducted greenhouse gas inventories in accordance with the ISO 14064-1 standard. In 2023, the inventory results revealed a total of 22,158.8142 tons of CO ₂ e. Among them, Scope 1 amounted to 92.5278 tons of CO ₂ e, accounting for 0.42%; Scope 2 totaled 449.7330 tons of CO ₂ e, representing 2.03%; and Scope 3~6 totaled 21,616.5534 tons of CO ₂ e, making up 97.55% of the total. The primary sources of emissions were upstream emissions from the procurement of materials (such as concrete and steel reinforcement). In 2024, the inventory results revealed a total of 139,025.767 tons of CO ₂ e. Among them, Scope 1 amounted to 97.9774 tons of CO ₂ e, accounting for 0.07%; Scope 2 totaled 989.8641 tons of CO ₂ e, representing 0.71%; and Scope 3~6 totaled 137,937.925 tons of CO ₂ e, making up 99.22% of the total. The primary source of emissions was upstream emissions from the procurement of materials (such as concrete and steel reinforcement). The greenhouse gas inventory results for 2023 and 2024 were verified and approved by a third-party organization, AFNOR ASIA LTD. Both Scope 1 and Scope 2 emissions received a reasonable level of assurance.	No significant deviation.

Item Assessed	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
			<p>Note: The inventory boundary in 2023 covered the corporate headquarters office and three construction sites under development. In 2024, the boundary was expanded to include the corporate headquarters and eleven construction sites under development, resulting in a significant difference in carbon emissions.</p> <p>The estimated water usage for the corporate headquarters building was 1,599 metric tons in 2023 and 1,500.45 metric tons in 2024. The total amount of waste generated by the Company is influenced by the progress of engineering projects and fluctuations in the number of projects. In 2023, the amount of construction waste was 8,194.51 tons, and municipal waste totaled 2,006.86 tons. In 2024, the construction waste was 4,645.11 tons, while municipal waste was 752.98 tons. The Company strictly adheres to the Ministry of Environment's policies regarding construction waste management. It entrusts qualified professional contractors with the responsibility of waste transportation and reporting operations, thereby ensuring effective monitoring of waste flow. Furthermore, there is a proactive initiative to promote waste classification and reduce the use of disposable containers, thereby encouraging resource recycling and minimizing waste.</p>	
IV. Social Aspects				
(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(I) The Company formulates its code of practice based on requirements to protect labor rights, working rights, and human rights under the labor laws and regulations and international covenants of human rights as the standards for the Company to manage and the employees to observe.	No significant deviation.
(II) Does the Company establish and offer proper employee benefits (including compensation, leave, and other benefits) and reflect the business performance or results in employee compensation appropriately?	V		(II) The Company has a comprehensive level of positions and salary system; it provides salaries more favorable than the standard within the industry for its employees. Based on the Company's annual operating performance, the Company links individual performance to compensation through the BSC performance evaluation process, providing year-end bonuses, performance bonuses, and festive bonuses for the three significant Chinese festivals.	No significant deviation.

Item Assessed	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>Additionally, the Company conducts two performance reviews annually, adjusting salaries based on each employee's performance.</p> <p>(III) The Company sets its primary target as creating a carefree working environment. Except for passing the certification to ensure the compliance with the basic requirements under the domestic environmental regulations and international safety regulations, and the Company daily, every other week, monthly, quarterly, regularly conducts safety and hygiene education or promotion by the safety and health personnel or occupational care according to different positions of colleagues and suppliers labor, so as to ensure that all employees may fulfill the safety and hygiene work. In addition, the Company conducts medical checkups for employees every two years to ensure the physical and mental health and safety of each employee. Starting in 2024, the Company will engage a professional third-party organization to provide an Employee Assistance Program (EAP). For detailed information regarding the planning and specific measures of employee health care initiatives, please refer to page 124 of this annual report, Section "V. Labor Relations," Subsection 3: Health Care Planning. The Company has implemented and continues to execute the ISO 45001 Occupational Health and Safety Management System, which has been verified by BSI. The current validity period is from November 23, 2022, to November 22, 2025. The Company's headquarters is located in a commercial building equipped with comprehensive fire safety facilities. Additionally, we conduct fire drills and equipment inspections at least twice a year to maintain the effectiveness of the equipment. At each construction site, various fire prevention equipment is provided and clearly marked. Additionally, all hot work operations require prior approval before commencement. Safety personnel conduct daily inspections of the construction sites, paying particular attention to hot work activities. Furthermore, reminders are issued during the morning toolbox meetings to remind contractors to remain vigilant. Furthermore, each construction site</p>	No significant deviation.

Item Assessed	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
(IV) Does the Company provide employees with an effective training program respecting career competence development?	V		conducts at least one annual fire emergency response drill. The Company did not experience any fire-related incidents in 2024. (IV) The Company provides employees with a career development learning path to enhance their professional skills, which also include facing the requirements and challenges for career development, and the cultivation for learning diverse functions and managing capacity related to teamwork, communication, leadership, and finance. The Company trains the professional capacities of its employees from their on-boarding, together with core function training and management training. An occupational performance test would be conducted every quarter to understand the current staff function and the results of the development training and transfer of learning. Furthermore, tailored professional skills and organizational management courses are designed for staff at different levels, including aides and site supervisors, to actively cultivate management talents.	No significant deviation.
(V) Has the Company followed relevant laws, regulations and international guidelines for issues such as the customer health and safety, customer privacy, and marketing and labeling of its products and services and established related consumer or client protection policies and grievance procedures?	V		(V) The Company offers professional customer service and strictly complies with all relevant laws and regulations. To ensure the delivery of professional customer service, the following measures have been implemented: 1. The Company established a customer service line and disclosed the contact method on its website. Dedicated personnel would provide customer services to provide instant consultancy or dispute handling proposed by the corporate customers or end-consumers. They will explore the reason for the appeal content, provide instant corresponding disposals, and develop improvement strategies. 2. All information provided by the client will be kept confidential in accordance with our contractual obligations. We also require that all employees and subcontractors with access to this information strictly adhere to confidentiality commitments.	No significant deviation.
(VI) Does the Company formulate supplier management policies that require suppliers	V		(VI) The Company has established a stringent supplier selection assessment and evaluation operations from the core value of "integrity", standing on the	No significant deviation.

Item Assessed	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? How is the implementation?			principle of respect life and human rights, which require suppliers to provide documents of drawings, regulations, environmental, labor, safety and hygiene requirements for assessment. After the review, the dedicated unit would perform the contracting operations according to our procurement and contracting procedures. The requirements on the environment, occupational safety, and human rights of the Company will be clearly stated in the contract, and such requirements will be listed as one of the fulfillment conditions. Furthermore, during the construction period, the Company would regularly conduct auditing to determine whether the supplier has executed according to the contract. In case of violations, corrective actions or contract termination may be enforced depending on the severity. Future collaboration with the supplier will also be determined based on their performance and the effectiveness of any corrective measures taken.	
V. Does the company refer to internationally recognized report preparation standards or guidance to prepare reports disclosing non-financial information of the Company, including Sustainable Development Report? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?	V		The Company publishes its governance information on the Market Observation Post System according to the law and sets a section exclusive for social participation and stakeholders on the Company's website. The Company started preparing its CSR Report since 2019 and officially renamed as Corporate Sustainability Report in 2021, publicly disclosed information related to the corporate social responsibility of the Company, and prepared the sustainable report in accordance with GRI, TCFD, SASB and continued to improve the quality of disclosures made in the report. In 2023, the Company's sustainability report was completed and verified by the third-party verification organization AFNOR according to the AA1000 Assurance Standard (v3) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards. The 2024 report will also undergo verification based on these standards.	No significant deviation.
VI. If the Company has established the sustainable development policies based on the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation between the policies and their implementation: The Company has established the "Sustainable Development Best Practice Principles" in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the provisions have been revised and approved by the 6th meeting of 23rd session of Board of Directors on March 14, 2025, and there is no difference between the actual operation and the established policies.				

Item Assessed	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Summary Description	
VII. Other important information to facilitate better understanding of the company’s sustainable development practices:				
A. Specific Implementation Plans and Benefits for Promoting Sustainable Development in 2024 of the Enterprise:				
In 2024, the Company, through its wholly-owned subsidiary Golden Canyon Venture Capital Investment Co., Ltd., participated in a cash capital increase by Changjia Energy Co., Ltd., a subsidiary of First Financial Holding Co., Ltd., by subscribing to new shares for a total amount of NT\$24.5 million. Changjia Energy Co., Ltd. specializes in the development of renewable energy, particularly solar power, as its primary business activity. The company adheres to principles of quality and risk management, positioning the development of green energy as its core corporate value. Its electricity sales model is based on full wholesale, with plans to allocate a portion of the generated power to enterprises. Any unused electricity, such as that generated during holidays, will be sold to Taiwan Power Company. The company's total electricity generation for 2024 was approximately 634,000 kWh.				
B. Action plans and the implementation outcomes thereof of the corporate social responsibility for 2024:				
(I) Adhering to the philosophy of “Take from society, give back to society”, the Company always seeks to have an in-depth understanding of what the society needs, and actively assists social welfare communities and provides necessary assistance to the disadvantaged groups.				
1. Scholarship Plan of the Chung Yi Social Welfare Foundation: Regularly organize fundraising activities for nursery schooling and provide the necessary resources for social welfare organizations.				
2. Raised daily necessities for the social welfare units in need, e.g., festive food, such as moon cakes, for Chung Yi Social Welfare Foundation.				
(II) The Company provides employees with 2 days of paid volunteer leave each year to encourage employees to actively participate in charitable events.				
1. Arranged for colleagues to assist in execution of administrative affairs at The Garden of Hope Foundation; planned, in spring and autumn, to have colleagues accompany children of Chung Yi Social Welfare Foundation for an educational tour; provided volunteer human powers for The Garden of Hope Foundation; and other charitable events.				
2. In 2024, 16 people participated in the volunteer activities of the “Chung Yi Social Welfare Foundation” as service volunteer. The total number of service hours was 128 hours. Additionally, 6 individuals provided administrative support to the "Li Hsin Foundation," contributing 48 service hours. From 2010 to the end of 2024, the Company recorded a total of 2,442 employee participations in public welfare activities, accumulating 10,106 volunteer service hours.				
(III)Regular celebrations of birthday gatherings and occasional family days are held to bring employees closer to each other in a joyful atmosphere, and to eliminate communication barriers between employees, so as to facilitate the Company's business development and policy implementation.				
(IV)The Company donated to the Genesis Social Welfare Foundation and the Ren-An Foundation to jointly organize the “Feast for the Disadvantaged 30” initiative. In 2024, the Company contributed NT\$1,130,400 to support the “Planting Love New Year Gifts and Blessing Red Envelope” event.				
(V) The Company has donated NT\$2,000,000 to co-produce the program "Not Just Kunqu" in collaboration with Philharmonic Radio Taipei. The program is broadcast every Sunday night at 9:00 PM on FM 99.70. Its content features young experts and scholars who explore the cultural connotations of traditional drama (qu) from the perspectives of literature, history, and art history, thereby enhancing the depth and breadth of the artistic brand. As of 2024, a total of 517 episodes have been broadcast.				

➤ The implementation status of climate-related information

Item	Implementation Status
<p>1. Describing the Board of Directors and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describing how the identified climate risks and opportunities affect the company's operations, strategies, and finances (short-term, medium-term, long-term).</p>	<p>1. The Company has integrated climate change issues into its comprehensive risk management framework. The Sustainable Development Committee provides regular reports on these issues to the Board of Directors, who oversee and manage them. Below are the governance strategies for each risk management tier:</p> <ul style="list-style-type: none"> (1) The Board of Directors considers climate-related issues such as the impact of unstable weather on project progress and the need to increase expenditure costs to address carbon emissions issues when discussing matters related to operating income, budget allocation, and project risk management. (2) The Company's management gathers analytical data on climate change-related laws, technologies, and market demands through internal meetings. After summarizing, discuss the response plan and report to the Sustainable Development Committee. (3) In response to the increased probability of extreme weather events due to climate change, management has instructed the engineering planning and technical units to incorporate climate impacts into engineering design calculations. This aims to enhance the resilience of buildings, establish technical differentiation for the company, and ensure the safety of residents. <p>2. The identified climate risks and opportunities, and how they affect the Company's business, strategy, and finances are described as follows:</p> <ul style="list-style-type: none"> (1) Market risk: In response to regulatory and market changes, customers may demand an increase in the use of green building materials and products with environmental certifications. The demand for green products in the market may be relatively scarce, and prices may be higher. If customers do not increase their budget, this could compress the profit margins for construction contractors. This represents a medium to long-term financial impact. In light of this, the Company adheres to the core principles of prioritizing quality and controlling costs throughout the entire process. Many projects in the past have voluntarily enhanced procurement standards, and in the future, the Company will continue to increase the volume of green procurement, seeking to stabilize costs by leveraging economies of scale. Additionally, we utilize smart management tools to streamline processes and effectively control execution costs. By implementing strict cash flow controls to maintain financial stability, we have been able to mitigate the impact of customer demand changes. (2) Policy and regulatory update risk: Both domestic and international economic entities have established regulations regarding the "carbon" emitted during the production process. Measures to reduce carbon emissions to comply with regulations and any additional carbon fees or taxes incurred beyond regulatory limits pose a risk. In response, the Company has gradually implemented the ISO 14001 Environmental Management System and ISO 14064-1 Organizational-level Greenhouse Gas Inventory since 2023. This enables us to accurately monitor greenhouse gas emissions throughout the construction lifecycle and develop reduction plans accordingly. The impact of carbon pricing will be reflected in the mid to long-term increase in operating costs. The Company will not only plan to appropriately pass on the increased costs,

Item	Implementation Status
<p>3. Describing the financial impact of extreme weather events and transition actions.</p>	<p>but will also seek opportunities for alliances with suppliers to mitigate the impacts of climate risks.</p> <p>(3) Green technology opportunity: Recognizing the technological shift demand brought by climate change, the Company seizes this opportunity by establishing a "Technology Development Department," becoming one of the few construction companies in the country dedicated to technical research and development. To date, the development achievements have been remarkable, including the introduction of low-carbon construction methods. The SD550W achieves a reduction in steel reinforcement while maintaining strength through innovative construction methods, leading to material and carbon footprint reductions. The cost of investing in technological development represents a long-term increase in expenses for the Company. However, the outcomes of this development not only facilitate technological differentiation but also result in annual tax deductions and revenue from licensing to other businesses, thus constituting a positive financial impact for the Company.</p> <p>Note: Please refer to pages 67 to 72 of the 2023 Sustainability Report for a detailed analysis of climate risks and opportunities identified by the Company.</p> <p>3. The occurrence of extreme weather events such as high temperatures, storms, heavy rainfall, and typhoons poses risks to the construction industry, one of which is the occupational health and safety of on-site workers. The Company's transformation initiative includes periodic welfare visits by occupational health and safety professionals and real-time monitoring of temperature at construction sites. We continuously monitor the physical condition of construction workers and suspend on-site construction if weather conditions deteriorate. Comfortable rest areas are provided on-site, along with weather-appropriate supplies, to safeguard the health and safety of workers. To continuously enhance the quality of occupational safety and health, the resources invested will increase operational expenditures. However, Safety First is a fundamental principle of the Company's management. A high-standard occupational safety and health environment is a key component of our brand value. Although raising safety and health standards will lead to increased costs in the short term, it will also foster greater trust from clients, resulting in an increase in project volume and revenue. In terms of long-term financial impact, this is viewed as a positive outcome. Secondly, another risk involves natural disasters causing delays in the transportation of raw materials or temporary suspension of construction activities on-site, leading to project timeline extensions. This, in turn, can affect the payment schedule of clients, resulting in fluctuations in the Company's income and cash flow. To address this, we have implemented periodic "Tea Sessions with the Chairman" to maintain smooth communication channels with suppliers. Additionally, we convened a "Supplier Conference" in 2024 for the first time, themed "Towards Net Zero Building Carbon: Achieving True Zero," to strengthen relationships within the supply chain, enabling us to promptly identify potential risk scenarios and develop proactive measures to mitigate their impacts. Furthermore, the Company employs an intelligent management system to ensure stability in cash flow amidst varying construction progress across different sites. This system enables us to cope with delays in raw material deliveries and temporary halts in construction activities at certain sites, thus maintaining financial stability. The strengthening of supplier engagement activities and the implementation and maintenance of an intelligent</p>

Item	Implementation Status
<p>4. Describing how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p> <p>5. If utilizing scenario analysis to assess resilience to climate change risks, it should outline the context, parameters, assumptions, analysis factors, and key financial impacts employed in the analysis.</p> <p>6. If there is a transition plan to address</p>	<p>management system may result in short-term increases in expenses for the Company. However, the operational stability and risk management benefits they bring are essential conditions for ensuring the sustainable operation of the Company in the long term.</p> <p>Note: For a detailed analysis of climate-related risks, opportunities, and financial impacts, please refer to pages 69-72 of the Company's 2023 Sustainability Report.</p> <p>4. The Company utilizes education and training to strengthen the risk identification capabilities of each department, continuously enhancing awareness of climate change risks among employees. Management periodically assesses climate change risks and sets improvement targets based on actual circumstances. We have also implemented a risk assessment mechanism based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), conducting assessments on specific climate change risk issues, analyzing potential financial impacts, and implementing relevant response strategies and measures. In addition, functional teams within the Sustainability Development Committee conduct business inventories and risk identification specifically focusing on climate change. This includes analyzing impacts directly or indirectly caused by extreme weather events, transformations due to regulations, technology, or market demands, as well as risks and opportunities arising from other cultural and social aspects affecting the Company's operations. The results of these analyses are reported to management, and strategic plans for addressing climate change actions are developed based on the identified risks and opportunities. These plans are used to estimate management costs and the financial impacts accordingly. The most recent report on risk management operations presented to the Board of Directors was on December 27, 2024.</p> <p>5. The Company sets its context for analyzing resilience to climate risks based on Taiwan's National Determined Contribution (NDC). The goal is to reduce carbon emissions by 24% by 2030 and achieve net-zero emissions by 2050.</p> <p>(1) Risk parameters, assumptions, and analysis factors: The Ministry of Environment intends to implement a carbon fee beginning in 2025, with a standard rate of NT\$300 per ton of CO₂ equivalent (CO₂e). The Company, while not initially subject to taxation, anticipates that the reduction targets set by the NDC may lead to an expansion of the taxable entities, a decrease in the exemption threshold, and an increase in carbon fees. These changes are expected to result in higher operating costs for the Company.</p> <p>(2) The primary financial impacts: According to the results of the greenhouse gas inventory conducted by the Company for the 2024, Scope 1 (direct greenhouse gas emissions) totaled 97.9774 tons of CO₂e, while Scope 2 (indirect emissions from electricity consumption) amounted to 989.8641 tons of CO₂e. This results in a total of 1,087.8415 tons of CO₂e. If the exemption quota is reduced to zero (0) and the carbon fee ranges from NT\$300 to NT\$1,000 per ton of CO₂e, the Company's financial expenditure is expected to increase by approximately NT\$326,000 to NT\$1,087,000.</p> <p>6. The Company has planned the following transformation plans to address the climate-related risks identified:</p>

Item	Implementation Status
<p>climate-related risks, it should describe the plan's content, as well as the indicators and goals used to identify and manage physical risks and transition risks.</p>	<p>(1) Market Risk - Customers demanding the use of higher-grade environmentally friendly products. In response, the Company will continue to expand the scope of green procurement, aiming to leverage bulk purchases to stabilize the prices of environmentally friendly products. Additionally, we will seek out suppliers of low-carbon products and services and encourage existing suppliers to develop low-carbon methodologies and products, thus driving the green and low-carbon transformation of our supply chain.</p> <p>(2) Policy and Regulatory Risk - Implementation of carbon taxes or fees. The pricing of carbon will lead to an increase in operational costs for the Company. In response, we will continue to promote carbon reduction measures across our headquarters, construction sites and various branches. This includes initiatives such as the comprehensive adoption of energy-saving appliances, scheduled temperature control for air conditioning, and the shutdown of lighting in unoccupied areas. If the costs associated with carbon fees continue to rise, we will plan to appropriately transfer these costs to maintain the Company's profit margins.</p> <p>(3) Supply Chain Risk - Extreme weather events leading to natural disasters, which could result in interruptions to the supply of raw materials, thereby causing material price increases or delays in construction schedules. In response, the Company has adjusted the procurement process. Bulk raw materials will be procured in advance upon project acquisition, with a focus on local sourcing, to ensure that the construction period is not affected by fluctuations in raw material prices. Furthermore, the Company utilizes an intelligent management system to monitor the progress of each project and maintains good communication with suppliers to control potential delays in delivery schedules. This allows us to proactively devise response measures in advance.</p> <p>(4) Occupational Health and Safety Risk - Extreme weather conditions leading to cold or heat-related injuries among on-site workers. The Company implements real-time monitoring of temperatures at construction sites and closely observes the physical condition of personnel. In response to weather conditions, we provide supplementary electrolyte beverages or ginger tea to ensure the safety of our workers.</p> <p>The Company's indicators and objectives are as follows:</p> <p>(1) We will continue to promote green procurement and aim to fully declare the eco-labeled products acquired by 2025.</p> <p>(2) By the first quarter of 2025, complete ISO 14064-1 greenhouse gas emissions verification for Scope 1 and 2 at headquarters and all construction sites, as well as partial verification for Scope 3 for the year 2024.</p> <p>(3) In 2024, conduct one supplier conference to enhance supply chain communication and partnership relationships, aiming to collectively move towards net-zero emissions across the industry chain through mutual encouragement and learning. Efforts to enhance supplier communication and management will continue.</p>

Item	Implementation Status
<p>7. If using internal carbon pricing as a planning tool, it should explain the basis for price determination.</p> <p>8. If there are climate-related goals set, it should explain the activities covered, greenhouse gas emission scopes, planning schedules, annual progress achieved, etc. If using carbon offsets or Renewable Energy Certificates (RECs) to achieve these goals, it should detail the source and quantity of the offset carbon emissions or the number of RECs used.</p> <p>9. The greenhouse gas inventory and assurance situation, along with reduction targets, strategies, and specific action plans.</p>	<p>(4) Continuously maintain occupational health and safety in the workplace according to the ISO45001 standard, with at least one occupational health visit or health awareness promotion conducted monthly.</p> <p>7. The Company is currently evaluating the implementation of internal carbon pricing, with related strategies and plans still under development.</p> <p>8. The climate change-related goals set by the Company are as follows:</p> <p>(1) In the short term (1-3 years), a dedicated team will be responsible for identifying, managing, and formulating strategies for climate-related risks. Additionally, we will explore the development of low-carbon and energy-efficient technologies. Scope and objective are achieve a 5% reduction in electricity consumption at the headquarters office.</p> <p>(2) In the medium term (3-5 years), climate-related risks will be integrated into the overall policy framework of risk management. Additionally, efforts will be continued to incorporate climate risk management mechanisms into construction projects. Scope and objective are achieve a 8% reduction in electricity consumption at the headquarters office.</p> <p>(3) In the long term (5 years and beyond), there will be ongoing improvement in climate-related risk management policies. Furthermore, in accordance with domestic laws and international initiatives, efforts will be made to embed climate change risks deeply within the Company's ethos. Additionally, a dedicated team will be responsible for leading annual performance reviews of climate-related risks in construction projects to effectively understand the impact of climate change on operations and business. The scope and objective remain achieving a 10% reduction in electricity consumption at the headquarters office.</p> <p>Note: Following a carbon audit, it was determined that the primary source of carbon emissions originates from our suppliers. Consequently, the Company has not planned to use carbon offsets or Renewable Energy Certificates (RECs) to achieve the related goals.</p> <p>9. The Company's greenhouse gas inventory and current implementation status have been disclosed in page 66, while reduction targets, strategies, and specific action plans will be disclosed according to the statutory schedule.</p>

(VI) Fulfillment of Ethical Corporate Management and Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof

Item Assessed	Operation Status		Summary Description	Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof
	Yes	No		
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company establish the ethical corporate management policies approved by the Board of Directors and specify in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?	V		(I) In December 2019, the Company made the 3rd amendments to its “Ethical Corporate Management Best Practice Principles,” by which the directors, functional committee members, managers and all employees of the Company were required to abide, and continued to strictly review the relevant business in accordance with the principles.	No significant deviation.
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		(II) The Company has set precautionary measures against unethical operating risks and promulgated such measures in management meetings, which measures include the prohibition of intellectual property rights infringement, the prohibition of bribing and bribery-taking, the prohibition of providing illegal political contributions, the prohibition of making improper charitable donations or sponsorships, the prohibition of employees providing or accepting unreasonable gifts, hospitality or other illegitimate benefits. In response to the aforementioned dishonest behavior, the Company has announced a whistleblower reporting channel on its official website. This allows whistleblowers to come forward and report dishonest behavior while ensuring their identities are kept confidential	No significant deviation.

Item Assessed	Operation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof
	Yes	No	Summary Description	
(III) Does the Company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, code of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies? And does the company regularly review and amend the above policies?	V		and protected. This serves as a mutual supervision mechanism to deter any notions of opportunism. (III) The Company has made a decision through its Board of Directors to establish guidelines, including the "Code of Ethical Conduct" and the "Whistleblowing Procedures." These guidelines clearly define standards of behavior to prevent unethical conduct, along with disciplinary and grievance mechanisms. Regular integrity training and awareness programs are conducted for directors, members of functional committees, managers, and employees. Additionally, an electronic mailbox is provided for whistleblowing purposes to help prevent dishonest behavior. All relevant information will be disclosed on the Company's website.	No significant deviation.
II. Implementation of Ethical Management (I) Does the Company assess the ethics records of whom it has a business relationship with and include business conduct and ethics-related clauses in the business contracts?	V		(I) The Company collects the bank records of the person with whom it is corresponding and investigate their past dealings, and specifies in the procurement contract an ethics clause stating that contract parties must abide by the ethic management policy, and that where the counter-party involves in any unethical conduct, the Company may terminate or cancel the contract therebetween at any time.	No significant deviation.
(II) Does the Company set up a unit that is dedicated to or tasked with promoting the company's ethical standards and reports regularly (at least once a year) to the Board of Directors the implementation of the ethical corporate management policies and prevention programs	V		(II) The ethical management policy is specified both in the Articles of Incorporation and on the external websites of the Company and the business group. The Corporate Governance Team is responsible for formulating integrity operation policies and prevention plans, as well as supervising their implementation.	No significant deviation.

Item Assessed	Operation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof
	Yes	No	Summary Description	
<p>against unethical conduct?</p> <p>(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?</p> <p>(IV) Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management and has its internal audit unit, based on the results of the assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>They report to the Board of Directors annually and the date of the Board report in 2024 is December 27, 2024.</p> <p>(III) The Company has set up an email-box for grievance-filing, as well as formulated its Code of Ethical Conduct, by which it conducts related business, prevents conflicts of interest, and averts unethical conducts such as pursuing one's own interest.</p> <p>(IV) In order to ensure the implementation of ethical management, the Company has established an effective accounting system and an internal control system, whose compliance is regularly audited by internal and external auditors. The internal auditor regularly communicates with the CPA on cross-risk comparison to ensure that the company's business results conform to the principle of integrity.</p> <p>(V) 1. In 2024, the Company held one "Integrity Seminar." Led by Chairman Chang-Shiou Wu and Vice Chairman Chi-Te Chen, senior executives disseminated the Company's core philosophy of "Integrity, Optimization, Well-being and Harmony" to all employees.</p> <p>2. In 2024, the Company organized five sessions of training courses for new employees; each session has two hours of courses related to our corporate culture, ethical management, and internal control communication; a total of 100 employees completed the training.</p> <p>3. In 2024, the Company conducted an internal specialized training session on integrity management, centered on the</p>	<p>No significant deviation.</p> <p>No significant deviation.</p> <p>No significant deviation.</p>

Item Assessed	Operation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof
	Yes	No	Summary Description	
			<p>theme of "Trade Secrets." External legal professionals were invited to provide case-based analyses and caution employees against potential legal violations. The training accounted for a total of 90 man-hours.</p> <p>4. The Company was invited by the Taipei City Government to participate in an Ethical Corporate Management Exchange Workshop as a representative enterprise under the Sustainability Award initiative.</p>	
<p>III. Implementation of the Whistle-blowing Mechanism</p> <p>(I) Does the Company establish specific whistle-blowing and reward systems, set up conveniently accessible whistleblowing channels, and designate responsible individuals to deal with the one being whistle-blown?</p>	V		<p>(I) The Company established the "Whistleblowing Procedures" as determined by the Board of Directors. The last revision was made on December 22, 2023. These procedures include the establishment of reporting channels, operational processes, and are disclosed on the Company's website. Depending on the nature of the complaint, reports are received and handled by different departments: the Audit Office, the Human Resources Department, or the Audit Committee. Employees or stakeholders can report instances of violations of the Ethical Corporate Management Best Practice Principles through an electronic service mailbox or anonymously through mail, attaching relevant supporting documents as evidence. The Company reviews the rewards and punishments of employees and stakeholders based on the "Employee Rewards and Punishment Regulation" and announces the relevant rewards and punishments on the internal website.</p>	No significant deviation.
<p>(II) Does the Company establish the standard operating procedures for investigating reported</p>	V		<p>(II) (III) Abiding by the Personal Information Protection Act, the Company has established a complaint and whistle-blowing</p>	No significant deviation.

Item Assessed	Operation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof
	Yes	No	Summary Description	
<p>misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?</p> <p>(III) Does the Company adopt proper measures to prevent a whistle-blower from retaliation for his/her whistle-blowing?</p>	V		<p>system, which serves as a proper channel for whistle-blowing and processes for handling such reports. Except for ensuring the confidentiality of the whistleblower's identity and the reported content, it is stipulated that the outcome of the investigation will be communicated to the whistleblower. If the whistleblower is dissatisfied with the outcome, they may request a review, with a guarantee to make sure that they will not face any retaliation from the company or retaliation from others due to their whistleblowing.</p>	
<p>IV. Enhancing Information Disclosure</p> <p>Does the Company disclose the content and effectiveness of its established Ethical Corporate Management Best Practice Principles on its website and market observation post system?</p>	V		<p>The Company's website publicly discloses its "Ethical Corporate Management Best Practice Principles" and related information, please refer to http://www.ckgroup.com.tw/.</p>	No significant deviation.
<p>V. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation between the policies and their implementation: No significant deviation.</p>				
<p>VI. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies):</p> <p>(I) The Company has formulated the "Code of Ethical Conduct" in accordance with the "Code of Ethical Conduct for TWSE/TPEX Listed Companies" published by the FSC. The Board of Directors adopted the 3rd amendment on December 25, 2019 to review and amend the Code at any time.</p> <p>(II) Ethical Corporate Management Action Plan:</p> <ol style="list-style-type: none"> 1. The Company provides the employees with the corporate culture training activity, namely the "Integrity Seminar," in which the core corporate value of "Integrity, Optimization, Well-being and Harmony" is promulgated, so as to facilitate employees' focus and implementation of the Company's core value, and to formulate and cohere the philosophy of ethical corporate management. 2. In the education and training courses for new employees, the Company publicizes to them the corporate culture and ethical management, which focus on the introduction of the core value of the enterprise and the implementation of its Ethical Corporate Management Best Practice Principles. 3. Amended the Employees Work Rules to promote the implementation of the Ethical Corporate Management Best Practice Principles. 				

Item Assessed	Operation Status			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons Thereof
	Yes	No	Summary Description	
<p>4. Unobstructed employee communication channels, e.g., setting up the employee communication box and a dedicated specialist, and handling face-to-face communication meetings with employees.</p> <p>5. The Chairman shall communicates with suppliers at any time to understand their requirements. Starting in 2024, the Company will host an annual Supplier Conference to promote and implement the Company's integrity management philosophy. The Supplier Conference for 2024 was held on August 8, 2024.</p> <p>(III) Ethical Corporate Management Implementation:</p> <p>1. The 2024 Integrity Seminar took place on September 16, emphasizing the Company's core cultural values and business philosophy.</p> <p>2. In 2024, integrity education and training were conducted for new employees, with a total of 100 participants successfully completing the training.</p> <p>3. The confidentiality of transaction information, the use of intellectual property rights, a commitment not to offer kickbacks and related corporate social responsibility clauses are included in procurement contract.</p> <p>4. For board meetings involving discussions on financial reports, all directors and insiders shall be notified 15 to 30 days in advance, during which period trading of the Company's stock is prohibited. This is in strict compliance with the Corporate Governance Best Practice Principles.</p> <p>5. The Legal Department conducts a comprehensive self-inspection of compliance with laws twice a year, and collaborates with the Audit Office on an as-needed basis to review and amend any procedural deficiencies, ensuring that the Company’s operations remain fully compliant with applicable laws. In 2024, no significant legal violations were identified during the compliance self-assessment.</p>				

(VII) Internal Control System Implementation Status

1. Statement of Internal Control System: Please refer to the Company's Internal Control Statement announcement on the Market Observation Post System (MOPS), available under the following path: Single Company > Corporate Governance > Company Regulations/Internal Control. For your convenience, here is the URL:
<https://mops.twse.com.tw/mops/#/web/t06sg20>
2. If CPA Was Engaged to Conduct a Special Audit of Internal Control System, Provide Its Audit Report: No occurrence, hence not applicable.

(VIII) Major resolutions of Shareholders' Meeting and Board Meetings as at the most recent fiscal year and the current fiscal year up to the publication date of the annual report:

1. Major resolutions of the Shareholders' Meeting

Meeting Year	Meeting Time	Major Resolutions	Review of implementation
2024	2024.06.18	<ol style="list-style-type: none">1. Passed the Company's proposal of the 2023 Business Report and Financial Statements.2. The Company's 2023 earnings distribution was approved.3. Passed the proposal for the Company's implementation of a cash capital reduction and return of capital to shareholders4. Passed the proposal to revise the Company's Articles of Incorporation.5. Passed the proposal to amend a portion of the Company's "Rules and Procedures of Shareholders' Meeting."6. Completion of the election of the 23rd Board of Directors.7. Passed the proposal to release newly elected directors and corporate representatives from non-compete restrictions.	<ol style="list-style-type: none">1. The 2023 earnings distribution proposal has been fully executed.2. Set July 10, 2024 as the ex dividend date; completed the distribution of cash dividends on July 31, 2024.3. On September 13, 2024, the registration for the capital reduction was finalized, and on November 11, 2024, new shares were issued and listed for trading.

2. Important resolutions of the Board of Directors for 2024 and the year up to April 15, 2025

Date	Session	Proposal
2024/3/13	15th meeting of the 22nd term Board of Directors	<p>I. Passed the proposal of employee compensation amount for 2023.</p> <p>II. The 2023 director remuneration amount was approved.</p> <p>III. Passed the proposal for the discussion on establishing a nomination committee and amending the "Nomination Committee Organizational Regulations" in the Company.</p> <p>IV. Passed the proposal for the election of members for the Nomination Committee of the Company.</p> <p>V. Approved the Company's "Statement of Internal Control System" for 2023.</p> <p>VI. Passed the proposal to adopt the Company's 2023 Annual Business Report, Financial Statements and Consolidated Financial Statements.</p> <p>VII. The Company's 2023 earnings distribution was approved.</p> <p>VIII. Passed the proposal for the discussion on the cash reduction of the Company.</p> <p>IX. Passed the proposal for the appointment of the CPAs certifying the 2024 Company's financial statements.</p> <p>X. Passed the proposal to donate NT\$2 million to Chien Kuo Foundation For Arts And Culture.</p> <p>XI. Passed the proposal to revise the Company's Articles of Incorporation.</p> <p>XII. Passed the proposal to amend a portion of the Company's "Rules and Procedures of Shareholders' Meeting."</p> <p>XIII. Approved to include "Election of Directors for the 23rd Term" in the agenda for the 2024 Annual General Meeting of Shareholders of the Company.</p> <p>XIV. Passed the proposal to release newly elected directors and corporate representatives from non-compete restrictions.</p> <p>XV. Approved matters relating to the date, place and subject matters of the 2024 Shareholders' Meeting.</p> <p>XVI. Approved matters relating to the rights of shareholders with more than 1% shareholding to propose a proposal.</p> <p>XVII. Approved matters relating to the rights of shareholders with more than 1% shareholding to propose a proposal.</p> <p>XVIII. Passed the proposal for the discussion on providing endorsement guarantees for bank financing applications by our subsidiary, CKTech Engineering Co., Ltd., for investment purposes.</p>

Date	Session	Proposal
2024/5/8	16th meeting of the 22nd term Board of Directors	<ul style="list-style-type: none"> I. The Company's 2024 (in the first quarter) consolidated financial statements discussion has been approved. II. Approved the proposal for the nomination of candidates for the 23rd Board of Directors of the Company. III. Passed the proposal to amend the Company's Corporate Governance Best Practice Principles. IV. Passed the proposal for the discussion on the amendments to the Company's "Regulations Governing Procedure for Board of Directors Meetings."
2024/6/18	1st meeting of the 23rd term Board of Directors	<ul style="list-style-type: none"> I. Passed the proposal for the election of the Chairman. II. Passed the proposal for the election of the Vice Chairman.
2024/7/30	2nd meeting of the 23rd term Board of Directors	<ul style="list-style-type: none"> I. Passed the proposal of the discussion on the appointment of the General Manager of the Company. II. Passed the proposal of the discussion on the election of the Company's Remuneration Committee. III. Passed the proposal of the discussion on the election of the Company's Sustainable Development Committee. IV. Passed the proposal of the discussion on the election of the Company's Nomination Committee.
2024/8/14	3rd meeting of the 23rd term Board of Directors	<ul style="list-style-type: none"> I. The Company's 2024 (in the second quarter) consolidated financial statements discussion has been approved. II. Passed the proposal for the discussion on the change of the Company's Accounting Manager. III. Passed the proposal for the discussion on the Company's "Employee Stock Ownership Trust." IV. Passed the proposal to provide an endorsement or guarantee for the invested subsidiary, Chien Bang Real Estate Development Co., Ltd., for the bank facility credit. V. Passed the proposal for the discussion on the Company's planned investment in the "Nomura Global Technology Multi-Asset Fund" issued by Nomura Asset Management. VI. Passed the proposal for the discussion on the preparation of the Company's 2023 Sustainability Report. VII. Passed the proposal for the discussion on amendments to the Company's Internal Control System for Sustainable Information Management.
2024/11/12	4th meeting of the 23rd term Board of Directors	<ul style="list-style-type: none"> I. Passed the proposal for the discussion on the appointment of the Company's Accounting Manager. II. The Company's 2024 (in the third quarter) consolidated financial statements discussion has been approved. III. Passed the proposal for the discussion on reviewing whether there are any financing arrangements disguised as receivables of the Company and its subsidiaries. IV. Passed the proposal for the discussion on the application for the renewal of bank credit facilities for

Date	Session	Proposal
		<p>our subsidiary, CKTech Engineering Co., Ltd.</p> <p>V. Passed the proposal of the Company's 2025 Audit Plan.</p> <p>VI. Passed the proposal for the discussion on allowing the governance officer of the Company to hold additional positions within the Company.</p> <p>VII. Passed the proposal for the discussion on adding the "Procedures for Pre-Approval of Non-Assurance Services Provided by Certified Public Accountants."</p> <p>VIII. Passed the proposal for the discussion on amendments to the Company's "Audit Committee Organization Regulations."</p>
2024/12/27	5th meeting of the 23rd term Board of Directors	<p>I. Passed the proposal for the discussion on the total amount of the year-end performance bonus for employees for 2024.</p> <p>II. Passed the proposal for the discussion on the amendments to the "Operating Procedures for Transactions with Related Parties, Specific Companies, and Group Enterprises" section of the Company's regulations.</p> <p>III. Passed the proposal for the discussion on adding the "Operational Procedures for the Internal Control System of Sustainability Information Management" to the Company's policies.</p> <p>IV. Passed the proposal for the discussion on adding the "Sustainability Information Management Guidelines" to the Company's policies.</p>
2025/3/14	6th meeting of the 23rd term Board of Directors	<p>I. Passed the proposal of employee compensation amount for 2024.</p> <p>II. The 2024 director remuneration amount was approved.</p> <p>III. Approved the Company's "Statement of Internal Control System" for 2024.</p> <p>IV. The Company's 2024 Annual Business Report, Standalone Financial Statements and Consolidated Financial Statements were approved.</p> <p>V. Passed the proposal for the discussion on the Company's 2024 earnings distribution.</p> <p>VI. Passed the proposal for the discussion on providing endorsement and guarantee for bank financing to our subsidiary, CKTech Engineering Co., Ltd., for investment purposes.</p> <p>VII. Passed the proposal for the discussion on the change and appointment of the CPAs certifying the 2025 Company's financial statements.</p> <p>VIII. Passed the proposal for the discussion on donating NT\$2 million to Chien Kuo Foundation For Arts And Culture.</p> <p>IX. Passed the proposal to amend a portion of the Company's "Sustainable Development Best Practice Principles."</p>

Date	Session	Proposal
		X. Approved the proposal for the discussion on matters relating to the date, place and subject matters of the 2025 Shareholders' Meeting. XI. Approved the Company's proposal for the discussion on matters relating to the rights of shareholders with more than 1% shareholding to propose a proposal.
2025/3/28	1st Extraordinary Meeting of the 23rd term Board of Directors	I. Passed the proposal for the discussion on the scope of the Company's grassroots employees. II. Passed the proposal for the discussion on amendments to the Company's Articles of Incorporation.

- (IX) Major contents of any dissenting opinions on record or stated in a written statement made by Directors or Supervisors against major resolutions of the Board of Directors' Meeting in the most recent fiscal year and the current fiscal year up to the publication date of the annual report: None.

IV CPA Fees

Unit: NT\$ Thousands

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees	Total	Note
Deloitte Taiwan	Li-Chun Chang Wen Chin Lin	2024.01.01 - 2024.12.31	3,600	1,271	4,871	Non-audit fees encompass the following: audit reports related to the holding, measurement, and disposal of financial instruments by controlled foreign enterprises; cases of cash capital reduction; repatriation of funds and tax refunds; transfer pricing reports; reviews of salary checks for non-executive positions; reimbursed expenses; and typing and printing services.

- (I) When the futures commission merchant changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.
- (II) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

V Replacement of CPA:

(I) Former CPA:

Date of Replacement	2025.03.14		
Cause and details of the replacement	In response to internal adjustments within the accounting firm, CPA Wen-Chi Kuo will succeed CPA Wen-Chin Lin. Starting from the first quarter of 2025, CPAs Li-Chun Chang and Wen-Chi Kuo will jointly serve as the auditors for the Company's financial statements.		
Explanation on whether it is the commissioner who terminates or the CPA who rejects the commissioning	Party		
	Condition	CPA	Commissioner
	Active termination of the commission	Not applicable	Not applicable
	Rejection of (continuing) commission	Not applicable	Not applicable
Opinion and reasons for audit report issued during the two past fiscal years containing an observation other than unqualified ones	None.		
Any disagreement with the issuer	Yes		Generally Accepted Accounting Principles (GAAP) or activities
			Disclosure of financial reports
			Scope or procedure of audits
			Others
	None	✓	
	Explanation: Not applicable.		
Other Disclosure Matters (items that shall be disclosed as prescribed by Article 10, Subparagraph 6, Item 1-4 to 1-7)	None.		

(II) The successor CPA:

Name of the accounting firm	Deloitte Taiwan
Name of CPA	Li-Chun Chang CPA, Wen-Chi Kuo CPA
Date of commissioning	2025.03.14
Inquiries into Accounting Treatments or Principles for Specific Transactions and Possible Opinions on Financial Statements before Appointment	None.
Written opinion for matters with disagreements from the successor CPA to former CPA	None.

(III) Former CPA's written reply to article 10, subparagraph 6, item 1 and item 2-3 of the regulations: Not applicable.

- VI The Company's Chairman, General Manager, or Managers of Finance or Accounting Who Have Worked in the Firm of the CPA(s) or Its Affiliates within the Latest Fiscal Years: None.**
- VII Changes in Transfer or Pledge of Shares Made by Directors, and Managers, and Major Shareholders Holding More Than Ten Percent (10%) of the Company's Shares in 2024 and up to the Issuance Date of the Annual Report:**
- (I) Changes in Shareholding of Directors, Supervisors, Managers, and the Top 10 Major Shareholders:
- a. Equity Transfer: Please refer to the information published by the Company on the Market Observation Post System under the following path: Single Company > Equity Changes/Securities Issuance > Equity Transfer Data Inquiry > Insider Shareholding Change Post-Report Announcement. For your convenience, here is the URL:
https://mops.twse.com.tw/mops/#/web/query6_1
- b. Changes in Transfer or Pledge of Shares: Please refer to the information published by the Company on the Market Observation Post System under the following path: Single Company > Equity Changes/Securities Issuance > Pledge and Release of Pledged Shares by Insiders > Public Disclosure of Insider Share Pledge and Release Information. For your convenience, here is the URL:
https://mopsov.twse.com.tw/mops/web/STAMAK03_1
- (II) Transfer of equity made by directors, managers, and the top 10 major shareholders with a counter-party who is a related party: None.
- (III) Pledge of equity made by directors, managers, and shareholders whose shareholding ratio more than 10% with a counter-party who is a related party: None.

VIII Relationship Between the Top 10 Major Shareholders

Date of Book Closure: April 15, 2025

Name (Note 1)	Personal Shareholding		Spouse & Minor Shareholding		Combined Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Kinship (Note 3)		Note
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Title (or name)	Relationship	
Chien Hwei Investment Co., Ltd. Chairman: Chi-Te Chen	37,769,225	18.73%	0	0.00%	0	0.00%	Stone Publishing, Deqing Investment	Chairman is the same person	-
Chi-Te Chen	15,075,311	7.48%	1,681,337	0.83%	0	0.00%	Child Chen-Ching Chen	Relatives within second degree of kinship	-
Chen-Ching Chen	11,428,412	5.67%	0	0.00%	0	0.00%	Chi-Te CHEN	Relatives within second degree of kinship	-
							Deqing Investment	Supervisor of the Company	
Rock Publishing Intl. Chairman: Chi-Te Chen	7,578,226	3.76%	0	0.00%	0	0.00%	Chien Hui Investment, Deqing Investment	Chairman is the same person	-
Taiwan Cement Corporation Chairman: An-ping CHANG	6,017,788	2.99%	0	0.00%	0	0.00%	None	None	-
Deqing Investment Co., Ltd. Chairman: Chi-Te Chen	4,728,000	2.35%	0	0.00%	0	0.00%	Chien Hui Investment, Rock Publishing Intl	Chairman is the same person	-
							Chen-Ching Chen	Supervisor of the Company	
Chase escrow JP Morgan investment account	3,232,512	1.60%	0	0.00%	0	0.00%	None	None	-
Shengong Investment Co., Ltd.	3,150,000	1.56%	0	0.00%	0	0.00%	None	None	-
UBS Europe SE investment account under the custody of Citi Commercial Bank (Taiwan)	2,378,351	1.18%	0	0.00%	0	0.00%	None	None	-
Hsin-I Chen	1,832,591	0.91%	0	0.00%	0	0.00%	None	None	-

Note 1: Please separately identify the names of the top 10 shareholders and, where the shareholder is a corporation, separately list the names of the corporate shareholder and its representative.

Note 2: The calculation of shareholding ratio should separately indicate the percentage of shares held under the person's own identity, under spouse, minor children, and by nominee arrangement.

Note 3: The relationships between the shareholders listed above, including juristic persons and natural persons, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX Number of Shares Held and Combined Shareholding Ratio on the Same Investee by the Company, Directors, Supervisors and Managers of the Company, and the Entity Directly or Indirectly Controlled by the Company

December 31, 2024

Unit: Share; %

Reinvestment	Investment of the Company		Investments of Directors, supervisors, managers and directly or indirectly controlled businesses		Portfolio investment	
	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)
Silver Shadow Holding Limited	9,117,628	100%	0	0%	9,117,628	100%
Golden Canyon Limited	4,037,439	100%	0	0%	4,037,439	100%
Chien Kuo Building Co., Ltd.	10,000,000	100%	0	0%	10,000,000	100%
CKTech Engineering Co., Ltd.	7,000,000	100%	0	0%	7,000,000	100%
Golden Canyon Venture Capital Investment Co., Ltd.	40,100,000	100%	0	0%	40,100,000	100%
Golden Canyon II Venture Capital Investment Co., Ltd.	20,000,000	100%	0	0%	20,000,000	100%
Chien Bang Real Estate Development Co., Ltd.	2,750,000	55%	2,250,000	45%	5,000,000	100%
Leader Construction Co.,Ltd.	2,500,000	100%	0	0%	2,500,000	100%

Chapter 3 Funding Status

I Capital and Shares

(I) Capitalization

Unit: NT\$

Month / Year	Issue Price	Authorized Share Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Capitalization	Capital Increase by Assets Other than Cash	Others
1960.11	1,000	4,500	4,500,000	4,500	4,500,000	Establishment	None	None
1972.10	1,000	6,000	6,000,000	6,000	6,000,000	Cash increase by cash in the amount of NT\$1,500,000	None	None
1974.08	1,000	7,500	7,500,000	7,500	7,500,000	Cash increase by cash in the amount of NT\$1,500,000	None	None
1976.07	1,000	10,000	10,000,000	10,000	10,000,000	Cash increase by cash in the amount of NT\$2,500,000	None	None
1990.12	1,000	29,000	29,000,000	28,240	28,240,000	Cash increase by cash in the amount of NT\$18,240,000	None	None
1991.09	10	4,900,000	49,000,000	4,900,000	49,000,000	Cash increase by cash in the amount of NT\$20,760,000	None	None
1991.11	10	13,230,000	132,300,000	13,230,000	132,300,000	Capitalization of capital reserves in the amount of NT\$83,300,000	None	None
1992.08	10	19,183,500	191,835,000	19,183,500	191,835,000	Capitalization of earnings in the amount of NT\$59,535,000	None	None
1993.08	18.5	31,000,000	310,000,000	31,000,000	310,000,000	Capitalization of earnings in the amount of NT\$40,285,350 Capitalization of capital reserves in the amount of NT\$17,265,150 Cash increase by cash in the amount of NT\$60,614,500	None	Order Ref. No. (82) Taiwan- Finance-Securities - (1) - 30907

Month / Year	Issue Price	Authorized Share Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Capitalization	Capital Increase by Assets Other than Cash	Others
1995.06	10	37,000,000	370,000,000	37,000,000	370,000,000	Capitalization of earnings in the amount of NT\$46,500,000 Capitalization of capital reserves in the amount of NT\$13,500,000	None	Order Ref. No. (84) Taiwan-Finance-Securities - (1) - 37631
1997.08	12.5	81,000,000	810,000,000	48,000,000	480,000,000	Capitalization of earnings in the amount of NT\$25,900,000 Capitalization of capital reserves in the amount of NT\$37,000,000 Cash increase by cash in the amount of NT\$47,100,000	None	Order Ref. No. (86) Taiwan-Finance-Securities - (1) - 52236
1998.04	10	81,000,000	810,000,000	54,000,000	540,000,000	Capitalization of earnings in the amount of NT\$48,000,000 Capitalization of capital reserves in the amount of NT\$12,000,000	None	Order Ref. No. (87) Taiwan-Finance-Securities - (1) - 29218
1999.06	10	81,000,000	810,000,000	60,000,000	600,000,000	Capitalization of earnings in the amount of NT\$54,600,000 Capitalization of capital reserves in the amount of NT\$5,400,000	None	Order Ref. No. (88) Taiwan-Finance-Securities - (1) - 55260
2000.06	10	81,000,000	810,000,000	68,360,000	683,600,000	Capitalization of earnings in the amount of NT\$77,600,000 Capitalization of capital reserves in the amount of NT\$6,000,000	None	Order Ref. No. (89) Taiwan-Finance-Securities - (1) - 49386
2002.07	10	81,000,000	810,000,000	76,700,000	767,000,000	Capitalization of earnings in the amount of NT\$83,400,000	None	Order Ref. No. Taiwan-Finance-Securities - (1) - 0910137023
2003.07 2003.08	14.5	130,000,000	1,300,000,000	112,000,000	1,120,000,000	Cash increase by cash in the amount of NT\$220,000,000 Capitalization of earnings in the amount of NT\$133,000,000	None	Order Ref. No. Taiwan-Finance-Securities - (1) - 0920134781 Order Ref. No. Taiwan-Finance-Securities - (1) - 0920130288

Month / Year	Issue Price	Authorized Share Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Capitalization	Capital Increase by Assets Other than Cash	Others
2004.09	10	168,000,000	1,680,000,000	128,800,000	1,288,000,000	Capitalization of earnings in the amount of NT\$168,000,000	None	Order Ref. No. Financial- Supervisory-Securities - (1) - 0930132035
2005.08	10	200,000,000	2,000,000,000	136,000,000	1,360,000,000	Capitalization of earnings in the amount of NT\$72,000,000	None	Order Ref. No. Financial- Supervisory-Securities - (1) - 0940127524
2006.08	10	200,000,000	2,000,000,000	150,500,000	1,505,000,000	Capitalization of earnings in the amount of NT\$145,000,000	None	Order Ref. No. Financial- Supervisory-Securities - (1) - 0950128621
2007.08	10	200,000,000	2,000,000,000	172,800,000	1,728,000,000	Capitalization of earnings in the amount of NT\$223,000,000	None	Order Ref. No. Financial- Supervisory-Securities - (1) - 0960034768
2008.07	10	300,000,000	3,000,000,000	203,500,000	2,035,000,000	Capitalization of earnings in the amount of NT\$263,800,000 Capitalization of capital reserves in the amount of NT\$43,200,000	None	Order Ref. No. Financial- Supervisory-Securities - (1) - 0970032766
2009.07	10	300,000,000	3,000,000,000	232,782,114	2,327,821,140	Capitalization of earnings in the amount of NT\$292,821,140	None	Order Ref. No. Financial- Supervisory-Securities-Corporate- 0980032911
2009.07	13	500,000,000	5,000,000,000	292,782,114	2,927,821,140	Cash increase by cash in the amount of NT\$600,000,000	None	Order Ref. No. Financial- Supervisory-Securities-Corporate- 0980034517
2010.07	10	500,000,000	5,000,000,000	334,994,540	3,349,945,400	Capitalization of earnings in the amount of NT\$363,567,830 Capitalization of capital reserves in the amount of NT\$58,556,430	None	Order Ref. No. Financial- Supervisory-Securities-Corporate- 0990034545

Month / Year	Issue Price	Authorized Share Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Capitalization	Capital Increase by Assets Other than Cash	Others
2011.06	10	500,000,000	5,000,000,000	360,119,131	3,601,191,310	Capitalization of earnings in the amount of NT\$251,245,910	None	Order Ref. No. Financial-Supervisory-Securities-Corporate-1000030069
2015.02	10	500,000,000	5,000,000,000	355,119,131	3,551,191,310	Capital reduction by means of retirement of treasury shares in the amount of NT\$50,000,000	None	Order Ref. No. Taiwan-Stock-Exchange - List Company - (1) - 10400022651
2015.05	10	500,000,000	5,000,000,000	345,119,131	3,451,191,310	Capital reduction by means of retirement of treasury shares in the amount of NT\$100,000,000	None	Order Ref. No. Financial-Supervisory-Securities-Trading-1040021134
2015.08	10	500,000,000	5,000,000,000	338,900,131	3,389,001,310	Capital reduction by means of retirement of treasury shares in the amount of NT\$62,190,000	None	Order Ref. No. Financial-Supervisory-Securities-Trading-1040031645
2015.11	10	500,000,000	5,000,000,000	337,900,131	3,379,001,310	Capital reduction by means of retirement of treasury shares in the amount of NT\$10,000,000	None	Order Ref. No. Financial-Supervisory-Securities-Trading-1040045983
2018.10	10	500,000,000	5,000,000,000	334,300,131	3,343,001,310	Capital reduction by means of retirement of treasury shares in the amount of NT\$36,000,000	None	Order Ref. No. Financial-Supervisory-Securities-Trading-1040041729
2019.09	10	500,000,000	5,000,000,000	267,440,105	2,674,401,050	Cash decrease by cash in the amount of NT\$668,600,260	None	Order Ref. No. Financial-Supervisory-Securities-Corporate-1080329485
2020.05	10	500,000,000	5,000,000,000	257,440,105	2,574,401,050	Capital reduction by means of retirement of treasury shares in the amount of NT\$100,000,000	None	Order Ref. No. Financial-Supervisory-Securities-Corporate-1090343632
2022.07	10	500,000,000	5,000,000,000	252,000,105	2,520,001,050	Capital reduction by means of retirement of treasury shares in the amount of NT\$54,400,000	None	Order Ref. No. Financial-Supervisory-Securities-Corporate-1110349352

Month / Year	Issue Price	Authorized Share Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Capitalization	Capital Increase by Assets Other than Cash	Others
2024.09	10	500,000,000	5,000,000,000	201,600,084	2,016,000,840	Cash decrease by cash in the amount of NT\$504,000,210	None	Order Ref. No. Taiwan-Stock- Exchange - List Company - (1) - 1131803642

Unit: Share

Type of shares	Authorized Share Capital			Note
	Issued Shares	Un-issued Shares	Total	
Listed Common Shares	201,600,084	298,399,916	500,000,000	-

The Company did not offer and issue securities by shelf registration.

(II) List of Major Shareholders

Date of Book Closure: April 15, 2025		
Shareholder's name	Shares Number of Shares Held	Shareholding Ratio (%)
Chien Hwei Investment Co., Ltd.	37,769,225	18.73%
Chi-Te Chen	15,075,311	7.48%
Chen-Ching Chen	11,428,412	5.67%
Rock Publishing Intl.	7,578,226	3.76%
Taiwan Cement Corporation	6,017,788	2.99%
Deqing Investment Co., Ltd.	4,728,000	2.35%
Chase escrow JP Morgan investment account	3,232,512	1.60%
Shengong Investment Co., Ltd.	3,150,000	1.56%
UBS Europe SE investment account under the custody of Citi Commercial Bank (Taiwan)	2,378,351	1.18%
Hsin-I Chen	1,832,591	0.91%

(III) Dividend Policy and Implementations

1. Dividend Policy in the Company's Articles of Incorporation:

In the event that there are any earnings after the annual final accounting, such earnings shall be utilized in the first place to pay for all taxes and duties as required by law and to make up for deficits of prior years. The remaining amount, if any, shall be appropriated in the following order:

- (1) Provide legal reserve pursuant to laws and regulations.
- (2) Provide (or reverse) special reserves pursuant to laws and regulations or where operation requires.
- (3) The remaining balance, along with undistributed earnings of prior years, shall be proposed by the Board of Directors for earnings distribution, which shall then be resolved by the Shareholders' Meeting.

The Company's dividend policy shall take into account the environment and growth of the industry, long-term financial plans and optimization of shareholders' equity. Cash dividends to be appropriated shall not be less than 10% of the total dividends to be appropriated for the year.

2. The Company's dividend policy is determined by the Board of Directors based on its operating conditions, capital requirements, capital expenditure budget, internal and external environmental changes, and the interests of shareholders. The Company's dividend policy pursues a stable dividend distribution. Since 2015, dividends have all been distributed in cash at least NT\$0.5 per share every year. Without other special

circumstance, the dividend of the Company shall be paid not less than 50% of the new distributable earnings of the current year, and the principle is to pay cash dividends.

3. Proposal of dividend distribution awaiting the resolution of the Shareholders' Meeting in the current year

The 2024 Earnings Distribution Proposal, which was determined as the following table at the Board Meeting held on March 14, 2025, will be conducted in accordance with relevant regulations after it has been approved by the Shareholders' Meeting to be held on June 13, 2025.

Unit: NT\$

Item	Amount
Undistributed earnings - beginning	892,175,123
Profit after tax for the year	681,756,568
Disposal of equity instruments at fair value through other comprehensive income	95,091,646
Remeasurement of defined benefit plans recognized under retained earnings	2,528,428
Amount of net profit after tax for the period plus items other than net profit after tax for the period included in the undistributed earnings of the year	779,376,642
Reversal of special reserve in accordance with the law (10%)	(77,937,664)
Distributable earnings - ending	1,593,614,101
Distribution items	
Cash dividends to shareholders at NT\$2.15 per share	(433,440,180)
Undistributed earnings - ending	1,160,173,921

- (IV) The Impact of Stock Dividend Issuance on Business Performance and Earnings per Share: Not applicable.

- (V) Remuneration for employees and directors

1. Stated percentage and scope of remuneration paid to employees and directors in the Articles of Incorporation:

With the net income before tax (before netting off employees' compensation and directors' remuneration), the Company shall appropriate 0.1% to 3% of such amount as employees' compensation and no greater than 3% of such amount as directors' remuneration. However, in the case that the Company still has cumulative losses, a portion of the net income shall be retained in the first place to offset such losses.

Employees' compensation mentioned in the preceding paragraph shall be distributed in stocks or in cash to employees of subsidiaries who meet certain criteria and control, which are stipulated by the Board of Directors being authorized to do so.

2. The accounting treatment for the discrepancy between the actual distributed amount and the estimated amount of remuneration to directors and supervisors and compensation to employees, or of the compensation to employees paid in shares: In case a discrepancy

exists between the actual distributed amount and the estimated distribution amount, such a discrepancy is accounted for as a change in accounting estimates and will be adjusted to the financial statements for the following year.

3. Compensation or remuneration approved by the Board of Directors:

- (1) Compensation or remuneration paid to employees and directors in the forms of cash or shares. If the actual amount differs from the estimated amount in the year of recognition, disclose the differential amount, and reasons and responses therefor:

The Board of Directors of the Company resolved to distribute its pre-tax income (before deducting compensation to employees and remuneration to directors) for 2024 as follows: (a) 3% as compensation to employees in the amount of NT\$25,369 thousand; (b) 3% as remuneration to directors in the amount of NT\$25,369 thousand. The distributed amounts are identical to the estimated amounts for 2024.

- (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

4. The actual distribution of employee and director compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee or director compensation, additionally the discrepancy, cause, and how it is treated:

- (1) The Company distributed NT\$12,522 thousand as employee compensation and NT\$12,522 thousand as remuneration to directors for 2023.

- (2) If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: No Deviation.

(VI) Repurchase of Shares by the Company: None.

II Issuance of Corporate Bonds: None.

III Issuance of Preferred Shares: None.

IV Issuance of Depository Receipts: None.

V Issuance of Employee Stock Options:

- (I) The annual report shall disclose unexpired employee stock options issued by the company in existence as of the date of publication of the annual report, and shall explain the effect of such options upon shareholders' equity: None.

- (II) The annual report shall disclose the names of top-level company executives holding employee stock options and the cumulative number of such options exercised by said executives as of the date of publication of the annual report. The annual report shall also disclose the names of the top 10 employees holding employee stock options with a subscribable amount reaching

NT\$30 million, along with the cumulative number of options exercised by these ten employees, as of the date of publication of the annual report: None.

VI Employee Restricted Stock Awards (RSA):

- (I) For all new RSA for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: None.
- (II) Names and acquisition status of managerial officers who have acquired new RSA and of employees who rank among the top ten in the number of new RSA acquired, cumulative to the date of publication of the annual report: None.

VII Status of New Share Issuance in Connection with Mergers and Acquisitions:

- (I) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the company has completed any issuance of new shares in connection with a merger or acquisition or with acquisition of shares of any other company: None.
- (II) Where the Board of Directors has, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, adopted a resolution approving any issuance of shares in connection with a merger or acquisition or with acquisition of shares of any other company: None.

VIII Implementation of the Capital Utilization Plan: None.

Chapter 4 Operational Highlights

I Business Contents

(I) Business Scope

1. The Company mainly engages in:

(1) Engineering service

A. Residential building construction

The Company is deeply engaged in the market of exquisite construction projects. We will continue to strengthen our project management to provide our customers with excellent quality, perfect and high-quality services, and to create long-term relationships of mutual trust and benefit with our customers as our ultimate goal.

B. Factory Office and Office Buildings

To increase the diversity of the company and to flexibly adjust to the market trend, and to increase the proportion of business acquisition in the commercial and factory office market, in order to avoid the shortage of business source due to the change of the residential market. The Company has completed the construction of several projects including the Phase IV of the TSMC's Fab 18 in Southern Taiwan Science Park, Fox Automation Technology Plant Construction, and Fubon Changchun Duplex Office Building. Starting from 2022, we have expanded our operations in both factory and office markets. In 2023, we undertook projects such as the Nan Shan Life Shalun Cultural and Creative Park and the Cathay Industries Research and Development Center. We will continue to uphold quality and excellent service, actively cultivate target markets, and expand our business into construction projects such as green energy technology factories, factory office buildings, cloud technology data centers, and logistics warehouses.

C. Public Facility Construction

The Company's involvement in the construction of large-scale public facilities has a long history, from the early phase of construction of incinerators, TRA New Zuoying Station, and the auxiliary buildings of highspeed railway stations, to the construction of the main structure, internal utility and air-conditioning projects of National Kaohsiung Center for the Arts (Weiwuying).

D. Mechanical and Electrical Engineering

The company has a subsidiary, CKTech Engineering Co., Ltd. (hereinafter referred to as CKTech International), which mainly contracts mechanical and electrical engineering of the parent company, as well as commercial and industrial construction projects, and assists the company in business and project management. Under the above integration principle, CKTech International continues to strengthen its E&M design and planning, system

integration, and integrated construction capabilities to enhance Chien Kuo Construction's overall competitive advantage. The Company continued to deepen the usage of BIM to review, design, and output construction drawings, integrates various types of professional construction, either horizontally or vertically, during the course of construction, reduces construction interface conflicts and specifies responsibilities, so as to ensure the quality of the project, to achieve the objectives of the owners and users.

E. Construction on a Turnkey Basis

With years of experience in contracting private housing projects, we have been in the government housing subcontracting market for many years, and our completed public housing projects, taking over the public residence have both received the Golden Quality Award for Public Works and the Golden Security Award. At present, in addition to using the technologies learned by National Kaohsiung Center for the Arts, such as sloping roof, acoustics and other patented technologies, the patented technologies developed by technology development, such as BIM automatic modeling, customized FM system, point cloud machine and camera drone, are included in the creative feedback items of the turn-key project, to show the differentiation of enterprises and improve the competitiveness of the turn key basis. Under the effects of global warming and air pollution cause environmental damage, in response to the friendly construction industry, we will introduce "energy-saving" and "carbon-reducing" methods in the construction. For example, in terms of energy-saving, we will introduce energy-saving building design in the turnkey projects as much as possible, such as green building label, building energy efficiency certification, and intelligent building label, solar power recycling, rainwater recycling, elevator power regeneration and other design concepts and equipment application; in terms of carbon-reducing, we will make good use of the system aluminum formwork to replace traditional formwork, which can effectively reduce the use of wood and can be recycled multiple times to effectively achieve the goal of green-friendly construction. Except for the current social housing turn-key market, we will increase the number of commercial office buildings and public turn-key projects in the future, in order to increase the diversity of experience and more meet the market demand.

(2) Investment Business

The Company has developed short-, medium- and long-term investment plans to improve the efficiency of capital utilization and to pursue income and enhance asset appreciation potential in a more prudent manner.

2. Planned New Products (Services)

(1) Engineering service

The Company aims the individual projects at customers who are business groups, for which the Company will provide budget assessment and construction planning, and with which the Company will establish long-term partnerships. For public construction, we have strengthened our turnkey projects (including commercial office) and have been involved in the integration since the preliminary planning stage, and have increased the number of factory and commercial office clients, offering reduced schedules, value and energy conservation and low carbon engineering to create the most advantageous products for our clients.

(2) Mechanical and Electrical Business

Shun Long International mainly serve the parent company and continue to recruit professional talents to enhance value differentiation, provide integrated value-added services for the whole building system, and extend the life cycle of the building to maintain perfect facility management. By combining our expertise in electrical and mechanical turnkey contracting with design integration and construction planning, we aim to differentiate ourselves from competitors, enhance the overall value of construction, and explore new markets in mechanical and electrical engineering moving forward.

(3) Construction Business

In line with urban renewal and redevelopment policies, we are actively selecting excellent residential locations for joint development, and expanding our diversification into commercial real estate.

(4) Aluminum formwork business

Develop an automated processing workflow for aluminum-wood composite molds to broaden the application range of aluminum formwork. Additionally, introduce and research the aluminum formwork fixation method for SRC (Steel Reinforced Concrete) structures to increase the variety of buildings that can be constructed, thereby enhancing project flexibility and capability.

(II) Industry Overview

1. Industry Status

(1) In the construction cost of the real estate market, after five years of continuously substantial adjustment in manpower and materials, the bulk materials will become stable in 2023, but the labor shortage continues to persist and exert influence. The market products are also affected by the government's housing purchase and the international situation, adding the settlement of claims for epidemic prevention insurance caused by epidemic, which damage the financial industry. Due to the reduction of loans caused by investors capital gap, then reduce the possibility of real estate investment.

(2) Plant Market and Commercial Office Building Market

As the global pandemic gradually stabilizes and the tourism industry and international supply chains start to recover, opportunities for investment and development in commercial offices and hotels have increased from 2023 to 2026.

(3) Public construction market

Looking at the overall political and economic development in Taiwan, in order to ease the impact of housing construction industry, in addition to the existing social housing projects, the demand for public welfare construction and the development of commercial office buildings along the MRT lines has increased. However, public construction budgets typically require approval from local councils or central authorities, which can take six months to a year. By the time approvals are secured, inflation may have driven up prices, leading to repeated failed bids for public construction projects. In order to solve the situation of delayed bidding, government gradually tend to attract investment in advance, and multiple reference industry demand and market conditions, which is bound to be desirable forward expectations.

2. Industry characteristics

(1) Influenced by the government's financial policy and major public construction programs

Whenever the government changes its financial policy or reveals plans to launch major public construction, the development and the gross profits of the construction industry immediately have significant growth, fully reflecting its influence on the construction industry.

(2) High risk due to price fluctuations

During the course of construction, it is susceptible to factors such as market prospects, commodity prices and inflation. In recent years, the construction industry has been affected by the increase in commodity prices and wages, causing cost fluctuations that are difficult to manage. Risk is high under the contractual terms and costs that require the construction be completed on time.

(3) Regional and labor-intensive industries

Since most of the construction process of the construction project relies on manpower to complete, the construction industry is a labor-intensive industry. The labor of the construction industry is engaged in manual labor on a daily basis, hence the turnover rate of personnel is high and difficult to control. In addition, it is often necessary to cooperate with local subcontractors to seek local personnel, equipment and materials support. Therefore, regionality will affect costs.

(4) A wide variety of technicians

Completion of construction requires participation of a wide variety of technicians, such as: Rebar workers, formworkers, welders, and electricians and plumbers. There is a wide variety of technicians and the management interface is complex. In addition, BIM technology has been introduced in recent years. As a digital integral technology tool for civil engineering, construction, and electromechanical systems,

BIM relies on personnel with professional knowledge in construction and information to solve various problems encountered in the whole life cycle.

(5) Strong relevance between industries

The construction industry is highly correlated with industries such as cement, steel, machinery, transportation and consultancy companies. Market fluctuations in various industries will also directly impact the construction industry.

(6) Poor working environment

The construction process is more dangerous than that in general workplaces. Work is affected by the climate, and the probability of occurrence of on-site occupational incidents that endanger personal safety is high.

3. Relevance between the upstream, midstream and downstream

The Company is in the construction industry and the downstream (user) construction industry complement each other. The upstream of the supply chain mainly consists of raw materials such as steel, gravel, earth, cement, aluminum, and crude oil. Except for sand and gravel, Taiwan has to rely on imports, so the impact will be influenced by the fluctuation of the international situation. Since 2021, ready-mixed concrete has been affected by sand and crude oil, and the price has increased one after another, resulting in an increase of more than 30% in the past three years. However, by the end of 2022, some raw materials reached peak price levels. As a result, construction material prices in 2024 are expected to remain stable, with only modest increases.

In the midstream chain, the raw materials are mainly processed to provide the construction industry with finished products for construction or assembly, and the cost impact is mainly on raw materials and manpower. Although the cost of manpower is not raw materials, the construction industry is one of the industries that cannot be assembled by fully automatic machines and cannot rely on machinery to replace manpower. At most, systematic formwork and steel reinforcement are used to reduce the use of manpower, but they cannot be completely replaced. Therefore, labor shortage will seriously affect the midstream and downstream related industries.

In the downstream chain, there are government agencies, private enterprises, construction companies, and consumers who commission the construction. However, the construction industry is part of the midstream and downstream chain and still relies on the professional division of labor, including building planning and design, construction, construction manufacturers, and the construction of building materials, decoration, materials, electrical and mechanical, and sanitary equipment required for interior decoration after the completion of the building structure.

4. Development trend

(1) Develops towards large, exquisite, and smart

In recent years, under the requirements of large-scale projects, high complexity of design, high housing prices, high technical standards and exquisite decoration requirements, large-scale builders are more qualified to participate, hence BIM

(Building Information Model) is introduced. As an integrated construction interface, BIM has the professional competitive advantage of improving construction technology, and can meet customer needs. In addition, the Company will strengthen cost and schedule control and establish early warning and risk assessment mechanism, to step into another trend in the construction market. Having the fastest and latest smart management or R&D system will create a brand advantage in the market.

- (2) The government bidding model is shifting towards adopting the most advantageous tender or turnkey model

In recent years, the government has continued to actively promote major public construction, of which the bidding has been encouraged to adopt the most advantageous tender to avoid the sacrifice of construction quality due to bidding. Therefore, public construction has become the battleground for large-scale construction companies. In order to avoid the phased outsourcing, in which the project quality can not be connected, more and more turnkey cases have appeared. The government hopes to integrate all the teams through a single contact window, and to activate government's assets throughout the life of the building.

- (3) Adjust the construction business model in line with environmental changes

Land, the material for the construction industry, has become rare. Therefore, the scale of business, human capital allocation and capital utilization need to be adjusted in line with the changes in the environment, for the purpose of steady development. This year, we will develop the regional land with future potential, track redevelopment zones with major construction themes, proper position plans, and pursuing public urban renewal and joint development initiatives integrated with mass transit systems.

- (4) Strategic cooperation between the upstream and downstream

Construction management greatly values interface integration. In order to facilitate the progress of construction, most construction companies have long-term partnerships with their professional coordinating suppliers. In preparing a tender, it works with the professional coordinating suppliers to improve the chance of winning the bid; after winning the bid, the project will be handed over to the professional coordinating suppliers who have assisted in the preparation of the tender, thereby shortening the running-in period of the two parties. To make the project on schedule with high quality.

- (5) The government actively promotes the introduction of BIM technology to major public construction

In recent years, in addition to the governments of Taipei City and New Taipei City who have recognized the trend of BIM technology, other county and city governments have also begun to plan to introduce BIM to major public construction, and explicitly request that delivery standards and related matters may be specified

on the tender documents at the same time. At present, BIM system has become one of the necessary tools in all public construction, which further demands that BIM can not be conducted in an outsourced manner but by a construction company having BIM capability, and that BIM be introduced to all phases (design, construction, warranty, and property management).

- (6) Highly volatile prices, unable to grasp price risk, trending toward price index adjustment

Since 2020, labor shortage and the impact of sand and gravel have led to significant increases in bulk materials such as steel reinforcement, formwork, and ready-mixed concrete. From 2021 onwards, we will face a sharp rise in international metal prices, which will cause not only the structural prices to continue to rise, but also masonry labor, aluminum, stainless steel, etc. in the construction process, and the rate of increase will be even greater, causing the operating costs to be completely unaffordable. Prices are expected to be stable in 2023, but the government is trying to control the risks of the project, the owner will gradually offer price index adjustment measures or change to a cost-plus model in order to increase the willingness of construction companies to invest in construction.

5. Competition is intensifying

The number of domestic construction companies registered was about 20,000, of which 3,300 are classified as Grade A contractors. About 90% of them belonged to small and medium-sized enterprises, lacking a stable financial structure and sufficient engineering staff. The Company was established in 1931. So far, with its abundant technicians and professional team, it has accumulated rich construction experience and its mastery of the project progress and quality has been recognized by the owners. The Company is a competitive supplier in the industry. We expect to develop the aluminum molding business in the factory office market to meet the needs of existing competitors and to address the needs of owners in terms of schedule and cost.

(III) Technology and R&D Overview

1. Engineering service

- (1) Development of new techniques and patented techniques.

In line with the trend of low-carbon construction, our project for affordable housing actively utilizes a new construction method featuring high-strength reinforced concrete, aiming to reduce the use of steel reinforcement and achieve carbon emission reduction targets in construction. The SD550 new techniques has been in use for several years and has received widespread acclaim, not only for our own use but also for licensing to multiple industry peers. The recently certified SD690 techniques, which utilizes even higher-strength reinforced concrete, it is expected to offer even better carbon reduction benefits, particularly for ultra-high-rise buildings. Improving the efficiency of steel reinforcement construction is another key development focus. A new technique for seismic stirrup reinforcement of

beams, which can address the issue of difficult construction due to the dense steel reinforcement in the shear zone of beams. Multiple innovative stirrup designs and construction sequences have been patented in several countries. The patented method for systematic beam-column structures effectively addresses the issue of rebar collision in the beam-column joint area. Whether the main reinforcement of the beam or column maintains the same spacing or double spacing, the beam's main reinforcement only needs a uniform horizontal offset to completely avoid interference with the column's main reinforcement. The latest research and development focuses on a patented modular construction method for beam reinforcement cages. This method involves the unitized assembly of reinforcement bars, followed by lifting and assembly. This year, full-scale structural experiments will be conducted to obtain certification for the new construction method.

(2) Enhancement of automation in operational methods

The digitization of engineering inspections has been a primary focus of development in recent years. Initially, an innovative map-oriented application was created to meet the self-inspection needs at construction sites. Subsequently, a one-click generation feature was implemented to compile inspection maps, photographs, and self-inspection forms into a comprehensive self-inspection report. Finally, a management webpage was developed to visualize the analysis results of defect data. BIM automation is a crucial objective in the digital development landscape, establishing a programmatic operational model for converting 2D pipeline modeling into 3D for various water systems. Furthermore, to facilitate the implementation of the mechanical and electrical lines pre-cutting method, each project necessitates the creation of hundreds of 3D assembly drawings. All drawings are generated swiftly through the use of automated programs in conjunction with construction models.

(3) MIS application

Implementing ERP as the core system for enterprise processes, integrating business processes such as finance, accounting, procurement, project management, and supply chain operations, to achieve real-time monitoring and querying of information. P6 is a commonly used project scheduling software in the construction industry. Based on on-site feedback, construction information is continuously updated to revise the project schedule calculations, providing decision-makers with references to adjust schedules and improve any delays. BI is a data visualization tool that aggregates all system information to assist managers in accelerating decision-making speed. It also develops predictive models to provide managers with alertness. The Business Information System represents a recent development focus. It facilitates the rapid initial valuation of incomplete information projects by employing data analysis methods for bundled cases, thereby minimizing the risk of subjective misjudgment.

(4) Acoustic technology application

Based on the acoustic construction technology acquired during the construction of the National Kaohsiung Center for the Arts (Weiwuying), the Company applied for related patents, and combined the important functions of other buildings, such as fireproof, vibration isolation, etc., which will be introduced into general construction. The Company enhances the quality of its indoor sound environment according to the usage of different buildings, and establishes its image as a professional acoustic technology provider.

(5) Special curved surface application

Based on the special modeling construction technology acquired during the construction of the National Kaohsiung Center for the Arts (Weiwuying), the Company applies for related patents. By combining CAD/CAM/BIM analysis technology, the Company improves the applicability of metal materials in the outer shell or as a special decorative object. It also considers to integrate the energy-saving design with the sunshade design of a building.

(6) Introduction of point cloud and aerial photography technology applications

With the ongoing advancements in point cloud software and hardware technology, the application of point clouds in quality inspection at construction sites is expanding. This includes quantity estimation for extensive areas of uneven surfaces, 3D modeling of entire sample houses, and the evaluation of flatness following the grouting of basement slabs. Aerial photography technology is commonly employed to periodically document the construction status of new projects. When integrated with high-performance computers and specialized software, it can be used to create 3D models of construction sites, allowing business and design departments to plan and evaluate more accurately.

(7) Introduction of Low-Carbon Assessment Technology in Architecture

In accordance with the national low-carbon development strategy, each design phase of the integrated project will include assessments for low-carbon building labeling and building energy efficiency labeling, with the aim of achieving low-carbon objectives at the most reasonable cost.

2. R&D Results

(1) R&D project results and application status of projects in progress

The research and development direction is divided into three main axes, including construction technology refinement, construction management automation and customer service refinement. The following table shows the results for 2024:

Table 2024 R&D Project Results

Item	Explanation	Category
SD690 new construction	The new generation of reinforced concrete is one of the feasible low-carbon building technologies. Following the new construction of SD550, the new construction of SD690 has higher carbon reduction efficiency. The	Construction technology refinement

Item	Explanation	Category
	carbon reduction rate of the steel bar at the replacement location increases from 31% of SD550 to 64% of SD690. This proposal was reviewed and approved in January 2025.	
BIM Automation of Mechanical and Electrical Lines	In alignment with the promotion of pipeline pre-cutting construction methods, an automated program has been successfully developed to rapidly generate 3D assembly diagrams and optimize cutting lists in conjunction with the construction model. Through practical testing, hundreds of 3D assembly diagrams can be completed quickly within a few minutes, achieving an accuracy rate of 100%. This technology has been implemented in fire foam and fire sprinkler pipelines. In 2025, it will be further expanded to include water supply and drainage pipelines.	Construction Management Automation
Systems for quality assurance, and safety and health APP	With the self-examining map as the core and the purpose of automatically generating self inspection reports, we develop a self inspection app for product safety and security to help engineers complete key self-inspection items for specific projects. The self-examining map is similar to google map in that it can mark the missing location and show the improvement status, and further link to related photos. In order to reduce the internal work burden of engineers, the self-test report generator is customized for each work. As long as the on-site self-test program is executed by the self-test App, the self-test report can be generated with one click before returning to the computer of the Tokyo Electric Engineering Co., Ltd.	Construction Management Automation
Automation of mechanical and electrical services estimation	Due to the frequent absence of mechanical and electrical BIM models during the estimation phase, we developed a program for automatic estimation based on mechanical and electrical design drawings. This program will autonomously plan the routing and calculate the quantity of materials required, based on the locations of the equipment endpoints and the connections between them. The relevant technology has been utilized to estimate the lengths of lighting wire, socket wire, fire foam piping, and fire sprinkler piping, among others.	Construction Management Automation
Low carbon label assessment	The Construction and Planning Agency (CPA) is promoting new carbon reduction labels for low-carbon buildings and energy efficiency labels for buildings. Initially, we invited planning scholars specializing in labeling to share their concepts with our company. Subsequently, we applied for labeling using actual project cases. Finally, we developed electronic spreadsheets internally to streamline operations and reduce time spent on calculations. After obtaining this assessment technology and tools, the low-carbon	Customer Service Refinement

Item	Explanation	Category
	assessment results can be provided to developers during the design phase for every contracted social housing project. Furthermore, the information necessary for the low-carbon building labeling assessment has been incorporated into the Building Information Modeling (BIM) components, and a calculation program has been developed. Following modifications to the BIM model, low-carbon calculations can be swiftly recalculated using the program.	

(2) Patent

As of the end of 2024, the Company has accumulated 44 domestic and foreign patents, and the year, name and country of the patent announcement are listed below.

Table Announcement of Patent

Announcement Year	Patent Title	Country
5 patents in 2016	Metal roof structure	Republic of China
		China
	Composite door panel and soundproof door employing such panel	Republic of China
		China
	Soundproof door	Republic of China
3 patents in 2017	Soundproof door	China
	Ceiling structure	Republic of China
		China
6 patents in 2018	Steel and reinforced concrete structure	Republic of China
		China
	Confined Structure	Republic of China
		China
	Water guiding system under stone floor	Republic of China
	Water filtration air system	Republic of China
5 patents in 2019	Water guiding system under stone floor	China
	Water filtration air system	China
	Molding support system	Republic of China
	Dehazing System	Republic of China
		China
1 patent in 2020	Construction frame system	Republic of China
4 patents in 2021	Construction frame system	China
	Construction Material Delivery Methods	Republic of China
	Structural end reinforcement system	Republic of China
	Graphical representation of transcoding methods and devices	Republic of China
12 patent in 2022	Measurement support system	Republic of China

Announcement Year	Patent Title	Country
		China
	Construction survey method	Republic of China
	Quality testing system and is method	Republic of China
	Obtain information method and system instantly	Republic of China
	Structural end reinforcement system	China
	Stirrup module and manufacturing method of beam reinforcement system (I780946)	Republic of China
	Stirrup module and manufacturing method of beam reinforcement system (I775642)	Republic of China
	Steel cage module and manufacturing method of beam reinforcement system	Republic of China
	Stirrup module	China
	Stirrup module of beam reinforcement system	China
	Steel cage module	China
1 patent in 2023	Systematic beam-column structure and its method (I798030)	Republic of China
7 patents in 2024	Systematic beam-column structure and its method (I836915)	Republic of China
	Stirrup module and manufacturing method of beam reinforcement system (I839186)	Republic of China
	Stirrup module and manufacturing method of beam reinforcement system (I840198)	Republic of China
	Framework Method for Reinforcement Systems	Republic of China
	Method, device, and computer program product for generating structural diagrams integrating information	Republic of China
	Formwork system and wall structure formed therewith	Republic of China
	Beam-column joints and architectural structures incorporating the same	Republic of China

(IV) Short and Long Term Business Development Plans

1. Short-term Plan - Implementation of Quality Assurance, Deeply Plough Construction Technology

The core of the construction industry is to ensure that every project in building construction undergoes rigorous construction management, that correct and rationalized construction techniques are implemented, and that consistent standards are required in every professional environment of the project, and ultimately to deliver the expected quality of results. One of the most important and basic missions is to provide a safe and hygienic working environment for all employees. Since 2015, Chien Kuo Construction strictly requires quality and safety and health management of engineering works, and in recent years, the Company has repeatedly won various quality and safety and health awards, showing remarkable results. In addition to the implementation the product security, deeply root the professional technology is also an important part of the sustainable business, cope with the changes in environment by using continuous deep cultivation and innovation construction technology, which can improve the

competitiveness of enterprises in the market, Chien Kuo Construction will continue to commit to the system aluminum molding to increase the competitiveness and advantage in structural template technology in 2024.

2. Medium and Long-term plans: Construction cost technology, green construction, differentiation technology and exquisite brand image

(1) Continue to develop differentiated technologies of the Company and maintain long-term competitiveness

In addition to continuing to deepen BIM technology and applying patents for metal casing and acoustics products, in the future, we will gradually introduce various differentiated technologies, such as FM system embedded with BIM, point cloud combined with a model for online house visiting, BIM rapid modeling, and camera drone inspection, etc., and introduce them into the general construction business, and apply them in the construction and development, thereby creating the advantage of the Company different from other construction companies.

(2) Improve the Company's intelligent technology

Combine BIM technology with FM technology for subsequent property management; possess, develop and deepen a rapid integration system capable of performing equipment maintenance, inspection, and review of the completion drawing; in addition to the existing point cloud system for electronic processing of existing pipelines and scanning of sample house to provide for property management in the future, use a camera drone to collect existing information for modeling to serve as a reference for the architects in designing, and thereby developing the architecture that suits the local surroundings the most.

(3) Enhancement of the cost technology of the construction period

After ensuring the high standard of project quality and safety and hygiene, the Company promotes the mastery of the key technology of project duration and cost, and does the basic work of service provider to build up the competitiveness of the Company in the market. The first priority of cost control is to ensure that the schedule is kept under control, from the support of the company's back-office departments to the on-site work of the construction site, which has an interlocking effect on the schedule. We also develop aluminum mold business to increase the efficiency of formwork construction and effectively reduce the work rate of masonry finishing to reduce the required construction time.

The Company has established a fixed mechanism to regularly review the operational processes of the Company's back-office departments to improve back-office operation time; fully utilize the web platform to accelerate communication timeliness and operational efficiency; utilize system tools to help analyze the reasonableness of the schedule and propose improvement or alternative solutions for key items; and implement value engineering assessments to achieve the goal of shortening the work schedule. To ensure that the project progress can be completed

on time, the Company continues to introduce cost control, review and reduce unnecessary transaction costs, utilize alternative work methods, introduce new technologies, reduce material losses and change the logistic procurement mode, so that costs can be reasonably controlled.

(4) Introduce green construction and create corporate ESG

The environment is suffering from the effects of global warming and air pollution. In response to the friendly construction industry, we will introduce "energy-saving" and "carbon-reducing" methods in the construction. For example, in terms of energy-saving, we will introduce energy-saving building design in the turnkey projects as much as possible, such as green building label, solar power recycling, rainwater recycling, elevator power regeneration and other design concepts and equipment application; in terms of carbon-reducing, we will make good use of the system aluminum formwork to replace traditional formwork, which can effectively reduce the use of wood and can be recycled multiple times to effectively achieve green-friendly construction management. For this purpose, we have established the Aluminum Mold Division to carry out the systematic use of aluminum molds, and to centralize and integrate the work schedule of each site for deployment, so that aluminum molds can be used efficiently and economically.

(5) Improve the feasibility of turnkey operations and develop exquisite turnkey operations

Apply the integrated design capability currently provided for public constructions in building development case for private enterprise, so as to provide efficient and suitable design solutions so that the owner can save the cumbersome procedures of design and construction subcontracting and obtain the most advantageous design.

(6) Operation standardly, audit regularly

The Company has established a fixed mechanism to regularly review the operational processes of the Company's back-office departments to improve back-office operation time; fully utilize the web platform to accelerate communication timeliness and operational efficiency; utilize system tools to help analyze the reasonableness of the schedule and propose improvement or alternative solutions for key items; and implement value engineering assessments to achieve the goal of shortening the work schedule. To ensure that the project progress can be completed on time, the Company continues to introduce cost control, review and reduce unnecessary transaction costs, utilize alternative work methods, introduce new technologies, reduce material losses and change the logistic procurement mode, so that costs can be reasonably controlled.

(7) Differentiation technology and exquisite brand image

The expected new generation of construction team must have different technologies from other construction team to create a unique competitive advantage and ensure that the company will not fall into the cycle of price competition in the market. In

2018, Chien Kuo Construction established the Technology Development Department to carry out four research fields, including "Deepening and application of BIM technology in the construction of the whole life cycle", "Application of acoustic Technology in the construction of related materials and development of acoustic", "MIS Development of construction Management", and "Application and Development of metal materials in the appearance and shape of buildings". Cooperate with the third party, put in the experiment and verification plan. Develop the unique engineering technology and new construction materials to create a delicate service brand of Chien Kuo Construction after three to five years of research and development.

(V) Intellectual Property

1. Strategies and Targets of Intellectual Property

With the development of the times, the knowledge-based economy has replaced the labor-intensive economy as the mainstream of today's generation. Taiwan has Patent Act gives the inventor a period of time to protect the rights and interests of innovative research and development technologies, and the right to restrict others from using, selling or manufacturing them during the period. The Company has patent approval since 2016 and has accumulated 44 patents passed. The objectives of the patent application stage are described as follows:

- (1) Short term goals - to enhance the advanced image of the company and limit the use of competitors

Become a new generation construction team that is technology-based, social-cared, and humanistic-aesthetics-oriented. The Company's vision is to have a certain number of patents, which is a means to create an image of technology. The government is actively promoting the upgrading of the construction industry with reference to Industry 4.0, and the public sector is paying more attention to the technology of construction plants year by year. In order to win the owner's favor when bidding, it is necessary to continuously reveal new technologies. Innovative technologies that meet the criteria for new construction method applications may be supported by commissioning top universities to conduct large-scale experiments to obtain certification. For those that do not require such certification, patent protection will be sought instead.

- (2) Medium-term goal - to increase the threshold for entry into the industry

The government project bids reveal patents and new technologies, and have another far-reaching purpose of "raising industry standards" in addition to gaining the favor of owners. Past experience has demonstrated that innovative ideas from the industry can be adopted by clients and incorporated into their requirements after being publicly available for several years. Promoting innovative technologies and patents is a proactive strategy that shifts the company from a reactive to a leading position,

mitigates the impact of rising industry standards on operations, and widens the technological gap with industry peers.

(3) Long-term goal - to create new business models

In addition to restricting the industry, a good patent can also create profits by means of technology transfer. To be profitable, the patent itself must be industry-critical and unique, and the inventor usually has a leading position in the industry. The only way to get closer to this goal is to continue to innovate and accumulate patents, and to actively interact with leading academics and industries.

2. Intelligent Property Management Model

(1) Innovations and Development

- A. Incentives to encourage innovative ideas.
- B. Through industry-academia collaboration, we explore the feasibility of R&D, and those with good results will be further converted into patents.

(2) Patent Implementation Method

- A. The Technology Development Department receives innovative ideas from company personnel.
- B. Evaluate whether to apply for a patent at a technology development meeting.
- C. Appoint a patent company to conduct patent search and application.
- D. The Technology Development Department is responsible for the annual patent maintenance.

In principle, a patent for a new type shall be maintained for at least six years and a patent for an invention shall be maintained for at least nine years, and the maintenance period may be extended as appropriate for patents with derivative interests.

(3) Intellectual Property Risk Response

The intellectual property dispute is a kind of highly professional litigation. After receiving the external information, the company staff should inform the corporate affairs staff as soon as possible, and the legal director and the R&D director should form a task force and invite the patent law firm to discuss the countermeasures together.

(4) Others

The SD550 new construction method serves as a major selling point for structural design in turnkey projects. During the first maintenance cycle, it was licensed to several industry peers. However, in the current second maintenance cycle, opportunities for technology transfer have temporarily ceased due to regulatory relaxation. The SD690 new construction method has recently been certified, providing an alternative design option for super-tall buildings. It offers a more significant reduction in both costs and energy consumption compared to the SD550 method.

3. Patent infringement response strategies

As patent litigation is common in the technology industry, technology companies will train their reverse engineering staff to devote manpower and time to decipher whether they are being infringed. Fortunately, there are few patent lawsuits in the domestic manufacturing industry, and it can be seen that the domestic industry adopts a roundabout policy rather than rash use of patent barriers, or the patent layout is not tight enough to achieve the effect of containment. At this stage, we need to promote our patents in public to reduce the chance of misuse by our peers, and then we need to listen to the development direction of other companies to evaluate the possibility of infringement when we communicate with the public.

II Market, Production and Sales

(I) Market analysis

1. Geographic areas where main products (services) are sold (provided):

Projects undertaken by the Company mainly locate in northern and southern Taiwan.

2. Market share

The domestic construction market is huge, but the market share of each construction company is very low. The Company possesses an integrated construction team, rich construction experience, excellent construction quality, BIM technology pioneer, and technology research and development abilities. We will integrate the application of the patented smart technology with the construction or turnkey business and introduce corporate ESG in the future. These favorable competitive conditions will help in the Company winning construction contracts and thereby gaining further market share.

Unit: NT\$100 million

Year	Total turnover of the construction industry	The total turnover of the Company's construction services	Market share
2020	26,829	67	0.25%
2021	30,732	53	0.17%
2022	35,996	51	0.14%
2023	38,754	42	0.11%
2024	43,553	61	0.14%

Data source: Ministry of Finance - Financial Statistics Database (number of profit-making businesses and sales).

3. Future supply and demand situation and growth

(1) Supply side

Concerning the government's ongoing public works investment plans, the government will gradually opt for the most advantageous tender and a turnkey model, and will incorporate all aspects of conditions of a construction company into

the scope of contractor selection, which no longer gives priority to low costs in consideration. Therefore, the market advantage for large-scale construction companies, which have been operating steadily, is increasing. On the private construction side, large consortium, the life insurance industry and factory office business will account for a considerable portion. As the builders are restricted by government policy, a sluggish housing market and impact of raw materials, the profits of developers are significantly squeezed. Also, small-to-medium construction companies had entered the competition for construction outsourcing, leading to more intense competition. In the context of the ongoing labor shortage in the market, the use of system-based construction methods will be increased to mitigate the impact of labor shortages.

(2) Demand side

- A. In line with the overall political and economic development in Taiwan, the government will actively push forward various major national infrastructure projects. Major construction projects under planning for outsourcing include social housing projects in Taipei City, New Taipei City and Taichung City, the circled MRT system around the Taipei Metropolitan Area, cultural and creative industries, social housing, urban landscape reconstruction, and airport activation projects. However, due to the central bank's housing market regulation policies, the supply in the real estate market is anticipated to experience slowed growth in the short term.
- B. Major construction projects under planning for outsourcing include public housing projects in Taipei City, New Taipei City and Taichung City, the circled MRT system around the Taipei Metropolitan Area, cultural and creative industries, social housing, urban landscape reconstruction, and airport activation projects.
- C. The logistics factory office to respond to the epidemic brought about by the residential economy, will promote the construction of plant-office complex building to cope with the China-US trade deadlock has activated the market. Subsequently, the scientific parks and large industrial parks in various places are expected to see increasing demands for construction of plants.
- D. BOT projects, where private capital is encouraged to participate in the public construction, gradually enter the construction phase after execution of several agreements. However, whether the capital can be raised for subsequent BOT projects depends on whether the preferential policy offered by the government is able to arouse investors' confidence.

(3) Systematic method will replace traditional method trend:

In the trend of aging population, labor replacement methods will be the future trend, the market has started to use system formwork to reduce the need for formworkers, modular steel lacing will also improve the efficiency of workers, the future will

gradually lead to modular building design, so that the structure and even bathroom equipment using pre-cast modules to reduce the need for on-site construction.

4. Competitive niche

(1) Experienced and excellent construction quality

The Company has a long history of establishment and has accumulated a considerable amount of technical capabilities and professional experience. From the early construction of reservoirs, tunnels and roads, to participation in exquisite residences, high-tech plants, hospital buildings and public construction projects such as large-scale arts and cultural centers in recent years, the Company has been highly regarded. The Company aims to compete in the markets of high-end residential buildings, commercial buildings, and public construction works.

(2) Corporate image

The Company, which has been established for long, has acquired ISO certifications, as well as TOSHMS certification for its dedication to implementing environmental protection and occupational safety and health at the construction site. Such certifications help in customers' recognition of the Company's corporate image. In recent years, the Company has enhanced its corporate brand image by dedicating to developing innovative technology and improving the intelligent and technological process. In recent years, we have actively integrated corporate ESG initiatives. In 2024, we were recognized in the top 1% of the market capitalization category for companies valued at NT\$5 billion in the 10th Corporate Governance Evaluation. Moving forward, we will continue to advance our commitment to corporate sustainability.

(3) Financial ability

The construction industry is greatly affected by changes in the economy and public construction projects, hence the fluctuation in business sales and performance is inevitable. However, the Company has a steady financial structure that frees us from the effects of the sluggish economy.

(4) Construction management system informationization

Informationization of systems of the construction industry is generally insufficient, whereas that of the Company regarding administrative affairs and construction affairs is mature, which is a relatively competitive niche compared with other construction companies. The Company has completed its 7-1 process control, smart management of safety and health, BIM (Building Information Modeling), systematic construction methods (including aluminum formwork and column reinforcement), and technological innovation of construction drawings, etc., with the system of integrated planning and the system of construction process still advancing.

(5) A construction company mastering multiple construction technology

Integrate by means of cultivating and inducing talents and with a strategy of Taiwan-based, civil engineering as major, and mechanical and electrical engineering as supplementary. Exploit funding advantage and forge a market segmentation by means of professionalization and centralization, so as to improve competitiveness and create higher added value.

5. Favorable factors and unfavorable factors for future development and corresponding measures

(1) Favorable factor

- A. Due to the customer's gradual emphasis on construction quality and construction technology, it favors a comprehensive construction company that specializes in construction engineering technology and has a corporate image and performance.
- B. The government continues to compile a large number of public construction budgets to support the construction market.
- C. In recent years, the Greater Taipei area has been promoting urban construction, contributing to development and utilization of urban land and the development of domestic real estate.
- D. Concerning the application of BIM and APP management system in both the demassification market respecting general residence and in the construction phase respecting construction management and planning, the Company has no direct or comparable competitors. Moreover, The Company is experienced in executing complex projects, pioneers the execution of BIM in public construction, capable of developing customized service for owners, has the ability to implement fully, and has model-building capability of higher quality, which together constitutes a favorable factor for BIM development.

(2) Unfavorable factors

- A. Judging from the fierce competition in the construction contracting market, the uncertainty of the fluctuations in the prices of raw materials and building materials and the shortage of professional contractor and engineers, profit margins for construction contractors will not significantly recover.
- B. The housing market has returned to fundamentals. The high purchase burden and low transaction volume will suppress the growth of the housing market.
- C. In view of the reduction in the private construction market, it is expected that the construction companies within the industry will most probably compete with low rate.

(3) Countermeasures

A. Target market strategy

In the face of fierce competition in the construction industry, the Company targets key customer segments within its niche market, such as top-performing listed construction companies, large conglomerates, and builders qualified for

large-scale government public buildings and major development projects. The Company aims to upgrade its technical capabilities and attract new talent to introduce advanced technologies. Additionally, the Company is expanding into new market segments, including urban renewal, joint construction, vibration isolation, green energy, green buildings, smart buildings, hospitals, and commercial real estate. And strengthen customer service with professionalism and quality to establish a stable source and customer base.

B. Establish good construction quality and reputation

Adhere to the Company's core values of "integrity" and establish a good construction quality and reputation. The Company, which has a long stood as a listed company, will make good use of financial advantages and build customer confidence in the Company.

C. Strengthen the accumulation of professional and technical experience

Through diversified construction projects, accumulate various construction experiences, establish core competitiveness of long-term operation, upgrade the technical capabilities to improve the past or existing complex construction methods, such as the development of aluminum mold business and innovative work methods, and introduce new technical talents, so as to achieve the goal of technological optimization and technological expansion to reduce costs and improve competitiveness.

D. Increase cost competitiveness

Strengthen organizational effectiveness, strengthen cost control to reduce costs, expand partnerships with reputable suppliers, and maintain profit margins. Enhance added value and open up new markets through brand management.

E. Strategic alliance

Obtain the following advantages through a strategic alliance, either an industry alliance or a horizontal alliance:

- (A) Professional combination: Strive for and complete the target market performance.
- (B) Knowledge transfer process: In addition to improving professional integration capabilities, strengthen self-management ability.
- (C) Risk sharing: Share risks such as costs under the uncertainty of the business environment.

(II) Usage and Manufacturing Processes for the Company's Main Products

Product item	Important use	Production process
Residential project, technology plant, public building, medical building, business building, turn-key case.	Project requirement for providing operating activities, residence.	<p>Construction: Product production process</p> <p>1. Ordinary Contracted construction Business Development → Estimation Work → Submit a Tender (Bargaining) → Win a Bid and Sign an Agreement → Construction Budget → Construction Plan → Purchase of Materials, Machine Tools, Manpower Arrangement → Construction Management → Completion Process → Review after Completion.</p> <p>2. Construction on a Turnkey Basis Business Development → Evaluation Work → Preliminary Design → Estimation Work → Submit a Tender (Competition) → Win a Bid and Sign an Agreement → Basic design and detail design → Construction Budget → Construction Plan → Purchase of Materials, Machine Tools, Manpower Arrangement → Construction Management → Completion Process → Review after Completion.</p>

(III) The Supply Status of the Major Raw Materials:

The main raw materials for construction work, including steel (structure), concrete, cement, sand and gravel, metal materials, and professional contracting work, are currently in normal supply and demand. However, in response to price fluctuations, we will use the contract mode of price index adjustment or cost plus compensation to the owner.

(IV) List of principal suppliers and clients in the last two years

- Customers and suppliers who have accounted for more than 10% of the total amount of purchase and sales in the last two years

Unit: NT\$ Thousands

Item	2023				2024			
	Name	Amount	Ratio to net annual sales [%]	Relationships with the issuer	Name	Amount	Ratio to net annual sales [%]	Relationships with the issuer
1	Customer A	1,114,211	26.62%	None	Customer A	2,825,814	46.17%	None
2	Customer B	906,971	21.66%	None	Customer E	823,722	13.46%	None
3	Customer C	644,594	15.40%	None	Customer B	750,003	12.25%	None
4	Customer D	521,591	12.46%	None	Customer F	710,056	11.60%	None
	Others	998,992	23.86%	None	Others	1,011,288	16.52%	None
	Net sales	4,186,359	100.00%		Net sales	6,120,883	100.00%	

Note 1: Reason for increase or decrease: The Company is mainly a construction services industry and thus not applicable

- List of principal suppliers (including subcontractors) and clients in the last two years

Purchase from suppliers does not exceed 10% of the total purchase over the past two years.

III Number of Employees Employed for the Two Most Recent Fiscal Years and the Current Fiscal Year Up to the Date of Publication of the Annual Report

Year		2023	2024	Current year up to March 31, 2025
Number of Employees	Direct labor	278	381	404
	Indirect labor	182	192	181
	Total	460	573	585
Average age		43.28	42.38	42.33
Average service years		5.32	4.67	4.48
Academic distribution ratio	Doctor	1.31%	0.7%	0.69%
	Master	19.78%	17.28%	16.92%
	College	56.30%	51.48%	51.45%
	Senior high school	12.17%	10.99%	10.94%
	Lower than Senior high school	10.44%	19.55%	20.00%

IV Environmental Expenditure

- (I) Total damages due to environmental pollution in the most recent fiscal year and as of March 31, 2025:

Unit: NT\$ Thousands

Date	Official Letter No.	Violation of provisions	Violation of regulations contents	Amount
2024/2/29	Order Ref. No. Noise-22-113-010394	Article 9 of the Noise Control Act	The construction noise exceeds the permissible limit of 67 decibels	36
2024/3/20	Order Ref. No. Noise-22-113-020229	Article 9 of the Noise Control Act	The construction noise exceeds the permissible limit of 67 decibels	72
2024/4/19	Order Ref. No. Noise-22-113-030179	Article 9 of the Noise Control Act	The construction noise exceeds the permissible limit of 67 decibels	72
2024/6/18	Order Ref. No. New-Taipei-Environment-Inspection-41-113-051233	Article 27, Waste Disposal Act	Failure to properly manage and pay attention to environmental maintenance	2.4
2024/7/3	Order Ref. No. Noise-22-113-060086	Article 9 of the Noise Control Act	The construction noise exceeds the permissible limit of 67 decibels	36
2024/9/23	Order Ref. No. Noise-22-113-080325	Article 9 of the Noise Control Act	The construction noise exceeds the permissible limit of 67 decibels	18

Date	Official Letter No.	Violation of provisions	Violation of regulations contents	Amount
2024/9/24	Order Ref. No. Waste-40-114-080103	Article 27, Waste Disposal Act	Road pollution	4.8
2024/10/15	Order Ref. No. New-Taipei-Environment-Inspection-30-113-090011	Article 18 of the Water Pollution Control Act	The number of sedimentation tanks does not match the quantity specified in the project proposal	45.5
2024/12/04	Order Ref. No. Waste-40-114-010014	Article 27, Waste Disposal Act	Road pollution	4.8
2024/12/17	Order Ref. No. Waste-41-114-010526	Article 27, Waste Disposal Act	Road pollution	2.4
2025/1/3	Order Ref. No. Waste-40-114-020070	Article 27, Waste Disposal Act	Road pollution	6
Total				299.9

(II) Countermeasures taken and possible expenditures:

1. Noise:

Countermeasure: A portion of the projects (e.g., diaphragm wall construction, concrete grouting works) required continued operation, which lasted till the night and resulted in the penalties. In addition to maintaining good relationships with neighbors, it is necessary to control the progress of the project and reduce nighttime construction.

Possible expenses: No materially additional expenses.

2. Environmental pollution (road):

Countermeasure: Set up a car wash station at the entrance and exit. Vehicles may leave the site only after cleaning the tires and the car body at the car wash station; the entrance and exit of the gate is designated to be the responsibility area for the security personnel; Strengthen the inspection of access control and cleaning operation of the vehicles at the gate; and improve the cleanness of the road by spreading water thereon.

Possible expenses: No materially additional expenses.

V Labor relations

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests;

1. Employee benefit plans

The Company has an Employee Welfare Committee to implement various welfare measures. In addition to implementing labor insurance and health insurance according to government regulations, the Company also provides group insurance for employees,

as well as travel gifts or subsidies, child education subsidies, birthday gifts, marriage allowance, and funeral allowance, holiday gift boxes, quarterly dining benefits, employee education and training, and the distribution of employee compensation.

2. Insurance Planning

All employees of the Company are enrolled in labor insurance and national health insurance in accordance with legal requirements. In addition to the mandatory insurance, the Company also provides group insurance as part of its broader insurance plan. This offers employees additional protection for workplace safety and includes a comprehensive group insurance package, covering life insurance, accident insurance, accident medical insurance, hospitalization medical insurance, cancer insurance, and occupational injury compensation.

3. Health Care Planning

The Company is committed to supporting the physical and mental well-being of its employees. In addition to providing regular free health check-ups, the Company also arranges for professional physicians to visit monthly, offering employees the opportunity to consult on any abnormal findings and receive health advice. Additionally, the company employs full-time nurses who continuously monitor the health of employees, providing immediate health consultations and basic medical assistance to ensure that staff receive proper healthcare while on the job.

To support the overall well-being of employees, the Employee Assistance Program (EAP) was officially introduced in 2025, in partnership with professional organizations. This program helps employees effectively address personal issues that may affect their work performance, while also supporting the company in managing related challenges that impact employee productivity. Through this program, the Company aims to establish a more comprehensive support system, fostering a healthy, stable, and efficient work environment.

To further enhance employee health awareness, the Company regularly organizes health-themed seminars and wellness activities. These initiatives aim to disseminate the latest health information, promote sound health management practices, and assist employees in cultivating healthy lifestyle habits. Through these diverse health initiatives, the Company is dedicated to fostering a health-friendly work environment that comprehensively protects the physical and mental well-being of employees, thereby enhancing their overall quality of work and life.

Planning and Implementation of Employee Healthcare Initiatives:

(1) Prevention and Health Promotion

A. Institutionalization of Regular Employee Health Check-Ups

- Implement complimentary health check-ups for employees in compliance with regulations.
- Based on the inspection results, we offer follow-up actions and recommendations.

- B. Monthly On-Site Professional Medical Consultation Services
 - Schedule regular on-site consultations with physicians at the office location.
 - Assist employees in interpreting their health examination results and provide recommendations regarding diet, lifestyle, and disease prevention.
 - C. Establishment of Dedicated Nurse
 - The Company has appointed a dedicated nurse to be stationed at the office.
 - Offer prompt health consultations and essential medical services.
 - Proactively monitor the physical and mental well-being of employees, and regularly document and report on subsequent actions taken.
- (2) Implementation of the Employee Assistance Program (EAP)
- A. In 2024, the Company signed a partnership agreement with an external professional psychological organization.
 - B. Establish psychological counseling resources and anonymous channels.
 - C. Execution Method.
 - Employees can independently access confidential consultations via the online appointment platform.
 - Offer complimentary consultation services for employees regarding mental health, work-related stress, emotional management, and family issues.
- (3) Establishment of an Employee-Exclusive Rest Station
- Establishment of a dedicated relaxation area for employees in the office: A Rest Station designed to help employees relieve stress during work breaks.
 - Establish a health station for employees to measure blood pressure, temperature, weight, and other health metrics. Additionally, provide recreational items along with leisure tables and chairs.
- (4) Health Promotion and Activity Initiatives
- A. Chien Kuo "Zhengde Cup" walking competition (held twice annually).
 - Foster a culture of physical activity among all employees to improve physical fitness and alleviate stress.
 - The walking step competition encourages employees to cultivate a habit of regular exercise.
 - B. Irregular Health Seminars and Promotional Campaigns.
 - Management of the Three Highs Diet (Hypertension, Hyperglycemia, Hyperlipidemia).
 - Promote a diet low in oil and sodium, regular physical activity, smoking cessation, and a reduction in sugar intake.
 - Winter Warmth and Cardiovascular Health, etc.

- Internal promotional campaigns will be conducted quarterly, with timing varying based on weather conditions or relevant topics. Announcements will be posted on the employee website.
- 4. Employee continuing education and its implementation
In order to improve the quality of work and provide opportunities for employees to pursue continuous training, the Company has established employee training regulations, encouraged employees to continue their education, and provided training subsidies for continuous education.
- 5. Employee training and implementation status
- 6. Pension system and implementation situation
The Company has established a “Supervisory Committee of Workers’ Retirement Fund” to provide for the contribution, payment and management of labor retirement reserves. It has also established Employee Retirement Plans in accordance with the Labor Standards Law to protect employees' rights and interests. The Company makes a monthly contribution equal to 2% of the monthly salary of employees who have opted for the old pension system to the retirement reserves, deposited in a designated account with the Trust Department of Bank of Taiwan. Employees who qualify for the criteria may apply to the Supervisory Committee of Workers’ Retirement Fund in accordance with relevant regulations.
From July 1, 2005 onwards, the Company also makes a monthly contribution equal to 6% of the monthly salary of employees who have opted for the new pension system to the individual retirement account of employees in accordance with the Labor Pension Act.
- 7. Employee Stock Ownership Trust
Starting from 2025, the Company officially launched the Employee Stock Trust Program to strengthen employee loyalty and enhance benefits. The program encourages employees to long-term hold company stock through savings methods, allowing them to share in the Company's business achievements. Employees participating in the program may voluntarily allocate a specified amount each month, and the Company will provide corresponding rewards based on the allocation ratio. This initiative aims to assist employees in accumulating assets and to promote mutual growth between the Company and its employees.
- 8. Labor-management cooperation
The Company attaches great importance to the opinions of employees, and has set up a dedicated employee feedback and grievance channel, including an email and phone hotline, encourage them to participate in the provision of suggestions, so as to understand their opinions on the management system and the welfare system, which may be rendered as a reference for future improvement. Consequently, the relationship between employers and employees has been harmonious so far.
- 9. Secure employees rights and interests

In order to protect the rights and interests of employees, improve the lives of employees, and enhance diverse channels for labor-management communication, the Company has established the Labor-management Committee according to law, which is responsible for coordinating matters concerning employment, improvement in labor conditions, and welfares. Each quarter, we conduct focus group interviews with supervisors and colleagues, along with orientation meetings for new employees, to gain insights into everyone's needs and suggestions for improvement.

10. Chien Kuo Construction is committed to diversity and inclusiveness, including gender diversity.

(1) Gender equality in the workplace:

Given the characteristics of the construction engineering industry, the Company's management and engineering professionals are primarily male. However, salaries at all levels are not different due to gender, and the company has established a salary system of equal pay for equal work. The principle of "link salary and performance" is implemented. Some female employees in management are paid more than their male counterparts. The Company is committed to improving the site environment, female force will join it every year. Female employees have healthy performance and play space in the company.

To ensure workplace safety and respect, it is essential that every employee has a work environment free from harassment and discrimination. The Company is committed to preventing workplace sexual harassment and unlawful infringements. We regularly conduct educational training, offering in-person courses for supervisors, while employees participate in online courses. Additionally, new employees are required to complete the online course upon the conclusion of their probation period. The Company has established a complaint channel to ensure that all issues are addressed appropriately, thereby fostering a safe and friendly workplace culture.

(2) Female supporting (pregnancy, childbirth and child-rearing):

The Company encourages childbearing and provides a fertility welfare fund of NT\$3,000 per child, which is distributed once after application. There is no limit on the number of children. The Company open a lactation room and related facilities for colleagues using. Give colleagues family care leave, so it is convenient to take care of children at home. Eligible colleagues with school-age children can apply for a maximum of NT\$10,000 of education allowance per semester. Provide a perfect system of child care stay and leave according to the needs of raising children, the company also encourages employees to return to the workplace.

(II) List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, disclose an estimate

of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken:

As at 2024 and the current year up to the publication date of the annual report, the Company did not suffer any losses arising from material labor disputes, and maintained a good relationship with employees.

VI Information Security

- (I) The Company has engaged an external team of cybersecurity professionals to implement a 24/7 cybersecurity monitoring system. This system will monitor potential cybersecurity incidents in real-time and report any anomalies, thereby mitigating the risk of losses resulting from cybersecurity events. As of 2024 and up to the publication date of this annual report, the Company has not experienced any material information security incidents.

- (II) Policy of Information Security:

The Company has established the "Cyber Security Management Regulations " and formulated related management measures to ensure the confidentiality, completeness and availability of the information assets. For additional resources that assist in understanding information security policies, please visit the Company's website: <http://www.ckgroup.com.tw/investors/>

The Company's information security policy face the following aspects:

Institution establishment: Formulate information security policies and standardize information security management measures

Set software and hardware: Set software and hardware related to information security

Strengthen the awareness of information security: Build awareness of all colleagues

- (III) The Company established the "Cybersecurity Center" in 2023, with one cybersecurity manager and two cybersecurity personnel appointed. Additionally, we have disclosed our information security policies on the corporate governance page of the investor section on the Company's website. Designated personnel are responsible for planning, designing, and managing cybersecurity measures to ensure the stable operation of information systems, minimize cybersecurity incidents, and enhance data protection.

Please refer to [Information Risk Management] of [13. Other Material Risks and Countermeasures] on page 143 of this Annual report for the Company's Information on Security Policy and Specific Measures and Plans on Information Security Management.

- (IV) The outcomes of the Company's information management program are as follows:

Item	Specific Achievements
Conduct an Annual Cybersecurity Health Check	In 2024, the Company commissioned a cybersecurity professional firm to sequentially implement vulnerability scanning, network architecture review, social engineering drills, cybersecurity health check, and penetration testing. This was done to strengthen

Item	Specific Achievements
	cybersecurity defenses and enhance the protection capabilities of information and communication systems.
Cybersecurity Education and Training	In 2024, each cybersecurity staff member received 12 hours of training. Additionally, training sessions were conducted based on the results of social engineering drills, with a total of 138 participants.
Promotion of Cybersecurity Awareness	In 2024, a total of 12 promotional activities were conducted.
Cybersecurity Inventory and Audits	In 2024, inspections were conducted twice, once in the first half and once in the second half of the year. Since 2020, the total number of individuals undergoing inspections each year has consistently exceeded 100.
Establishment of Computer-Based Anti-Hacking Tools	All computers have been fully installed as of 2024.

VII Important Contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year:

Type of contracts	Party	Commencement Date or construction period	Main contents	Restrictions:
Construction contract	National Housing and Urban Regeneration Center	2021.04~2025.02	Social Housing New Construction General Contracting Project in Xinglong Section, Zuoying District, Kaohsiung City	None
Construction contract	Cathay Real Estate Development Co., Ltd.	2021.10~2025.05	New Construction of Assembled Residence in Nangang District, Taipei	None
Construction contract	National Housing and Urban Regeneration Center	2021.11~2027.03	Social Housing New Construction General Contracting Project in Dingxin Section, Tucheng District, New Taipei City	None
Construction contract	Cathay Real Estate Development Co., Ltd.	2022.12~2026.06	New Construction of Assembled Residence in Jiguan Di Section, Eastern District, Tainan	None
Construction contract	LONG-YOUEEN CO., LTD.	2023.01~2027.07	New Construction of Assembled Residence in Ruanqiao Section, Beitou District, Taipei	None
Construction contract	Department of Urban Development, Taipei City Government	2023.03~2028.06	New Construction of Social Housing in Jinhua Section, Da'an District, Taipei	None
Construction contract	Department of Urban Development, Taipei City Government	2023.03~2025.12	New Construction of Social Housing in Chang'an Section, Zhongshan District, Taipei	None

Type of contracts	Party	Commencement Date or construction period	Main contents	Restrictions:
Construction contract	Cathay Industrial Research and Design Center Co., Ltd.	2023.04~2026.06	Industrial Research and Development Center New Construction Project in Changchun Section, Zhongshan District, Taipei	None
Construction contract	Nan Shan Life Insurance Company, Ltd.	2023.06~2026.02	New Construction Project for Cultural and Creative Special Zone in Wanggaolou Section, Tamsui District, New Taipei City	None
Construction contract	National Housing and Urban Regeneration Center	2023.07~2028.04	Social Housing New Construction General Contracting Project in Zuobei Section, Zuoying District, Kaohsiung City	None
Construction contract	Genesis Social Welfare Foundation	2023.08~2028.09	New Construction of the Hualien Branch Office in Fuguo Section, Hualien City, Hualien County	None
Construction contract	National Housing and Urban Regeneration Center	2024.01~2027.12	Social Housing New Construction General Contracting Project in Yongfu Section, Tucheng District, New Taipei City	None
Construction contract	Bannan Realty Co., Ltd.	2024.03~2029.07	Residential New Construction Project in Bannan Section, Zhonghe District, New Taipei City	None
Construction contract	Urban & Rural Development Department, New Taipei City Government	2024.03~2030.05	Social Housing New Construction General Contracting Project in Sanchong Section, Sanchong District, New Taipei City	None
Construction contract	Hong Pu Real Estate Development Co., Ltd.	2024.05~2029.03	Residential Buildings New Construction Project in Sixin Section, Xindian District, New Taipei City	None
Construction contract	National Housing and Urban Regeneration Center	2024.07~2029.08	Social Housing New Construction General Contracting Project in Zhongshan Section, Taishan District, New Taipei City	None
Construction contract	Nan Shan Life Insurance Company, Ltd.	2025.01~2026.12	New Construction Project for Shalun Park and Parking Lot in Wanggaolou Section, Tamsui District, New Taipei City	None
Construction contract	LONGYUAN CO., LTD.	2025.01~2028.09	New Construction Project for Commercial Buildings in the Tongde Section, Taoyuan District, Taoyuan City	None

Chapter 5 Review, Analysis, and Risks of Financial Status and Performance

I Financial Position

Unit: NT\$ Thousands

Item \ Year	2024	2023	Difference		Analysis and description of changes
			Amount	%	
Current assets	6,162,344	6,585,364	(423,020)	(6.42)	
Property, plant, and equipment	141,333	95,821	45,512	47.50	1
Intangible assets	19,080	10,606	8,474	79.90	
Other assets	2,749,234	1,400,820	1,348,414	96.26	2
Total assets	9,071,991	8,092,611	979,380	12.10	
Current liabilities	3,371,056	2,563,783	807,273	31.49	3
Non-current liabilities	765,326	679,074	86,252	12.70	
Total Liabilities	4,136,382	3,242,857	893,525	27.55	
Stock	2,016,001	2,520,001	(504,000)	(20.00)	4
Additional paid-in capital	187,308	187,308	0	0	
Retained Earnings	2,461,097	1,933,720	527,377	27.27	5
Other equity	271,203	208,725	62,478	29.93	6
Shareholders' Equity	4,935,609	4,849,754	85,855	1.77	

- (I) The changes exceed 20% and the amount of change reaches NT\$10 million:
1. The increase in the property, plant, and equipment is mainly due to the purchase of aluminum mold.
 2. The increase in other assets is mainly due to the acquisition of financial assets measured at amortized cost.
 3. Increase in current liabilities: Mainly due to the increase in short-term borrowings and accounts payable.
 4. Reduction of capital: Mainly due to capital reduction and return of share payments in 2024.
 5. Increase in retained earnings: Mainly due to the net profit after tax for the current period.
 6. Increase in other equity: Mainly due to the increase in exchange differences arising from the financial statements of foreign operations.
- (II) Countermeasure plan in the future: Not applicable.

II Financial Performance

Unit: NT\$ Thousands

Item \ Year	2024	2023	Difference		Analysis and description of changes
			Amount	%	
Net operating revenue	6,120,883	4,186,359	1,934,524	46.21	1
Operating costs	5,336,501	3,797,123	1,539,378	40.54	1
Gross profit	784,382	389,236	395,146	101.52	1
Operating expenses	401,773	331,695	70,078	21.13	2
Operating income	382,609	57,541	325,068	564.93	
Non-operating income and expenses	428,370	337,902	90,468	26.77	3
Profit before tax of continuing operations	810,979	395,443	415,536	105.08	
Income tax expense	129,222	56,930	72,292	126.98	4
Net income	681,757	338,513	343,244	101.40	

- (I) The changes exceed 20% and the amount of change reaches NT\$10 million:
1. Increase in net operating revenue, operating costs, and gross profit: Mainly due to the mass construction phases of several design-build public housing and commercial/industrial projects during this period.
 2. Increase in Operating Expenses: Mainly due to the rise in personnel costs and other related expenses.
 3. The increase in the non-operating income and expenses: Mainly due to an increase in gains from the valuation of financial assets.
 4. The increase in income tax expense: due to the increase in the profit before tax.
- (II) Forecast of Sales Volume in the Following Year, Basis for Such Forecast, the Possible Impact from Such Forecast on the Company's Future Finance and Business, and the Response Plan: None.

III Cash flows

(I) Analysis of Cash Flow Changes for the Most Recent Year

Unit: NT\$ Thousands

Cash amount - beginning of the year (January 1, 2024)	Net cash inflow resulting from operating activities	Net cash outflow from investing and financing activities	Effect of exchange rate changes on cash and cash equivalents	Cash amount - end of the year (December 31, 2024)	Remedial measures for expected cash inadequacy	
					Investment plan	Financial plan
1,634,295	516,202	(1,360,681)	21,170	810,986	-	-

1. Operating activities: Cash inflow of NT\$516,202 thousand, mainly from current period profit.
2. Investing activities: Cash outflow of NT\$792,686 thousand, primarily due to the increase in financial assets measured at fair value through profit or loss.
3. Financing activities: Cash outflow of NT\$567,995 thousand, primarily due to capital reduction and cash dividends.

(II) Improvement plan for insufficient liquidity and cash flow analysis for the next year

Unit: NT\$ Thousands

Cash amount - beginning of the year (January 1, 2025)	Net cash inflow resulting from operating activities	Net cash inflow from investing and financing activities	Amount of remaining cash (December 31, 2025)	Remedial measures for expected cash inadequacy	
				Investment plan	Financial plan
810,986	127,688	108,620	1,047,294	-	-

1. Analysis of changes in cash flows in 2025:
 - (1) Operating activities: Cash inflows of NT\$127,688 thousands are mainly cash inflows from operating activities.
 - (2) Investing and financing activities: The cash inflow in the amount of NT\$108,620 thousand was mainly due to the sale of investment properties.
2. Remedial measures and liquidity analysis for expected cash inadequacy: There was no cash inadequacy in 2025.

IV Major Capital Expenditures in the Most Recent Fiscal Year and Their Effects on the Company's Finance and Business

(I) Material capital expenditures and sources of funds

Unit: NT\$ Thousands

Planned item	Actual or expected source of funds	Actual or expected completion date	Total funds required	Actual or scheduled use of funds				
				2021	2022	2023	2024	2025
Land development	Own funds	2025	30,000	-	-	-	-	30,000

- (II) Expected probable benefits: This fund is used to obtain land for investment in the construction of residential buildings and commercial office buildings for sale in order to obtain profits and to increase corporate value.

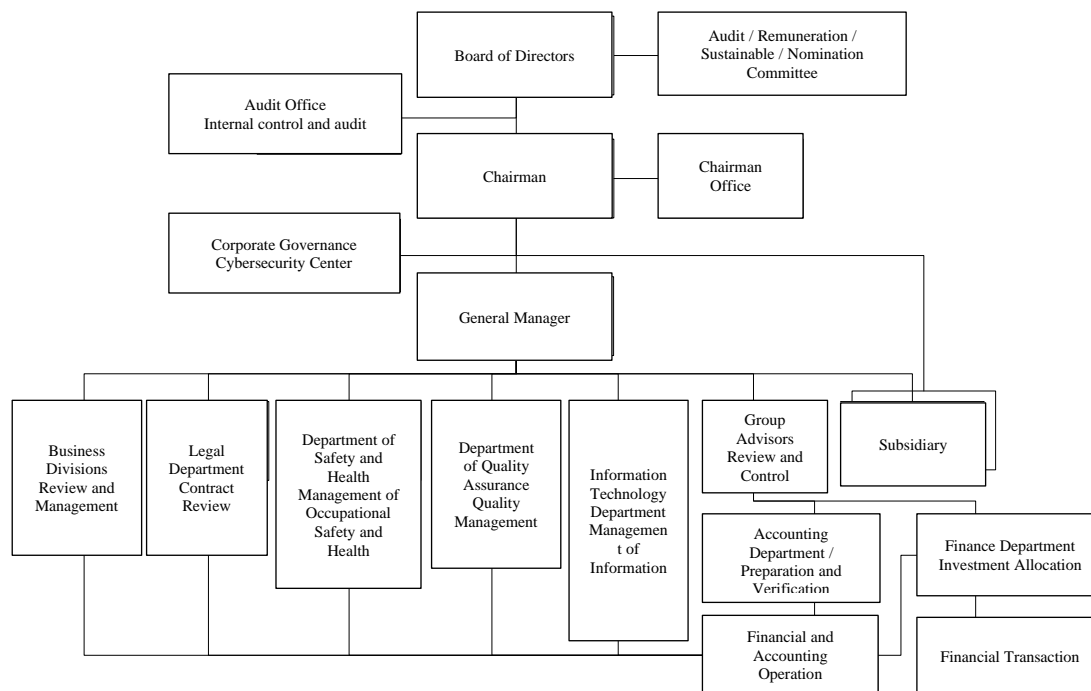
V Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Reinvestment Profitability, and Investment Plans for the Coming Fiscal Year

Unit: NT\$ Thousands Corporation Name	Recognition of investment gains and losses in 2024	Investment policy	Main reason for such profit or loss	Improvement plan	Investment plan for the coming year
Golden Canyon Limited	68,503	In addition to the investment income from the construction of upstream and downstream subsidiaries, the Company's investment strategy will include financial market investment in 2020 in order to increase capital utilization income.	In 2024, the U.S. Federal Reserve initiated a cycle of interest rate cuts, strategically allocating investments in investment-grade U.S. dollar corporate bonds and equities, while appropriately increasing interest income and returns from fund investments.	In light of the uncertainties in the global economic situation caused by the Trump trade war in 2025, as well as the possibility of a soft economic landing, the Company is carefully managing capital allocation to mitigate downside risks and is responding with caution.	Allocate and adjust in line with the overall capital utilization and investment plan of the Group at home and abroad
Silver Shadow Holding Limited	63,462				
Golden Canyon Venture Capital Investment Co., Ltd.	178,475	In response to government policies, the Company repatriated overseas funds and invest in important domestic fields and industrials. In 2020, the Company began to layout industrial venture capital business, investing in important domestic fields and industries, towards the strategic purpose of industrial upgrading.	The fluctuation influence of fair value evaluation of reinvested company stock price.	Track closely.	According to the overview of the industry and the competitiveness, industry foreground of the target company, industrial prospects, layout continuously.
Leader Construction Co.,Ltd.	(13,723)	Established in line with the Company's future strategic development plans and to diversify operational risks.	The company is currently in the early stages of operation, and its profit model has yet to stabilize, resulting in a loss for this period.	Continuously refine the operational profit model and proactively seek to develop customer sources to enhance business performance.	None.

VI Analysis and Assessment of Risk Matters for the Most Recent Fiscal Year and the Current Fiscal Year Up to the Publication Date of the Annual Report

(I) Management organization structure and function

1. Organization



2. Risk management function

(1) Internal Control System

In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" of the Taiwan Financial Supervisory Commission, the Company's internal control system was developed and approved by the Board of Directors based on the continuous adjustments to the organizational structure, the various stages of project implementation within the industry, and the relevant standard operating procedures. Following their respective areas of responsibility, job descriptions, and internal standard operating procedures, department heads and responsible employees ensure the implementation of relevant operational regulations. This ensures that the company's internal control mechanisms are effectively enforced, while continuously improving and optimizing the operational efficiency of the company.

The Audit Office, an independent unit reporting directly to the Board of Directors, is staffed with professional audit personnel. They regularly carry out annual audit plan and conduct special investigations as assigned by senior management. The Audit Office follows regulations by implementing the approved annual audit plan. It conducts regular audits to assess compliance with legal requirements and the implementation of internal control procedures. It also monitors and follows up on

identified deficiencies and improvement plans until they are fully addressed, ensuring the effectiveness of the internal control system. The Audit Office provides both regular and ad-hoc reports to the Chairman, the Audit Committee, and the Board of Directors.

(2) Risk Assessment

Management utilizes various risk identification tools and conducts a risk summary analysis using SWOT to assess risks at different stages of each project. A risk and opportunity control analysis table is employed to classify risks, followed by the development of action plans/improvement measures to address them. The management of identified potential risks and the implementation of action plans and improvement measures are carried out through regular operational management meetings, cross-departmental coordination meetings, and meetings with contractors. In addition, ad-hoc or emergency meetings are held to address unexpected issues. Continuous monitoring and follow-up on identified risks are performed in routine meetings until the risks are eliminated or reduced to an acceptable level. The Safety and Health Department ensures that responsible employees and contractors comply with occupational safety and health standards through established standard operating procedures and on-site inspections and audits. This approach helps minimize the risk of workplace accidents during construction. The Quality Assurance Dept. regularly conducts quality audits based on the project's progress at different engineering stages. They report identified workmanship deficiencies and performance ratings to senior executives for review. Deficiencies are tracked until fully resolved, ensuring continuous improvement in the management of construction quality. Each department unit conducts an annual self-assessment of its internal control system, allowing personnel to evaluate compliance with procedures and provide feedback on practical issues encountered in their operations. Through coordination, communication, and process improvements, departments effectively optimize their operations and mitigate potential risks in the construction process.

(3) The division of responsibilities

Through interconnected operational cycles, management standards, and defined responsibilities, each department aligns with the Company's organizational structure, strategic goals set by various business units, and the assigned roles within each department. They use the authorized decision-making authority matrix and operational process control mechanisms approved by the Company to allow supervisors to guide their teams within their authorized scope. This process is facilitated through operational management and communication meetings, where decision-making, discussions, and knowledge sharing occur. Additionally, active consensus-building is promoted across departments through coordination and interdepartmental meetings, ensuring effective implementation of operational tasks.

The Legal Department reviews the terms and clauses of bidding, contracting, and construction contracts. It addresses any ambiguous terms or high-risk operational content, clarifying and offering suggestions or revisions that benefit the Company. After the Chairman's approval, the final contract version is signed. The Safety and Health Department conducts inspections on occupational safety and health standards at construction sites according to the project progress, managing and following up on safety deficiencies until they are rectified. The Quality Assurance Department continuously audits the quality of construction work based on the project's progress, performs periodic quality checks, and ensures deficiencies are tracked and improvements are made. The Accounting Department's Operations Management Section analyzes and monitors project costs and progress, consolidating and following up on any delays or cost discrepancies, ensuring corrective actions are taken. The Information Technology Dept. assists in resolving issues related to information operations and system operations. The Accounting Department verifies accounts and prepares vouchers based on estimation and invoicing documents provided by construction sites. The Finance Department conducts audits and reporting on financial operations, cash flow management, financial transactions, and investment management, providing professional recommendations to responsible supervisors after conducting thorough analysis and review.

The Audit Office, based on the annual audit plan approved by the Board of Directors, conducts regular audits, including routine financial and accounting audits, subsidiary supervision, ad-hoc project audits, and the annual internal control self-assessment. The Audit Office prepares audit reports, highlighting identified deficiencies and their progress in improvement, and submits these reports to the Audit Committee and the Board of Directors for review.

(II) Implementation of risk policies and assessment criteria:

1. Risk policy:

The Company has established various risk management strategies tailored to different types of contracted projects and construction stages. Through action plans and improvement measures, identified potential risks are managed and mitigated. Risk exposure is controlled within the budget allocation for each project and the predetermined profit margin, ensuring that the Company's operational objectives are successfully achieved. Each business unit within the Company develops risk management policies, control mechanisms, and internal operational standards in alignment with its specific operational characteristics. Through clearly defined management responsibilities and routine operational procedures, known construction risks can be significantly reduced or transferred. Operational personnel implement business policies and internal control standards by conducting risk assessments, monitoring, and progress reporting on related tasks. They ensure effective risk

management through the integration of responsibilities such as occupational safety and health, quality assurance, contract management, revenue collection, project management, as well as investment and credit management.

2. Risk management operations:

The Company continuously updates its internal operational processes, incorporating regulatory requirements, internal control systems, and standard operating procedures. Department heads of each business unit regularly participate in routine departmental meetings, operational management meetings, management platform reporting, and cross-departmental coordination meetings. Through action plans and improvement measures for known operational and construction tasks, they address internal control deficiencies and implement preventive and corrective actions.

In accordance with the annual audit plan approved by the Board of Directors, the Audit Office regularly conducts audits of various operational cycles and routine financial activities. Additionally, ad-hoc investigations or project audits are carried out as directed by senior management. The audit results, including deficiencies and improvement plans, are reported accurately and on schedule. Department heads are required to propose improvement measures along with estimated completion timelines. These measures are continuously monitored and followed up to ensure projects are completed on time and with the expected quality, while also ensuring compliance with legal requirements and timely public announcements.

(III) Analysis and Assessment of Risk Matters

1. Impact on the Company's profit and loss due to changes in interest rates, exchange rates, and inflation, and the future countermeasures:

(1) Impact: Exchange rate changes have a significant impact.

Unit: NT\$ Thousands

Factors	Financial Statements Item	2023		2024	
		Amount	%	Amount	%
Interest Rate	Interest revenue	135,971	3.25%	123,649	2.02%
Interest Rate	Interest expenditure	8,147	0.19%	3,228	0.05%
Changes in exchange rate	Exchange gains and losses	(315)	(0.01%)	11,273	0.18%
Revenue	Operating revenue	4,186,359	100.00%	6,120,883	100.00%

The capital allocation of the Group's subsidiaries has been influenced by the U.S. Federal Reserve's initiation of a rate-cutting cycle in 2024. This has led to the reallocation of maturing long-term U.S. dollar time deposits into equity and bond mutual funds, as well as investment-grade corporate bonds.

Countermeasures: Optimize asset allocation to mitigate the impact of potential interest rate declines resulting from the high US dollar interest rates.

- (2) Impact: The significant fluctuation in the price of raw materials and building materials will reduce operating margins.

Countermeasures: The Company relies on strengthening its clout in procurement and outsourcing, supplemented by improving the estimation ability to submit a tender, so as to carry out the pre-purchase for primary building materials once confirmed our successful bid to fix the risk of price fluctuation, in the hope to acquire favorable material procurement and business contracts.

2. The policies to engage in high-risk, high-leverage investments, lending funds to others, endorsements and guarantees, and the transactions of derivative products, the main reasons for profits and losses, and the future countermeasures:

Impact: None. The Company does not engage in high-risk, highly leveraged investments. The policy on loaning funds to others and making endorsement/guarantee is in line with the Company's Operational Procedures for Loaning of Funds and Making of Endorsements/Guarantees, and has not incurred any material profit or loss. The derivative transactions were carried out in accordance with the Company's "Procedures for Acquisition and Disposal of Assets" and the related controls, and the Company does not engage in derivative transactions.

Countermeasures: Not applicable.

3. Future research and development plans and projected R&D investment expense:

In 2015, the Company proposed a new-generation construction strategy, of which the purpose is to become more technological, electronic, automatic, and different, and to improve the core construction competitiveness. In 2017, the preparatory work was conducted, and in 2018, the Technology Dept. was officially established. It focuses on application of information and telecommunication technology, the development of professional information software and tools, the development of new construction techniques, and innovations in low-carbon building. The R&D budget has been consistently allocated each year, and dedicated R&D talents are recruited. Personnel will be added into in the future in accordance with the operating status of the Company, in the hope to have a stable development, and edge towards Construction 4.0 of smart construction.

Table: Research and Development Budget of the Technology Dept. for the Recent Three Years

Year	2023	2024	2025
R&D Expense	8.08 million	9.76 million	9.88 million
R&D manpower	7 People	7 People	7 People

4. The impact of changes of important domestic and foreign policies and laws on the Company's finance and business, and the countermeasures:
No significant impact.
5. The impact of changes in technologies and industries (including information security) on the Company's finance and business, and the countermeasures:
Impact: No significant impact.
Countermeasures against information security risk: Establish an information security incident response team to assign tasks and conduct drills as planned. In the event of an incident, a security professional is appointed to assist in controlling the disaster. After confirming the exclusion of the incident, we start the information system restoration.
6. The impacts of changes of corporate image on the company's crisis management and the countermeasures:
Impact: Since the establishment, the Company has adhered to the principle of ethical management as the basis of business management, and established a good corporate image. We have maintained good partnerships with employees, customers and suppliers. Therefore, there is no impact on corporate crisis management due to changes in corporate image.
Countermeasures: We will continue to implement the value of "Integrity, Optimization, Well-being and Harmony" and operate steadily.
7. Anticipated benefits of mergers and acquisition, possible risks, and countermeasure:
Impact: None.
8. Expected benefits and potential risks of any plant expansion and response measures:
Impact: The Company's main business is construction contracting service, and hence there is no need to expand the plant.
Countermeasures: Not applicable.
9. Risks and countermeasures for the concentration of purchase and sales:
Impact: The Company's main business is construction contracting, and there is no concentration in purchase (purchasing materials and construction subcontracting) and sales (clients of the projects contracted for).
Countermeasures: Not applicable.
10. The impact on the Company, and risks arising from major exchange or transfer of shares by directors, supervisors or major shareholders with over 10% of shareholdings, and the countermeasures:
Impact: None.
Countermeasures: Not applicable.
11. The impact on the Company, and risk due to changes in managerial authority, and the countermeasures:
Impact: None.
Countermeasures: Not applicable.
12. Litigation or non-litigation incidents:

- (1) The construction project of National Kaohsiung Center for the Arts contracted by the Company (hereinafter referred to as the Project) was completed on December 16, 2016 and checked and accepted qualified on November 16, 2018. It is now being operated by National Kaohsiung Center for the Arts and Arts (hereinafter referred to as Kaohsiung Center for the Arts). The warranty period of non-structural materials of this project would expire on November 16, 2020. However, since "C" has been opened for public using and the performance program is arranged intensively, the inspection schedule must be coordinated with Kaohsiung Center for the Arts. Moreover, Kaohsiung Center for the Arts keeps putting forward many unreasonable requirements continuously, which leads to the delay of inspection schedule. For this reason, Kaohsiung Center for the Arts refused to pay back NT\$96,003 thousand of the joint guarantee letter provided by the company. In order to fulfill the contract guarantee responsibility, the company has not stopped the inspection and repair up to now. The company believed that Kaohsiung Center for the Arts' action was inconsistent with the contract and violated the principle of fairness and reasonableness. Therefore, on March 21, 2022, the company proposed mediation to the Complaint Review Board for Government Procurement of the Public Construction Commission, Executive Yuan. The last mediation meeting was held on August 9, 2022, and the mediation committee said that it would make mediation suggestions after considering various situations. On April 13, 2023, the Company received mediation proposals. However, the Weiwuying Center for the Arts responded by rejecting the mediation proposals. As a result, our company filed for arbitration on July 3, 2023, in accordance with the law. On August 12, 2024, we received the arbitration ruling, which required our company to provide an additional warranty joint guarantee letter for NT\$10,368 thousand. The Weiwuying Center for the Arts then returned the warranty joint guarantee letter amounting to NT\$96,003 thousand.
- (2) Regarding the aforementioned project, the Weiwuying Center for the Arts claims that there are warranty defects that have not been repaired. On October 23, 2023, it filed a lawsuit in the Kaohsiung District Court, seeking to seize the joint guarantee letter of the consolidated company, totaling NT\$96,003 thousand, and requesting that the Company cover repair costs amounting to NT\$17,939 thousand. Currently, this case is under consideration by the Kaohsiung District Court. It is difficult for the consolidated company to assess the outcome before the judgment is rendered. However, the warranty joint guarantee letter, amounting to NT\$96,003 thousand, has been returned to the Company in accordance with the previously mentioned arbitration ruling.
- (3) The construction project of social housing on the first site in Yangmei District and the first site in Pingzhen District of Taoyuan City, contracted by the Company (hereinafter referred to as "the Project"), stipulates in the construction contract that

the natural gas company's execution costs and related fees shall be paid by the consolidated company and then reimbursed by the contracting authority, the Office of Housing Development, Taoyuan (hereinafter referred to as "the Housing Development Office"). After the Company respectively paid the execution costs and fees of NT\$12,747 thousand and NT\$4,253 thousand to SHINTAO NATURAL GAS Company, we applied to the Housing Development Office for reimbursement of the total payment of NT\$17,000 thousand in accordance with the contract. Unexpectedly, the Housing Development Office insists that the detailed price list of the service proposal for this project includes the gas engineering items and amounts and thus refuses to pay. The Company believes that the Housing Development Office's action is not in line with the contract provisions. Therefore, on August 29, 2023, we filed a mediation request with the Taoyuan City Government Procurement Appeal Review Committee. After the Committee notified the Housing Development Office to provide a statement of opinion, a second mediation meeting was held on May 20, 2024. On November 4, 2024, the Company received the mediation agreement from the Taoyuan City Government Procurement Appeal Review Committee. The company has made an adjustment of NT\$8,819 thousand, which the Housing Development Office has refused to pay, following the receipt of the mediation agreement.

13. Other material risks and countermeasures:

(1) Information risk management

A. Purpose of Information Security:

Ensure the accuracy and integrity of our internal information management, the reliability and security of our hardware, software, and peripheral operating environment, maintain information security, reduce information security risks, and meet the needs of our continued normal operations.

B. Information security risk management framework:

The Cybersecurity Center is responsible for information security, which is responsible for "planning, promotion, auditing, education and promotion" and is responsible for the implementation of information security prevention, crisis notification and crisis handling mechanisms, as well as the maintenance, management and version control of information security regulations. The Audit Office is the supervisory unit for information security monitoring and is responsible for "supervision", following up on the implementation of corrective and preventive measures.

C. Specific management measures of information security:

Type	Information security features	Explanation	Related Operations
Authority Management	Confidentiality	Personnel account and management measures of authority management	1. Personnel account privilege management audit 2. Periodic check of personnel account permissions
Access control	Confidentiality	Control measures for personnel access to internal and external systems	1. Internal and external access control measures 2. Operation behavior track record analysis
External threats	Availability Completeness	Computer virus protection measures	1. Virus protection and malware detection 2. Emails hide computer virus propaganda 3. Replace the old firewall and mail filtering system
System availability	Availability Completeness	Disposal measures in case of system service interruption	1. Data backup measures, on and off-site backup and offline backup mechanism 2. Regular disaster recovery drills

(2) Climate change risk

Since the onset of global industrialization, greenhouse gas emissions have continuously increased, accelerating climate change. This has led to abnormal weather patterns, a shorter frequency between natural disasters, and the recurring occurrence of extreme droughts and heavy rainfall in various regions. These changes have heightened uncertainty and risks, with "carbon" being identified as the underlying cause. To achieve the net-zero target by 2050, international efforts to reduce carbon emissions and implement related policies are underway. The European Union plans to officially launch the Carbon Border Adjustment Mechanism (CBAM) in 2026, which will impose carbon tariffs on exported goods, directly impacting their costs. At the same time, businesses' operating costs will also be affected, with carbon pricing mechanisms playing a key role in driving carbon reduction. Carbon tax prices vary across countries due to differences in the entities being taxed, policy directions, and market mechanisms. However, as global demands for carbon reduction continue to intensify, carbon tax prices are expected to rise steadily, gradually becoming a key driver of carbon reduction efforts.

Taiwan will officially implement a carbon fee starting January 1, 2025, at a rate of NT\$300 per metric ton, with plans for gradual increases in the future. The carbon fee is a government regulatory charge, akin to the air pollution fee, imposed on specific entities and designated solely for targeted initiatives focused on carbon

reduction. In recent years, the Company has proactively incorporated the principles of green building, healthy building, and smart buildings to enhance energy efficiency. This approach has become a key focus for both industry and academia, enabling us to develop technologies that mitigate the impact of climate-related risks and capitalize on business opportunities. The Company's Environmental Team regularly communicates with and understands the management needs of the business. Climate indicators and goals for the Company's management include greenhouse gas emissions, energy usage, and green building. These will continue to be developed according to the Environmental Team's implementation schedule. The Company's technical department is actively involved in exploring and assisting management in evaluating and making decisions on issues related to climate and environmental change. Furthermore, it continues to research and develop green construction techniques to help clients improve their green building ratings, reduce the impacts of climate change, and enhance positive outcomes while minimizing negative effects. During the design phase, the turnkey project is included in the overall analysis of green energy. The construction process adopts environmentally friendly and energy-saving designs and materials, in accordance with the highest national standards for low-carbon building requirements. Additionally, customer needs are taken into consideration, with the goal of reducing carbon emissions from the design stage and implementing energy-saving and carbon reduction policies. This commitment reflects our dedication to environmental protection and corporate social responsibility.

The Company owns the patented method for reinforcing bars, SD550W and SD690. This method combines high-strength steel bars with high-strength concrete to reduce the quantity of steel bars required in columns and beams. The ground floor and first floor of the building, which are expected to experience the highest stress, can reduce the amount of main reinforcement by 24%~64% while maintaining the same structural strength, achieving an indirect reduction in carbon emissions. Additionally, the Zuoying Chongshi Anju social housing project and Tucheng Dingfu social housing has implemented an aluminum formwork system instead of traditional wooden formwork. The smooth metal surface of the aluminum formwork eliminates the need for plastering and can be reused 300 to 400 times. By using aluminum formwork instead of wooden formwork, Zuoying social housing has reduced carbon emissions by approximately 1,025 tons, as certified by the LBCA. Chien Kuo Construction will continue to promote this practice based on the experience gained from these two projects, gradually replacing traditional wooden formwork and contributing to environmental protection and fulfilling corporate social responsibility.

VII Other Important Issues: None.

Chapter 6 Special Items

I Information on Associates

- (I) Consolidated Business Report of Associates: Please refer to the Company on the Market Observation Post System by navigating to Single Company > Electronic Document Download > Affiliated Enterprises Three Reports Announcement Information. For your convenience, here is the URL: https://mopsov.twse.com.tw/mops/web/t57sb01_q10
- (II) Consolidated Financial Statements of Associates: Please refer to the Company on the Market Observation Post System by navigating to Single Company > Electronic Document Download > Financial Reports Announcement. For your convenience, here is the URL: https://mops.twse.com.tw/mops/#/web/t57sb01_q1
- (III) Consolidated Business Report of Associates: Not applicable.

II Private Placement of Marketable Securities in the Most Recent Fiscal Year and the Current Fiscal Year Up to the Publication Date of the Annual Report: None.

III Other Required Disclosures: None.

IV Occurrence of Matters Having Material Impact on Shareholders' Equity or the Company's Securities Price as Prescribed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act in the Most Recent Fiscal Year and the Current Fiscal Year up to the Publication Date of the Annual Report: None.