

Stock Code : 2542



興富發建設股份有限公司  
Highwealth Construction Corporation

# 2024 Annual Report

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## One.Letter to the Shareholders

### Dear Shareholders,

We would like to express our sincere appreciation for your continued support and trust in Highwealth Construction Corp. It is with great honor that we present an overview of our operations over the past year and share our outlook for the year ahead.

Over the past year, several major domestic and international economic events have shaped the market landscape. In September 2024, Taiwan's central bank implemented the seventh round of selective credit controls—hailed as the most stringent measures in Taiwan's history—in an effort to cool down the housing market. More recently, in April 2025, U.S. President Trump announced a “reciprocal tariff” policy, sending shockwaves across the global economy.

Nevertheless, across all key indicators, Taiwan is currently experiencing its most favorable economic conditions in the past decade. The business environment remains robust, unemployment has hit a record low, wages are growing rapidly and reaching new highs, and both corporate and individual deposit balances have soared to unprecedented levels. From every angle, the public remains optimistic about Taiwan's economic outlook, a sentiment clearly reflected in wage increases and growing confidence in the future. In recent years, Taiwan's inflation rate has remained above 2%, providing natural momentum for real estate price growth.

However, the imposition of tariffs and ongoing global political uncertainties have dampened domestic investment sentiment. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), Taiwan's excess savings are projected to reach NT\$4.58 trillion in 2025, with an excess savings rate exceeding 17%, with both figures representing historical highs. This abundant capital continues to flow into the stock market, foreign exchange market, and real estate sector, creating strong financial support across asset classes.

DGBAS data indicates that the rental index saw a 2.45% annual increase last year, the highest in 28 years. In January this year, the index climbed further to a record 107.79, up 2.48% YoY. The Taiwan Institute of Economic Research noted that although the real estate market has cooled, this is primarily reflected in reduced transaction volumes rather than significant price declines. Factors such as rising land costs, shortages in construction materials and labor, and the forthcoming carbon fee policy have compelled sellers to adopt a cautious stance on price reductions. Because housing prices remain firm, landlords have continued to raise rents, making this the main driver of sustained rental increases.

In 2025, Highwealth continues to target rigid real estate demand by advancing on two fronts: residential and commercial property development. On the residential side, every parent aspires for their child's success. In line with this universal desire, the Group has launched compact two- to three-bedroom “school district housing” in prime areas such as Tamsui, Taichung's 7th Redevelopment Zone, Tainan, and Kaohsiung. These projects have attracted strong interest from parents looking to invest early in their children's education and have been well received in the market.

In the commercial property sector, President Lai stated in his National Day address that the government will continue to strengthen Taiwan by promoting cross-sector economic development and expanding global reach, while also supporting the transformation of small and micro enterprises to market themselves internationally. In addition, recent policy adjustments have eased the minimum required rate of return for insurance companies' real estate investments to 2.545%. This change has helped inject liquidity into the commercial property market and fueled a surge in transactions. According to data from the Ministry of the Interior's Actual Price Registration system, Highwealth has reported strong sales across its commercial office projects throughout Taiwan. These include Taipei's Taipei One, Highwealth T1 in Neihu Technology Park, World Business Center No.1, and Municipal Vision Square in Taichung's 7th Redevelopment Zone. Cumulative commercial office sales continue to climb, with Taipei One achieving the highest presale unit price for office projects in the city. In Taichung, Highwealth's compact "micro-office" products at World Business Center No.1, and Municipal Vision Square have significantly lowered the barrier for young entrepreneurs seeking to own office space. These offerings also appeal to business owners looking for real assets to hedge against inflation.

As a developer, our role is to provide clients with the best possible office environments, which serve as ideal representations of corporate identity and premier choices for multinational enterprises. At the same time, Highwealth has partnered with three of the world's leading hotel brands, securing premium locations in central business districts (CBDs) to establish comprehensive commercial facilities that attract global travelers and introduce them to Taiwan. By building office spaces and hotels in the heart of our cities, we are creating international business hubs that generate significant economic value. This reflects our sense of corporate mission and responsibility.

In 2024, although we continued to be affected by deferred completions and handovers, revenue was bolstered by projects recognized from our subsidiaries. Our annual revenue reached NT\$36.9 billion, once again earning us the top spot among listed companies in the building materials and construction sector in terms of revenue. Key revenue-contributing projects included Highwealth T1 project in Neihu and the Zhan Qian Xinyue project in QIngpu. In Taichung, partial revenue was recognized from projects such as Wenshin Aiyue and Holiwon Castle, etc. In southern Taiwan, recognized revenue was contributed by projects such as Huarenhui, Kaohsiung CBD, and Aichungho Left Bank in Kaohsiung City. Additional revenue contributions came from the Group's subsidiary Chyi Yuh Construction Co., Ltd., as well as from Run Long Construction Co., Ltd. through recognized income from developments including Dream Castle in Keelung, Juke Run Long in Hsinchu, Taichung Dibao, and National Central City. These cumulative figures enabled the Company to achieve earnings per share (EPS) of NT\$3.13 in 2024.

In terms of promoting corporate sustainability, and in response to the Financial Supervisory Commission's announcement of the "Corporate Governance 3.0 – Sustainable Development Roadmap," the Company established a "Sustainability Promotion Task Force" under the Board's "Sustainable Development Committee" in 2025. This task force has

formulated phased action plans focused on four major ESG initiatives: implementation of IFRS S1 and S2 sustainability disclosure standards, compilation of the ESG Sustainability Report, execution of greenhouse gas inventories, and management of sustainable supply chain risk. This year, Highwealth is aligning its efforts with IFRS objectives by integrating and advancing related operations for sustainability reporting and GHG inventory. Following the ISO 20400 framework, Highwealth is enhancing its sustainable procurement practices and supply chain management mechanisms to strengthen ESG risk control. Looking ahead, the Company plans to adopt a digital sustainability management platform, enabling smarter and more precise implementation of sustainable supply chain strategies. As a member of the construction industry, Highwealth is committed to sustainable innovation, urban prosperity, deepening its roots in Taiwan, and aligning with global standards, actively contributing to Taiwan's sustainable development.

Finally, I would like to thank all gentlemen and ladies who are here today for your continued support and care. Thank you!!

## **I. Operating Results for 2024**

### **(I) Operating results**

The Company's consolidated net operating revenue for 2024 amounted to NT\$36,928,280 thousand, representing a decrease of NT\$7,138,913 thousand compared to NT\$44,067,193 thousand in 2023.

The Company's consolidated pre-tax net income for 2024 amounted to NT\$9,724,958 thousand, representing a decrease of NT\$1,027,566 thousand compared to NT\$10,752,524 thousand in 2023.

This decrease was primarily due to a reduction in completed construction projects by the consolidated subsidiary Run Long Construction Co., Ltd., as well as ongoing labor and material shortages that have yet to be resolved. These factors resulted in project delays and, consequently, lower operating revenue and operating profit compared to the previous year.

### **(II) Budget implementation status**

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to prepare financial forecasts for 2024.

### **(III) Financial income and expenses**

The consolidated financial revenue and expenditure status of the Company and subsidiaries for the last two years is summarized as follows:

Unit: NT\$ thousand

Item	2024	2023
Net operating income	9,416,098	11,712,132
Non-operating income and expenses	308,860	(959,608)
Pre-tax net profit	9,724,958	10,752,524
Net profit	8,173,933	8,834,939
Total comprehensive income	8,178,714	8,840,652

#### (IV) Profitability capacity analysis

The consolidated profitability analysis of the Company and subsidiaries for the last two years is summarized as follows:

Item	2024	2023
Return on Assets (%)	3.69	4.33
Return on Equity (%)	13.46	16.61
Pre-tax net profit to paid-in capital ratio (%)	46.96	57.07
Net profit rate (%)	22.13	20.05
Earnings per share (NT\$)	3.13	1.33

#### (V) Status of research and development

1. In terms of architectural planning and design, the Company adheres to three core principles: functionality, durability, and aesthetics. Each project is carefully planned to align with the unique characteristics of its location and surrounding environment, with the goal of delivering the most suitable products that meet the needs and expectations of consumers.
2. In terms of construction project and management: develop the most suitable construction technology and project management for different types of construction sites, strictly control the construction quality, cost and progress, and ensure the safety of the construction site.
3. In terms of market research and development: master the real estate market information, collect the land and housing market data of various districts, conduct regular discussions and analysis, provide the basis for product positioning and marketing strategy, and take creating high sales rate as the purpose.

## II. Outlook for 2025

In 2025, Highwealth Group will continue to acquire land and launch new projects across seven key regions, including Keelung, Taipei, New Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung. The Group also plans to expand into new ventures such as the hotel industry, aiming to achieve record-high performance through diversified operations.



The objectives for the coming years are declared as follows:

(I) Operating Policy

The Highwealth Group's core values are "integrity", "sustainable management", and "contributing to the society". We are working towards the goal of doubling the market value of the Company to make profits for both employees and shareholders. With the Group's diversified business strategies, our operating policies are as follows:

1. Development: Integrate the advantages of construction, hotel and distribution business to provide customers with more complete life solutions. At the same time, we will share with world-class partners and learn from diverse experiences, so that consumers can enjoy world-class high-quality products in Taiwan. We have partnered with the world's largest hotel chains, Marriott International, InterContinental Hotels Group (IHG), and Hyatt Hotels Corporation, to open star-rated hotels and implement diversified operations. Our product development is expanding towards professionalism, diversifying risks, and stringent control of construction quality and progress. By vertically integrating upstream, midstream, and downstream suppliers, the Group seeks to optimize operational efficiency and enhance overall competitiveness.
2. Development: In the past, the company's land development projects were planned and implemented after acquiring plain land. In response to the government's policy, especially the bank's restriction on land construction financing, the Company has already planned ahead to address the situation. We have adopted a new strategy of increasing the proportion of joint construction and urban renewal projects and diversifying land acquisition methods to reduce capital expenditure and to spread operating risks to ensure that our project sources will not be interrupted.
3. Planning: ESG sustainability is being promoted around the world, and it has become a trend for the construction industry to advance green buildings, use resource-recycling green building materials, reduce carbon emissions, and reduce waste. The Company learns the characteristics of the design and planning of real estate buildings in various countries extensively, attaches importance to the fire prevention labels, green buildings, building materials labels, intelligent building labels and earthquake-resistant building labels in public areas, and adds the concepts of energy conservation, water conservation, ecology and environmental protection to enhance the improvement of building quality. Depending on the market demand differences and regional differences, structural changes in population and family composition, the Company plans and designs high-quality products to accommodate its customer's needs, and provides perfect

after-sales service to further enhance customer trust in the brand of Highwealth.

4. In terms of management system: We provide opportunities to train talents and insist on the ethical sharing and humanistic respect to enhance business performance and sustainable development. In response to the Company's expanding scale of operations, efforts have been made not only to strengthen internal controls, budget management, and corporate governance practices, but also to reinforce a culture of accountability. The Company is committed to advancing digitalization across all operations to enhance efficiency, while also improving both vertical and horizontal communication and coordination. These initiatives aim to solidify internal control systems and ensure that, even amidst significant business growth, operational and management efficiency continues to improve. Talents are the key to Group's sustainable development. We continuously provide opportunities to cultivate the talents required for the Company's business, follow "Integrity" and "Sustainable Management" concepts, and continue to enhance our business performance and sustainable development with the spirit of "Innovation, Quality, and Service". At the same time, in response to the growing emphasis on ESG (Environmental, Social, and Governance) and DEI (Diversity, Equity, and Inclusion), as well as the increasing global focus on corporate responsibility in talent development, Highwealth Group has taken a significant step at this pivotal moment by joining the "2024 TALENT, in Taiwan - Taiwan Talent Sustainability Action Alliance"!
5. In terms of finances: Ensure that the Company achieves its operating performance targets, strengthens the financial operating capability, maintains the appropriate equity ratio to cater to the fluctuation of market interest rates, and raises the long and short-term funding requirements, so as to enhance the competitiveness of the Company.
6. Resources: We implement the sustainable development policy, actively train the manpower needs for future development, enhance the company's competitiveness to provide better services, and protect and implement various benefits and the rights for our employees, so that the interests of employees and the company can be integrated and create common prosperity and coexistence.

(II) Major production and marketing policies

1. Production policies:
  - (1) Based on the solid professional foundation of land development, fully grasp the information of land sources, closely screen, actively participate in urban renewal land development and joint development of MRT stations, and actively expand and reserve land resources of high-quality lots.

- (2) Establish appropriate pricing, sales channels and advertisement strategy pertinent to the characteristics of the products, supervise target meeting of each sales scheme and closely monitor the market trend to allow flexible adjustments for facilitating project development and maximizing profitability.
  - (3) To implement diversified business strategies, the Company will increase the proportion of commercial real estate, enter into the hotel business, and improve the operating performance for its investment business.
  - (4) In respond to labor shortage currently, the Company will continue to develop BIM Architectural Information Center, precast method, aluminum mold, robot application, enhance engineering techniques, quality, efficiency and environmental friendly, and promote renovation to construction technology in Taiwan comprehensively.
  - (5) The product positioning and construction planning of projects that are yet to be developed must be responsive to the demands of the housing market and the changes in the economic environment. The Company shall seek to meet its targets for improving its products, services, safety and active development.
2. Sales strategies:
- (1) Sales objective of zero-unsold completed units.
  - (2) Conduct analysis of market demand and work well in product positioning.
  - (3) Establish diversified marketing channels and apply big data technology.
  - (4) Establish enterprise brand identification and “customer-oriented” service orientation.
  - (5) Adopt the most appropriate construction method to work well in quality control and cost control.
  - (6) Strengthen the discussion of relevant laws and decrease the possibility of house purchase disputes.

### (III) Future development strategies of the Company

1. Focus on own business: We have effectively integrated the resources with our partners, strengthened the diversified development strategies in construction methods and building materials, and implemented the high-quality and rapid project development policy in order to steadily expand our business layout.
2. Develop the second core business: We utilize commercial real estate to develop businesses that generate a fixed income, and plan and develop business opportunities to support the stable dividend policy.
3. Digital transformation: As digital technology and tools become popular, the Building Information Modeling (BIM) Center has been established in Kaohsiung

and Taichung. It not only improves design efficiency, reduces construction costs, improves construction quality and safety, but also extends to aluminum formwork. In the future, we plan to introduce transportation robots to implement our innovative mind.

4. Environmental protection and energy conservation: In line with global trends, future development projects will actively pursue internationally recognized green building certifications. These projects will incorporate energy-saving technologies and renewable energy applications to improve energy efficiency and enhance environmental sustainability in building design and construction.
5. International cooperation: Highwealth continues to expand its corporate scale and product competitiveness through partnerships with world-renowned enterprises. These include the world's largest hotel chains, Marriott International, InterContinental Hotels Group, and Hyatt Hotels Corporation, as well as internationally acclaimed architectural and design teams such as Aedas, G.A Design, and Pia.
6. Talent training: To address the serious labor shortage problem, the Company is strengthening its talent development efforts by establishing a comprehensive career development framework. This includes providing employees with enhanced training environments and career advancement opportunities, aiming to attract outstanding professionals and bolster the Company's core competitiveness.

### **III. Influences of external competitive environment, regulatory environment and the overall business environment**

#### **(I) External competition:**

According to the latest data from the first quarter of 2025, there has been a clear decline in the number of building ownership transfers across Taiwan, indicating a cooling in real estate transaction activity. Statistics from Chaofu Real Estate Management show that in February 2025, there were 20,007 building ownership transfers nationwide, representing a 4.12% increase from 19,215 transfers in January. However, compared to 18,920 transfers in February 2024, the year-on-year growth was only a modest 5.75%. A similar trend in transaction volume was observed in Taiwan's six major metropolitan areas. From January to February 2025, the total number of building ownership transfers in the six cities reached 29,824, a decline of 25.1% compared to the same period last year. The future trajectory of the housing market will depend on forthcoming policy changes and the pace of market confidence recovery.

#### **(II) Legal Environment:**

The seventh round of selective credit controls officially took effect on September 20, 2024, aiming to stabilize financial markets and promote the healthy development of the housing market. For homebuyers with genuine housing needs, particularly first-time buyers and upgraders, it is essential to pay close attention to changes in loan terms and make use of government support measures to mitigate the impact of these policies on home purchase plans.

(III) Overall business environment:

According to a market trend survey conducted by the Taiwan Institute of Economic Research in early 2025, the domestic real estate market is expected to enter a phase of moderation. However, this market cooling is projected to be orderly. While public infrastructure projects and investment in the technology sector continue to support the housing market, the lack of policy relaxation and the waning impact of the preferential mortgage scheme for young first-time buyers suggest that the property market is now firmly in a consolidation phase. A period of adjustment will be required before supply and demand reach a more balanced and healthy state. Conversely, Taiwan's commercial real estate sector is showing signs of steady growth, particularly driven by demand from the 5G AIoT and semiconductor industries. Office buildings, factories, and mixed-use industrial office spaces remain highly sought after. Looking ahead, the real estate market is expected to develop in a more stable direction under the dual influence of policy control and market self-adjustment.

Chairman: Cao Yuanbo



Manager: Fan Huachun



Accountant Officer: Li Xiutai



Two.Corporate Governance Report

I.Information on the President, Vice Presidents, Assistant Vice Presidents, Department Heads, and Branch Managers

(I) Information of Directors

April 19, 2025 Unit: Shares; %

Position	Nationality/ Place of Incorporation	Name	Age and Gender	Date Elected	Term (Year)	Date First Elected	Shares held during election		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who Have Spouses or within Two Degrees of Kinship			Note
							Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio			Position	Name	Relation	
Juristic-person Chairman	Republic of China	Run Ying Investment Co., Ltd. <small>Note 1</small>	Not applicable.	2023.06.13	3 years	2020.06.10	30,996,304	1.81%	37,505,527	1.81%	0	0%	0	0%	Chairman of Highwealth Construction Corp.	Nil	Nil	Nil	Nil	Nil
Legal Person Chairman Representative <small>Note 1</small>	Republic of China	Cao Yuanbo	Male 71 to 80 years old	2023.06.13	Not applicable.	Not applicable.	0	0%	0	0%	0	0%	0	0%	Specialized Class 43, ROC Military Academy; Chairman of Highwealth Construction Corp.	Chairman of the Company	Nil	Nil	Nil	Nil
Legal Person Director Representative <small>Note 1</small>	Republic of China	Fan Huachun	Male 51 to 60 years old	2023.06.13	Not applicable.	Not applicable.	244	0%	294	0%	1,140	0%	0	0%	Department of Electrical Engineering, Kun Shan University of Technology; President of Highwealth Construction Corp.	President of the Company	Nil	Nil	Nil	Nil
Director	Republic of China	Zheng Qintian	Male 61 to 70 years old	2023.06.13	3 years	2000.02.23	32,249,659	1.88%	39,050,049	1.89%	11,936,392	0.58%	0	0%	Department of Civil Engineering, Cheng Shiu University; Director of Highwealth Construction Corp.	Group CEO	Director	Zheng Xiuhui	Couple	Nil

Position	Nationality/ Place of Incorporation	Name	Age and Gender	Date Elected	Term (Year)	Date First Elected	Shares held during election		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who Have Spouses or within Two Degrees of Kinship			Note
							Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio			Position	Name	Relation	
Director	Republic of China	Zheng Xiuhui	Female 51 to 60 years old	2023.06.13	3 years	2000.02.23	9,864,788	0.58%	11,936,392	0.58%	39,050,049	1.89%	37,505,527	1.81%	Department of Civil Engineering, Kaohsiung Institute of Technology; Vice President of Highwealth Construction Corp.	The Company's special assistant & Chairman of Xing-Ri-Sheng Investment Company Chairman of Run-Ying Investment Company Chairman of Feng-Rao Investment Company	Director	Zheng Qintian	Couple	Nil
Independent Director	Republic of China	Li Wencheng	Male 81 to 90 years old	2023.06.13	3 years	2017.06.13	0	0%	0	0%	0	0%	0	0%	Presiding Judge, Taiwan High Court; Graduate of Central Police University	Independent director of Run- Long Construction Inc.	Nil	Nil	Nil	Nil
Independent Director	Republic of China	Hou Tsaifeng	Female 71 to 80 years old	2024.06.13	3 years	2024.06.13	0	0%	0	0%	0	0%	0	0%	Executive Master of Public Policy, National Sun Yat-sen University	Independent Director, Nanya Technology Corporation Director, Silicon Integrated Systems Corp. Special Assistant to the Chairman of the Board, Orient Semiconductor Electronics, Ltd. Director, Taiwan Implant Technology Company, Ltd.	Nil	Nil	Nil	Nil
Independent Director	Republic of China	Chen Tachun	Male 61 to 70 years old	2023.06.13	3 years	2020.06.10	24,203	0%	29,285	0%	0	0%	0	0%	Master's in political sciences, Chinese Culture University	Associate Professor of National Taichung University of Science and Technology	Nil	Nil	Nil	Nil

- Note:
1. Representatives of Run Ying Investment Co., Ltd: Cao Yuanbo, Fan Huachun.
  2. The shareholdings listed above are based on the number of shares registered as of April 19, 2025, the record date for the suspension of share transfers.; the total number of outstanding shares is 2,070,555,751.





## 1. Major shareholders of juristic-person shareholder

Name of Juristic-person Shareholder	Major shareholders of juristic-person shareholder
Jun Ying Investment Inc.	Zheng Qintian (70.06%), Zheng Xiuhui (22.34%), Zheng Qiaowen (3.8%) and Zheng Junfang (3.8%)

## 2. In the event that the major shareholder(s) of the juristic-person shareholder is a juristic person, the major shareholder(s) is as follows: Nil.

## 3. Disclosure on professional qualification of Directors and independence of Independent Directors:

Name \ Criteria	Professional qualification and experience	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
DIRECTOR: Zheng Qintian	1. Civil Engineering, Cheng-Shiu Junior College of technology 2. President of Highwealth Construction Corporation.	0
Director: Zheng Xiuhui	1. Civil Engineering, Kaohsiung Junior College of technology 2. Special assistant of Highwealth Construction	0
Director: Representatives of Run Ying Investment Co., Ltd.: Cao Yuanbo	1. Specialized class 43, ROC Military Academy 2. Chairman of Highwealth Construction	0
Director: Run Ying Investment Co., Ltd. Representative: Fan, Huachun	1. Department of Electrical Engineering, Kun Shan University 2. President of Highwealth Construction Corp	0

Name \ Criteria	Professional qualification and experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director: Li Wencheng	1. Central Police University 2. Division-Chief Judge, Taiwan High Court President of Hualien Local Court President of Taitung Local Court President of Penghu Local Court 3. Not been a person of any conditions defined in Article 30 of the Company Law.	1. The Director, the Director's spouse, or relative(s) within the second degree of kinship has not assumed positions as a Director, Supervisor or employee of the Company or its affiliated companies. 2. The Director, the Director's spouse, or relative(s) within the second degree of kinship does not hold any shares of the Company. 3. In the most recent two years, no business, legal, financial, or accounting services have been provided to the Company or its affiliated companies.	0

Independent Director: Hou Tsai-feng	<ol style="list-style-type: none"> <li>Executive Master of Public Policy, National Sun Yat-sen University</li> <li>Independent Director, King's Town Bank Co., Ltd.</li> <li>Independent Director, Nanya Technology Corporation President, Dong Lien Securities Co., Ltd.</li> <li>Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ol>	<ol style="list-style-type: none"> <li>The Director, the Director's spouse, or relative(s) within the second degree of kinship has not assumed positions as a Director, Supervisor or employee of the Company or its affiliated companies.</li> <li>The Director, the Director's spouse, or relative(s) within the second degree of kinship does not hold any shares of the Company.</li> <li>Independent Director, Nanya Technology Corporation</li> <li>In the most recent two years, no services in commercial, law, finance, or accounting has been provided to the Company or its affiliated companies.</li> </ol>	1
Independent Director: Chen Tachun	<ol style="list-style-type: none"> <li>Master's Degree in Political Sciences, Chinese Culture University</li> <li>Associate Professor of National Taichung University of Science and Technology</li> <li>Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ol>	<ol style="list-style-type: none"> <li>The Director, the Director's spouse, or relative(s) within the second degree of kinship has not assumed positions as a Director, Supervisor or employee of the Company or its affiliated companies.</li> <li>The Director, the Director's spouse, or relative(s) within the second degree of kinship owns 29,285 shares of the Company (0.0014%).</li> <li>In the most recent two years, no services in commercial, law, finance, or accounting has been provided to the Company or its affiliated companies.</li> </ol>	0

#### 4. Diversity and independence of the Board of Directors:

##### (1) Diversification policy and goals of the Board of Directors

The Company promotes and respects the diversification policy of Directors. To strengthen the corporate governance and enhance a healthy development of composition and structure of the Board, the Company believes that the diversification policy shall be helpful in increasing the overall performance of the Company. The selection of Board members is guided by the principle of meritocracy, ensuring a diverse and complementary composition across industries. Members bring a variety of attributes, including demographic diversity (such as age, gender, and nationality), relevant industry experience, and professional expertise in fields such as construction and engineering, finance and accounting, and law. In addition, Board members are expected to demonstrate sound business judgment, management capabilities, leadership, and crisis response skills. Taking into account the Company's scale of operations, the shareholding structure of major shareholders, and practical operational needs, the Company aims to maintain a Board composed of no fewer than five Directors. The Board's composition goals include having at least one female Director, a minimum of one-third Independent Directors, at least 14% of Directors with legal expertise, over 50% with marketing expertise, over 50% with financial and accounting expertise, and over 50% with relevant industry backgrounds.

To strengthen the functionality of the Board of Directors so as to achieve goals of corporate governance, the Corporate Governance Guidelines, Article 20 provides

that the overall Board of Directors shall possess the following capabilities:

- a Basic criteria and values: Gender, age, nationality and culture, etc.
- b Professional knowledge and techniques: professional background. (such as law, accounting, industry, financial, sales or technology), professional competences, and other industry experiences.
- c Business management capability.
- d Crisis management capability.
- e Industry knowledge.
- f Global market perspective.
- g Leadership quality.
- h Decision making capability.

(2) Implementation status of the Board diversity

To strengthen the management of the Company and facilitate the formation and construction of the Board of Directors to develop well, the formation of the Board of Directors should take into consideration various needs, such as the business structure, directions of business development and future trend of development. Furthermore, the multi-faceted assessment shall also be made. The current Board of Directors of the Company is composed of seven members, including three Independent Directors. Among them, one Independent Director has served for less than three years, one for over three years, and one for over six years. The Board includes over 14% of members with legal expertise, over 85% with marketing expertise, over 71% with financial and accounting expertise, and 100% with relevant industry backgrounds. Independent Directors account for 42% of the Board, and Directors who are also employees account for 42%. The members possess financial, commercial, legal and management experience and expertise. In addition, the Company places great importance on gender equality in the composition of the Board of Directors. As of 2024, the number of female Directors has increased by one compared to the previous year, bringing female representation on the Board to 29%. The implementation status is as follows:

Diversity status of the current Board members (Term: 2023/06/13 to 2026/06/12):

Position	Name	Formation					Industry experience/expertise									
		Nationality	Gender	The employee of the company	Age	Seniority of Independent Director	Financial Accounting	Law	Marketing	Operational Judgment	Business Management	Crisis Management	Industry knowledge	Global Market Perspective	Leadership Quality	Decision Making Capability
Chairman and Juristic Person Director Representative	Cao Yuanbo	Republic of China	Male		> 60		√		√	√	√	√	√	√	√	√
Representative of Juristic-person Director	Fan Huachun	Republic of China	Male	√	> 50		√		√	√	√	√	√	√	√	√
Director	Zheng Qintian	Republic of China	Male	√	> 60		√		√	√	√	√	√	√	√	√
Director	Zheng Xiuhui	Republic of China	Female	√	> 50		√		√	√	√	√	√	√	√	√
Independent Director	Li Wencheng	Republic of China	Male		> 70	> 6		√		√	√	√	√	√	√	√
Independent Director	Hou Tsaifeng (Note)	Republic of China	Female		> 70	< 3	√		√	√	√	√	√	√	√	√
Independent Director	Chen Tachun	Republic of China	Male		> 60	> 3			√	√	√	√	√	√	√	√

Note: Independent Director Hou Tsaifeng was appointed on June 13, 2024.

(3) Information of current ( 2023/06/13 ~ 2026/06/12) Board members

Position	Name	Education (Experience)	Other Position
Chairman	Run Ying Investment Co., Ltd Representative: Cao Yuanbo	Specialized Class 43, ROC Military Academy; Vice President, Jayshelyn Construction Co., Ltd.	Chairman of the Company Chairman of Bo-Yuan Construction Corporation. Chairman of Pi Chiang Enterprise Co., Ltd. Chairman of Hundred Million Mark Enterprise Co., Ltd. Well Rich International Co., Ltd.
Director	Run Ying Investment Co., Ltd Representative: Fan Huachun	Department of Electrical Engineering, Kun Shan University of Technology; Manager of Advertising Sales, Highwealth Construction Corp.	President of the Company Chairman of Ju Feng Hotel Management Consultant Co., Ltd. Director of Chyi Yuh Construction Co., Ltd. Well Rich International Co.,

Position	Name	Education (Experience)	Other Position
			Ltd. Director of Hundred Million Mark Enterprise Co., Ltd. Director of Pi Chiang Enterprise Co., Ltd. Supervisor, Bo-Yuan Construction Corporation Chairman of Highwealth Construction Corporation
Director	Zheng Qintian	Department of Civil Engineering, Cheng Shiu University; Director of Highwealth Construction Corp.	Group CEO Director of Hundred Million Mark Enterprise Co., Ltd. Director of Pi Chiang Enterprise Co., Ltd.
Director	Zheng Xiuhui	Civil Engineering, Kaohsiung Junior College of technology Vice President, Highwealth Construction Corp	The Company's special assistant & Chairman of Xing-Ri-Sheng Investment Company Chairman of Run-Ying Investment Company Chairman of Feng-Rao Investment Company Director of Minrong Weaving Factory Inc. Director of Hotel Kingdom Inc. Director of Lu Yang Investment Limited
Independent Director	Li Wencheng	Central Police University President of Taiwan High Court	-
Independent Director	Hou Tsai Feng (Note)	Executive Master of Public Policy, National Sun Yat-sen University Independent Director, King's Town Bank Co., Ltd.	Independent Director, Nanya Technology Corporation Director, Silicon Integrated Systems Corp. Special Assistant to the Chairman of the Board, Orient Semiconductor Electronics, Ltd. Director, Taiwan Implant Technology Company, Ltd.
Independent Director	Chen Tachun	Master's in political sciences, Chinese Culture University	Associate Professor of National Taichung University of Science and Technology

Note: Independent Director Hou Tsai Feng was appointed on June 13, 2024.

(II) Information of president, vice president, associates, department and branch directors

April 19, 2025 Unit: Shares; %

Position	Nationality	Name	Gender	Date Elected	Minor Child(ren)		Shares held by Spouse & Minor Child(ren)		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s) Held Concurrently in Other Companies	Spouses or Within Two Degrees of Kinship who are Managers			Note
					Shares	Holding shares ratio	Shares	Holding shares ratio	Shares	Holding shares ratio			Position	Name	Relation	
President	Republic of China	Fan Huachun	Male	2014.06	294	0%	1,140	0%	0	0%	Electronical Engineering Division, Kun Shan University President of Highwealth Construction Corp	Chairman of Ju Feng Hotel Management Consultant Co., Ltd. Director of Chyi Yuh Construction Co., Ltd. Well Rich International Co., Ltd. Director of Pi Chiang Enterprise Co., Ltd. Chairman of Highwealth Construction Corporation Director of Hundred Million Mark Enterprise Co., Ltd. Supervisor, Bo-Yuan Construction Corporation	Nil	Nil	Nil	Nil
Development Department Vice President	Republic of China	Liao Zhaoxiong	Male	2006.06	285,300	0.01%	114,215	0.01%	0	0%	Land Economics Department, National Chung Hsing University Sales Assistant Manager, Hongju Construction	Nil	Nil	Nil	Nil	Nil
Finance Department Vice President	Republic of China	Wang Suyue	Female	2005.03	490,898	0.02%	0	0%	0	0%	Department of Accounting, Tunghai University Audit Supervisor, Ho Wang Construction Co., Ltd	Nil	Nil	Nil	Nil	Nil
Sales Department Vice President	Republic of China	Chen Qiuwei	Male	2007.12	46,278	0%	0	0%	0	0%	Mechanical Engineering Department, Feng Chia University Yuan Fu Advertising Co., Ltd	Nil	Nil	Nil	Nil	Nil

Accounting Department Associate Manager	Republic of China	Li Xiutai	Female	2018.04	0	0%	0	0%	0	0%	Department of Accounting, Soochow University Senior Associate Manager, KPMG Taiwan	Nil	Nil	Nil	Nil	Nil
Assistant Vice President of Planning Department	Republic of China	Liao Lien-Hui	Male	2021.06	0	0%	1,331	0%	0	0%	Master of Architecture Program, Tamkang University Manager of Planning Department, Highwealth Construction Corp.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President of Planning Department, Kaohsiung Branch Office	Republic of China	Song Guozong	Male	2003.10	53,246	0%	0	0%	0	0%	Civil Engineering Division, Nanya Institute of Technology Shi Bangxing Architects	Nil	Nil	Nil	Nil	Nil
Manager of Finance Department and Operation Supervisor	Republic of China	Chang Mingwen	Male	2022.12	6,050	0%	0	0%	0	0%	National Chung Cheng University Manager of Finance of Highwealth Construction Corp	Nil	Nil	Nil	Nil	Nil
Director, Department of Planning	Republic of China	Chang Shucheng	Female	2024.10	55,090	0%	0	0%	0	0%	EMBA, National Taiwan University Director of Marketing and Planning, Farglory Realty	Nil	Nil	Nil	Nil	Nil
Manager of Administration Department and concurrently the Chief of Information Security	Republic of China	Chen Chun-Yan	Male	2021.06	12,100	0%	0	0%	0	0%	Royal Roads University MBA Masters in Accounting and Law, National Chung Cheng University Special Assistant, Administration Department, Highwealth Construction	Nil	Nil	Nil	Nil	Nil
Kaohsiung Branch Finance Department Manager	Republic of China	Chen Qiulan	Female	2015.03	81,174	0%	0	0%	0	0%	Taitung Senior Commercial Vocational School Associate Manager, Financial Department, Hon-yuang Construction Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Note: The shareholdings listed above are based on the number of shares registered as of April 19, 2025, the record date for the suspension of share transfers. The total number of outstanding shares is 2,070,555,751.

II. Remuneration of Directors, President, and Vice Presidents for the most recent fiscal year

(I) Remuneration of Directors and Independent Directors

December 31, 2024 Unit: NT\$ thousand

Position	Name	Remuneration								Sum of A, B, C and D and their respective percentages of net income after tax.		Compensation to Directors Also Serving as Company Employees								Sum of A, B, C, D, E, F and G as a percentage of after-tax profit		Compensation from Affiliates Other than Subsidiaries
		Remuneration (A)		Pension (B)		Directors' Remuneration (C)		Allowances (D)				Salary, Bonuses, and Allowances (E) (Note 1)		Severance Pay (F)		Employee Compensation (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements			The Company	All companies included in the financial statements	The Company		All companies included in the financial statements						
										Cash Bonus	Stock Amount			Cash Bonus	Stock Amount							
Chairman	Run Ying Investment Co., Ltd Representative: Cao Yuanbo	4,776	5,776	0	0	10,000	10,000	432	432	15,208 0.24%	16,208 0.26%	11,081	14,831	0	0	7,900	0	7,900	0	34,189 0.54%	38,939 0.62%	0
Director	Run Ying Investment Co., Ltd Representative: Fan Huachun																					
Director	Zheng Qintian																					
Director	Zheng Xiuhui																					
Independent Director	Li Wencheng	2,970	3,432	0	0	0	0	120	120	3,090 0.05%	3,552 0.06%	0	0	0	0	0	0	0	0	3,090 0.05%	3,552 0.06%	0
	Hou Tsaifeng (Note 2)																					
	Chen Tachun																					



1.	<p>Please describe the policy, system, standard and structure of director remuneration, and describe the relevance of the amount of payment according to factors, such as responsibility, risk, and invested time:</p> <p>According to the requirements under the “Rules Governing the Scope of Powers of Independent Directors” and Articles of Incorporation of the Company, in order to make independent directors have impacts on the Board of Directors and the operation of the company and maintain independence, the company has to pay the independent directors of the company monthly (or every quarter, or every half year) no matter how much it earns. Moreover, the payment should be adjusted according to the level of participation and the value of the contribution. The Independent Directors do not involve in the appropriation of Director remuneration and other incentives.</p>
2.	<p>In addition to the disclosure in the above table, in the most recent fiscal year, the compensation received by directors from all companies included in the financial statements for service rendered (e.g. in the capacity of non-employee consultant for parent company/all companies included in the financial statements): Nil.</p>

Range of Remuneration

Remuneration bracket table for each Director of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements (H)	The Company	All companies included in the financial statements (I)
Below NT\$1,000,000	Hou Tsaifeng	Hou Tsaifeng	Hou Tsaifeng	Hou Tsaifeng
NT\$1,000,000 (inclusive) ~NT\$2,000,000 (not inclusive)	Chen Tachun, Li Wencheng Zheng Xiuhui, Fan Huachun	Chen Tachun, Li Wencheng Zheng Xiuhui, Fan Huachun	Chen Tachun, Li Wencheng	Chen Tachun
NT\$2,000,000 (inclusive) ~NT\$3,500,000 (not inclusive)	Zheng Qintian	Zheng Qintian	-	Li Wencheng
NT\$3,500,000 (inclusive) ~NT\$5,000,000 (not inclusive)			-	-
NT\$5,000,000 (inclusive) ~NT\$10,000,000 (not inclusive)	Cao Yuanbo	Cao Yuanbo	Cao Yuanbo, Zheng Xiuhui, Fan Huachun	Cao Yuanbo, Zheng Xiuhui, Fan Huachun
NT\$10,000,000 (inclusive) ~NT\$15,000,000 (not inclusive)	-	-	Zheng Qintian	Zheng Qintian
NT\$15,000,000 (inclusive) ~NT\$30,000,000 (not inclusive)	-	-	-	-
NT\$30,000,000 (inclusive) ~NT\$50,000,000 (not inclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~NT\$100,000,000 (not inclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	7 Persons	7 Persons	7 Persons	7 Persons

Note 1: Refers to the salary of the director, the vice president, other managers and employees in the most recent year, including salary, job addition, severance payment, various bonuses, incentives, travel fees, special expenses, various subsidies, dormitories, car rentals, etc. In the case of the provision of housing, motor vehicles and other means of transport or exclusive individuals, the nature and cost of the assets provided, the actual or at a fair market price, rent, oil and other payments should be disclosed. The figures of this item include NT\$810 thousand as the cost for directors' vehicles provided by the Company, and NT\$3,449 thousand paid to their drivers and retinues.

Note 2: Independent Director Hou Tsaifeng was appointed on June 13, 2024.

(II) Remuneration of president and vice president

December 31, 2024 Unit: NT\$ thousand

Position	Name	Salary(A)		Pension (B)	Bonuses and Allowances (C)		Employees' Compensation (D)				Sum of A, B, C and D and their respective percentages of net income after tax (%)		Compensation from Affiliates Other than Subsidiaries	
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	Companies included in the consolidated financial statements	The Company		All companies included in the financial statements		The Company		All companies included in the financial statements
								Cash Bonus	Stock Amount	Cash Bonus	Stock Amount			
President	Fan Huachun	7,830	7,830	0	0	7,182	11,152	2,150	0	2,150	0	17,162 0.27%	21,132 0.34%	Nil
Development Department Vice President	Liao Zhaoxiong													
Finance Department Vice President	Wang Suyue													
Sales Department Vice President	Chen Qiuwei													

Range of Remuneration

Range of Remuneration Paid for President and Each Vice President of the Company	Name of President and Vice Presidents	
	The Company	All companies included in the financial statements (E)
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~NT\$2,000,000 (not inclusive)	-	-
NT\$2,000,000 (inclusive) ~NT\$3,500,000 (not inclusive)	-	-
NT\$3,500,000 (inclusive) ~NT\$5,000,000 (not inclusive)	Wang Suyue, Liao Chaohsiung, Fan Huachun	Liao Zhaoxiong
NT\$5,000,000 (inclusive) ~NT\$10,000,000 (not inclusive)	Chen Qiuwei	Fan Huachun, Wang Suyue, and Chen Qiuwei
NT\$10,000,000 (inclusive) ~NT\$15,000,000 (not inclusive)	-	-
NT\$15,000,000 (inclusive) ~NT\$30,000,000 (not inclusive)	-	-
NT\$30,000,000 (inclusive) ~NT\$50,000,000 (not inclusive)	-	-
NT\$50,000,000 (inclusive) ~NT\$100,000,000 (not inclusive)	-	-
Over NT\$100,000,000	-	-
Total	4 persons	4 persons

## (III) Managers with Employee Remuneration Distribution

December 31, 2024 Unit: NT\$ thousand

	Position	Name	Stock Amount	Cash Bonus	Total	Ratio of Total Amount to Net Income (%)
MANAGERS	CEO	Zheng Qintian	-	10,500	10,500	0.17%
	Chairman	Cao Yuanbo				
	President	Fan Huachun				
	Special Assistant to Chairman	Cheng Hsiuhui				
	Development Department Vice President	Liao Zhaoxiong				
	Finance Department Vice President	Wang Suyue				
	Sales Department Vice President	Chen Qiuwei				
	Assistant Vice President of Planning Department	Liao Lien-Hui				
	Accounting Department Associate Manager	Li Xiutai				
	Manager of Administration Department and concurrently the Chief of Information Security	Chen Chun-Yan				
	Supervisor of Corporate Governance	Chang Mingwen				
	Director, Department of Planning	Chang Shucheng				
	Assistant Vice President of Planning Department, Kaohsiung Branch Office	Song Guozong				
	Kaohsiung Branch Finance Department Manager	Chen Qiulan				

(IV) Respective analysis of remuneration paid to the Directors, Supervisors, President and Vice Presidents by the Company and all the companies in the consolidated statements in the last two years as a percentage of after-tax profit, as well as description of the remuneration policy, standard and composition, and procedures and connection to business performance for establishing remuneration.

1. Analysis of the ratio of total remuneration paid to Directors, President, and Vice Presidents of the Company to net profit after tax in the financial statements:

Position	2023		2024	
	Ratio of Total Remuneration to Net profit after tax		Ratio of Total Remuneration to Net profit after tax	
	The Company	Companies in the consolidated financial report	The Company	All companies included in the financial statements
Director	1.58%	1.68%	0.59%	0.68%
President and Vice President	0.99%	1.35%	0.27%	0.34%

In 2024, the total remuneration paid to the Company's Directors, President, and Vice Presidents as a percentage of net income after tax decreased compared to 2023, primarily due to an increase in net income after tax in 2024, resulting in a lower percentage than that of 2023.

2. The remuneration policy, standard and composition:
  - (1) The Company has established its Remuneration Committee to make evaluations of the remuneration policy and system of Directors and managers of the Company and provide recommendations to the Board as a reference for decision-making.
  - (2) According to the requirements under Article 24 of the Articles of Incorporation, the Board of Directors shall be authorized to determine the remuneration of the chairperson and directors in accordance with the extent of their participation in and the value of their contributions to the operations of the Company and in the light of the normal level of the industry. In addition, if the Company records any profit of the year, it shall appropriate no more than 1% of the profit before tax as the remuneration of Directors according to Article 29 of the Articles of Incorporation. For Independent Directors, the Board shall determine their monthly fixed remuneration (paid biannually), and they are not involved in the remuneration distribution from the Company's profits.
  - (3) Regarding the remuneration policy of employees, the remuneration is approved based on the individual work experiences, position and duties, work ability and work performance, and financial position and operating status of the Company, and it is positively related to the operating performance. In addition, if the Company records any profit of the year, it shall appropriate no

less than 0.1% of the profit before tax as the remuneration of employees according to Article 29 of the Articles of Incorporation.

- (4) The remuneration policy of managers includes salaries and bonuses. Salaries are reviewed and discussed by the Remuneration Committee by taking into account the internal salary balance of the Company, with reference to the market conditions, and based on the job grade, academic background and work experience, professional ability, duties, and other items, and submitted to the Board for resolution. Bonuses are established based on the profits of the year with reference to the duties, contributions, achievement rate of performance objectives, and the operating performance of the Company of the year, reviewed and discussed by the Remuneration Committee, and submitted to the Board for resolution.
- (5) “Remuneration” as used in the Charter of the Remuneration Committee includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with that of remuneration for directors and managers as set out in the “Regulations Governing Information to be Published in Annual Reports of Public Companies.”

3. Procedures for establishing remunerations:

- (1) The performance evaluation of Directors and managerial officers is conducted in accordance with the Company’s Board Performance Evaluation Method and the Performance Management Guidelines applicable to managers and employees. In determining remuneration, the Company considers not only its overall operational performance, industry risk outlook, and future development trends, but also individual performance achievement and contributions to the Company, in order to ensure reasonable compensation. All relevant performance assessments and the appropriateness of remuneration are reviewed by the Remuneration Committee and approved by the Board of Directors. The compensation system is reviewed as needed, in response to the Company’s actual operating conditions and in compliance with applicable laws and regulations. On December 26, 2024, the Remuneration Committee discussed the performance evaluation policies, systems, and standards for Directors and managerial officers. The current remuneration framework remains aligned with the operational needs of the Company and reflects sound corporate governance practices aimed at balancing sustainable business development and effective risk management. There are six major items for the performance evaluation indicators of Directors: 1. The control of the goals and missions of the Company; 2. awareness of the duties of a Director; 3. the level of involvement to the operation of the Company; 4. internal operation and communication; 5. the Director's professionalism and continuing education; and 6. internal control. There are two major items for the performance evaluation indicators of managerial officers: 1. Financial Indicators: Based on the Company’s internal profit and loss statements, performance is assessed by the profit contributions and allocations of each business group or department, with reference to the

individual manager's target achievement rate; and 2. non-financial Indicators: These include the extent to which managers uphold the Company's core values, demonstrate business management capabilities, and actively participate in sustainable development initiatives.

- (2) The self-evaluation results of the performance of the Board, Board members, and functional committees of the Company in 2024 were "exceeds standards" and "significantly exceeds standards." All Board members have completed annual training hours of at least 6 hours. Additionally, based on the performance evaluation results of the executives for 2024, all managerial officers have either met or exceeded the set target requirements. Moreover, the assessment results based on the Company's annual operational indicators have also reached the highest standards. The Company has fully considered the professional abilities and the operating and financial status of the Company and linked the compensation of Directors and managers to the overall operating performance of the Company, individual performance objective management, and the evaluation score.

#### 4. Linkage to business performance and future risks

The overall operating status of the Company is adopted as the main consideration for the examination of relevant payment standards and systems, and the payment standards are approved based on the achievement rate of performance and level of contributions to improve the overall organization and group functions of the Board, managers, and departments. In addition, we referred to the salary standards within the industry and ensured the salary of our management is competitive within the industry sector to retain outstanding management talents.

The results of the linkage between the Company's operating achievements and the performance and salary of the management positively facilitate the overall performance of the Company, and in turn, maximize shareholders' interest.

Material decisions are made by the management of the Company after considering all risk factors. The performance of relevant decisions is instantly reflected in the profits of the Company and is related to the salary of the management.



### III. Implementation of corporate governance

#### (I) Operation of the board meeting:

In 2024, the Board of Directors convened 13 Board meetings (A) and the attendance of Directors is as follows:

Position	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) [B/A]	Note
Chairman	Run Ying Investment Co., Ltd Representative: Cao Yuanbo	13	0	100%	-
Director	Zheng Qintian	12	1	92%	-
Director	Run Ying Investment Co., Ltd Representative: Fan Huachun	13	0	100%	-
Director	Cheng Hsiuhui	12	1	92%	-
Independent Director	Li Wencheng	13	0	100%	-
Independent Director	Hou Tsaifeng	6	0	100%	Appointed on June 13, 2024
Independent Director	Chen Tachun	13	0	100%	-

Other items to be recorded:

I. If any of the following circumstances occurs in the operation of the board meeting, please indicate the date of the board meeting, the session number, the contents of the motion, the opinions of all independent directors and the company's handling of the opinions of the independent directors:

(I) Matters listed in the Securities Exchange Act, Article 14-5: Nil.

(II) In addition to the aforementioned matters, other matters that have not been approved by the Audit Committee and have been approved by more than two-thirds of all directors: Nil.

II. For the situation where a Director avoids a motion related to his/her own interests, please specify the director's names, the contents of the motion, the reasons for the avoidance of interests and the voting results:

Board Meeting Date	Motion Contents	Reason for Recusal and Voting Result
2024/01/18	Approval of donations to "Highwealth Cultural and Arts Foundation in Taichung" within a cumulative limit not exceeding NT\$203,440,000	<ol style="list-style-type: none"> <li>1. Director Fan Huachun concurrently serves as a Director of the said foundation and therefore has a conflict of interest. In accordance with the law, he recused himself from discussion and voting on this proposal.</li> <li>2. Except for Directors who recused themselves from the discussion and voting in accordance with the law, the remaining five Directors approved and passed the resolution as proposed.</li> </ol>

III. The listed company should disclose the information about the period, duration, range, methods and content of the self (or peer) evaluation of the board of director, and fill the situation of the execution in the following table.

On December 27, 2019, the Board of Directors approved the adoption of the Board Performance Evaluation Method. Since 2020, the Company has conducted regular annual self-assessments or peer evaluations of the Board as a whole and of individual Directors, and reports the results to the Taiwan Stock Exchange Corporation by the end of the first quarter of the following year. The performance evaluation results for the Board of Directors, individual Directors, and functional committees for

fiscal year 2024 were reported to the Board on March 14, 2024. The results were rated as “exceeds standards” or “significantly Exceeds Standards,” clearly demonstrating the Company’s ongoing commitment to enhancing Board effectiveness.

In 2024, all Board members completed more than 6 hours of continuing education annually. On March 14, 2024, the Audit Committee invited a CPA to attend a meeting, during which the Company’s independent Directors, and internal audit supervisors discussed and reviewed the Company’s financial statements.

- IV. The goals for strengthening the board’s function in the current and the previous year (e.g. establishment of an audit committee, promote information transparency), and their implementation.
- (I) Establishment of the Sustainable Development Committee  
On November 14, 2023, the Board of Directors approved the establishment of the Sustainable Development Committee. In 2024, the Committee convened three meetings and established several task groups, including the Inclusive Sustainability Group, Environmental Sustainability Group, Corporate Governance Group, Risk Management and Legal Compliance Group, Occupational Safety and Health Group, Sustainable Supply Chain Group, and Sustainable Innovation Group.
- (II) Strengthening Board Members' Continuing Education  
In 2024, all Board members completed more than six hours of continuing education, including training courses related to corporate governance and sustainable development. For details, please refer to Continuing Education of Directors.
- (III) Strengthened Training for Senior Executives and Employees  
In addition to professional development within their respective roles, senior management and employees received enhanced training related to operational risk and sustainable management.
- (IV) Revision of Various Regulations to Enhance Corporate Governance and Board Functions  
In 2024, the Company revised and enacted a number of regulations and procedures to enhance governance and Board operations. These included amendments to: Rules of Procedure for Shareholders’ Meetings, Procedures for the Acquisition or Disposal of Assets, Procedures for Endorsements and Guarantees, Articles of Incorporation, Rules of Procedure for Board Meetings, and the Audit Committee Charter. The Company also established the Operating Guidelines for the Management of Sustainability Information and the Procedures for the Preparation and Assurance of the Sustainability Report, among others. In addition, the internal control system was amended in accordance with the newly adopted ESG-related operating procedures.

Execution of the performance evaluation of the Board of Directors and functional committees

Period of Evaluation	Duration of Evaluation	Range of Evaluation	Methods of Evaluation	Content of Evaluation	Result of Evaluation
Once annually (Note)	January 01, 2024 to December 31, 2024	Board of Directors	Internal evaluation of the board of directors	(1)The level of involvement to the operation of the Company. (2)The quality of the decision of the Board of Directors. (3)The formation and construction of the Board of Directors. (4)The election and advanced studies of the directors. (5)Internal control	(1)Overall Result: Significantly exceed standards (2)All Board members completed more than six hours of continuing education during the year, including courses related to corporate governance and sustainable development.
		Individual Board members	Self evaluation of the members in the board of directors	(1)The control of the goals and missions of the Company. (2)The recognition of the duty and the participant level to the Company. (3)Internal operation and communication. (4)The specialty and advanced studies of the directors. (5)Internal control	(1)Overall Result: Significantly exceed standards (2)All Board members completed more than six hours of continuing education during the year, including courses related to corporate governance and sustainable development.
		Audit Committee	Self evaluation of the member in committee	(1)The level of involvement to the operation of the Company. (2)Understanding of committee responsibilities (3)Enhancement of decision-making quality of functional committees (4)Committee composition and member selection (5)Internal control	(1)Overall Result: Significantly exceed standards (2)On March 14, 2024, the Audit Committee invited a CPA to attend the meeting and engage in discussions with Independent Directors and the Chief Auditor regarding the audit of financial reports.
		Remuneration Committee	Self evaluation of the member in committee	(1)The level of involvement to the operation of the Company. (2)Understanding of committee responsibilities	Overall Result: Significantly exceed standards

				(3)Enhancement of decision-making quality of functional committees (4)Committee composition and member selection (5)Internal control	
		Sustainable Development Committee	Self evaluation of the member in committee	(1)The level of involvement to the operation of the Company. (2)Understanding of committee responsibilities (3)Enhancement of decision-making quality of functional committees (4)Committee composition and member selection (5)Internal control	Overall Result: Exceed standards

Note: The performance evaluations of the Board of Directors and functional committees were reported to the Board on March 12, 2025.

## (II) The operation of the audit committee

1. The Company's Audit Committee was established on June 13, 2017, to replace the supervisor system. The Audit Committee consists of all Independent Directors. The tenure is 3 years and the committee members are subject to re-election. One of the committee members shall possess accounting or financial expertise. One of the committee members shall be elected as the convener of the committee. The Audit Committee is empowered by its charter to conduct any review or investigation it deems appropriate to fulfill its responsibilities. It has direct communication avenues with the supervisor of the internal audit, the CPAs and all employees of the Company. Its operation is subject to the Audit Committee Charter.
2. The Audit Committee assists the Board of Directors in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company. The Audit Committee is responsible to review the following major matters: Financial Statements, Internal control systems, Material Assets or derivatives transactions, material lending funds, endorsements or guarantees, matters consists of directors' self-interest, offering or issuance of any equity-type securities, hiring or dismissal of an attesting CPA, or the compensation given thereto, appointment or discharge of financial, accounting, or internal auditing officers and etc.

### (1) Review and Check of Financial Statements

The Company's annual business report, financial statements, and proposal for earnings distribution are all reviewed and approved by the Audit Committee before being submitted to the Board of Directors for resolution. Upon approval by the Board, these items are then presented to the Shareholders' Meeting for acknowledgment. Interim financial reports are likewise reviewed and approved by the Audit Committee prior to submission to the Board for resolution.

### (2) Evaluate the Effectiveness of Internal Control System

The self-evaluation results of the internal control system were conducted under routine by different unit within the Company annually and checked by the audit committee. The audit committee shall check the internal control system with the result of operation; goal of efficiency achieved; reliability, timeliness, transparency of the report; effective enact and implementation in accordance to laws and regulations; and to reasonably ensure the achievement of the goals.

### (3) Appointment and Evaluation of CPAs

The Audit Committee shall conduct assessments of CPA professionalism, independence, and reasonableness of audit fees at the end of each fiscal year. The evaluation results of the services provided by the attesting CPAs in 2024 were reviewed and approved by the Audit Committee and the Board of Directors on March 12, 2025, after considering the Audit Quality Indicators (AQI) information, CPAs Yilien Han and Tim Tzang of KPMG Taiwan were found to meet the Company's standards for independence and competence.

The operation of the audit committee

In 2024, the Audit Committee convened twelve (12) meetings (A). The attendance of the Independent Directors is as follows:

Position	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) [B/A]	Note
Independent Director	Li Wencheng	12	0	100%	-
	Hou Tsaifeng	5	0	100%	Appointed on June 13, 2024
	Chen Tachun	12	0	100%	-

Other items to be recorded:

- I. For audit committee meetings that meet any of the following descriptions, state the meeting date, session, the discussed topics, independent directors' opposing or reserved opinions or content on major recommendation, and how the company has responded to such opinions:
  - (I) Matters listed in the Securities Exchange Act, Article 14-5: Nil.
  - (II) In addition to the aforementioned matters, other matters that have not been approved by the Audit Committee and have been approved by more than two-thirds of all directors: Nil.
- II. Should a director recuse himself or herself from a decision for which he or she has a conflict of interest, the name of the director, contents of the resolution, reasons for recusal, and the results of the vote should be noted; If an independent director has any conflict of interest regarding issues discussed during the meeting that could result in harm to the company's interests, the said director shall recuse himself or herself. If this prevents the Committee from coming to a decision, then the situation shall be reported to the Board of Directors and the Board of Directors will make the final decision on said resolution: Nil.
- III. Communication between the independent directors and the internal audit supervisors and accountants (shall include the major issues, methods and results of the Company's financial and business conditions).
  - (I) On March 12, 2025, the Company invited the CPAs to attend the meeting and engage in discussions with the Independent Directors and the Chief Auditor regarding the CPAs' independence, the responsibilities of the audit team in auditing the financial statements, the scope of the audit, and the key audit matters. The CPAs also provided updates and held discussions on major regulatory developments (details available on the Company's website). The 2024 financial statements were reviewed and approved by the Audit Committee and the Board of Directors on March 12, 2025.
  - (II) Internal audit supervisor regularly communicate the audit results with Audit Committee and report in the meeting. If there is any special circumstances will also report to the member of Audit Committee immediately, there is no such condition within the year. The communication between Audit Committee and internal audit supervisor works well.
  - (III) The CPAs of the Company report the result of reviewing financial statement and other communication matters requested by laws and regulations in written or in-person. If there is any special conditions, the CPAs will report to the members of the Audit Committee immediately. There is no such conditions within the year. The communication between the audit committee and the CPAs is well.

(III) Corporate Governance Status, Differences with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
I. Does the company follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and has the company established and disclosed its own Corporate Governance Best Practice Principles?	✓		The Company has established the “Corporate Governance Best Practice Principles” pursuant to a resolution of the Board of Directors on September 23, 2010, and has disclosed them on the Company’s official website.	No significant deviation.
II. The Company's shareholding structure and shareholders' equity				
(I) Does the company stipulate internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement them according to procedures?	✓		(I) There are service units, spokesman, and a mailbox in the Company. The Company handle the problem, such as advices or conflicts of the shareholders, according to the internal procedures. There are functions of complains, reports, and suggestions on the Company’s website. If the problem involves the law, it will be handled by the legal affairs unit.	No significant deviation.
(II) Does the company have a list of the ultimate controllers of the major	✓		(II) At present, most of the major shareholders of the Company are owned by the operation team or their relatives. The Company can grasp	No significant deviation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
shareholders and major shareholders of the actual control company? (III) Does the company establish, implement and control the risk control and firewall mechanism between the enterprises?	✓		the list of major shareholders of the actual control company at any time to ensure the stability of the operation rights. (III)The management authority of personnel, assets and finance between the Company and its related companies is clear, and it does handle risk assessment and establish appropriate firewall mechanisms. Business transactions with affiliated enterprises are conducted based on principles of fairness and reasonableness, following the established "Regulations Governing Financial and Business Operations among Affiliated Enterprises" and other relevant internal control management procedures. The price conditions and payment methods are clearly defined for the signing of the contract, and the unconventional trading situation is prohibited and the interest transfer is prohibited. In addition, the competition behavior of directors and managers is submitted to the shareholders' meeting and the Board of Directors to approve the dismissal of competition	No significant deviation.
(IV) Does the company stipulate internal regulations and prohibit insiders from using the undisclosed information on the market to buy and sell securities?	✓		(IV)The Company has established a "Code of Ethical Conduct" and implemented "Regulations Governing the Prevention of Insider Trading" to strictly prohibit insiders from trading securities using non-public information.	No significant deviation.



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
III. Composition and duties of the Board of Directors (I) Has the board devised and implemented policies and concrete management goals to ensure diversity of its members?	✓		(I) The Board of Directors shall instructs the Company policies and supervise the management. The Board is responsible toward the Company and the Shareholders’ Meeting, with regard to the operation and arrangement of corporate governance systems. The Board shall ensure compliance of regulations and Articles of Incorporation, or exercise its rights in accordance with resolutions passed by Shareholders’ Meeting. The composition of Board members shall incorporate diversification factor. The appropriate diversification policy has been established with regard to the Company's operations, business pattern and development needs. In accordance with the provisions of “Corporate Governance Best Practice Principles”, the Directors shall possess the knowledge, skills and competences for performing their duties. The election of Directors (including Independent Directors) adopts the candidate nomination system (professional knowledge and independence of the Board members). Directors should possess the following abilities: 1. Elementary condition and value: Gender, Ages, Nationality, and cultures, and so on.	No significant deviation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
(II) Does the company voluntarily set up other functional committees in addition to the salary remuneration committee and the audit committee?	✓		<p>2. Professional knowledge and techniques: professional background. (such as law, accounting, industry, financial, sell, or technology), professional skills, and other experiences of industry.</p> <p>3. Business management and crisis management capabilities, industry knowledge, international market perspective, leadership qualities and decision making capability.</p> <p>4. For details on the implementation and targets of board diversity and independence among the members of the Company's Board of Directors, please refer to the "Board Diversity and Independence" section in the annual report. The Company's diversity policy is disclosed on the Company website.</p> <p>(II) The Company has established the Remuneration Committee and the Audit Committee as required by law. Additionally, the Sustainable Development Committee was established on November 14, 2023.</p>	No significant deviation.
(III) Does the company stipulate the performance appraisal methods of the board of directors and their	✓		<p>(III) The Company has established a “Board Performance Evaluation Method” pursuant to a resolution of the Board of Directors on December 27, 2019. Performance evaluations of the Board are conducted annually</p>	No significant deviation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
assessment methods, and conduct performance evaluations every year and regularly?			in the first quarter for the preceding fiscal year. These evaluations include self-assessments by individual Board members, as well as an operational assessment conducted by the secretariat based on established evaluation indicators. The results serve as a reference for determining Directors’ remuneration and for consideration in re-nomination decisions. The items of the self evaluation of the member of the Board of Directors and the audit of performance: Participants to the operation, increasing the quality of the decision of the Board of Directors, the formation and construction of the Board of Directors, the elections and advanced studies of Directors, and internal control. The execution status of the Board of Directors' performance evaluation for 2024 has been disclosed on the Company's website and reported at the Board meeting on March 12, 2025.	
(IV) Does the company regularly assess the independence of the visa accountant?	✓		(IV) The Directors of the Company regularly assess the independence of the independent auditors, and present the consequence to the Board of Directors to consult. The service review content of the CPAs for 2024 includes obtaining AQIs from the CPA’s firm, and the evaluation results were ratified by the Board of Directors and Audit Committee on March 12, 2025. Han Yilien and Tim Tzang, CPAs of	No significant deviation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
			KPMG, are found to be compliant with the independence and competence standard of the Company and thereby qualified to be the attesting CPAs hereto.	
IV. Whether the listing company has set up a corporate governance special (part-time) unit or personnel responsible for corporate governance related matters (including but not limited to providing information required by directors and supervisors to conduct business, and handling matters related to meetings of the board of directors and shareholders meeting in accordance with the law, handling company registration and change registration, making board of directors and shareholders meeting, etc.)?	✓		To enhance corporate governance and improve the effectiveness of the Board of Directors, the Company approved the establishment of a Chief Corporate Governance Officer position by resolution of the Board on March 19, 2019. On November 14, 2022, the Board further resolved to appoint Manager Chang Mingwen as the Chief Corporate Governance Officer, responsible for handling matters related to corporate governance. Chief Corporate Governance Officer, Manager Chang Mingwen, has more than three years of experience in a managerial position related to finance and corporate governance at a public company. The power of corporate governance at least includes holding and preparing agendas for Board of Directors’ meeting and Shareholders’ Meeting; assisting the appointment of Directors and continuous advance studies; providing necessary documents for Directors to executing their business; assisting director to compliance with the laws, regulations and other matters related to Articles of Incorporation and contracts, and etc. To establish sound corporate governance within our company, we have established the "Standard Operating Procedures for Handling Directors' Requests." Summary of Key Responsibilities Carried Out by the	No significant deviation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
			Chief Corporate Governance Officer in 2024: The Chief Corporate Governance Officer was responsible for handling matters related to the convening of Board and Shareholders’ meetings in accordance with applicable laws, preparing meeting minutes, assisting Directors in fulfilling their continuing education requirements, providing necessary information for the execution of their duties, and supporting compliance with applicable laws and regulations, as well as matters set forth in the Articles of Incorporation and related agreements.	
V. Does the company establish communication channels with interested parties (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder areas on the company's website, and respond appropriately to important corporate societies of concern to stakeholders, and responsibility issues?	✓		The Company has appointed a spokesperson and deputy spokesperson to ensure effective communication with stakeholders. A dedicated Stakeholder Section is available on the Company’s official website, providing contact information for specific representatives based on stakeholder categories, including shareholders, customers, suppliers, employees, government agencies, media, and the general public/community. Communication and coordination with other stakeholders—such as landowners, subcontractors, partner banks, and Company employees—are handled by the respective responsible departments. The status of stakeholder communications was reported to the Board of Directors on December 26, 2024.	No significant deviation.
VI. Does the company appoint a	✓		The Company has appointed agency department of Capital Securities	No significant deviation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
professional stock agency to handle the affairs of the shareholders' meeting?			Corporation to handle the affairs of the shareholders' meeting.	
VII. Information disclosure				
(I) Has the company set up a website to disclose financial and corporate governance information?	✓		(I) The Company has set up the website, collects and disclosed the executing information by the responsible departments. ( <a href="http://www.highwealth.com.tw">http://www.highwealth.com.tw</a> ).	No significant deviation.
(II) Does the company adopt other information disclosure methods (such as setting up an English website, appointing a dedicated person responsible for the collection and disclosure of company information, implementing the spokesman system, and posting the company's corporate briefing process on the website, etc.)?	✓		(II) The Company's corporate website primarily features a Chinese version, managed by relevant departments responsible for collecting and disclosing company information. We also enforce a spokesperson system. Information related to investor conferences adheres to legal requirements for announcement, and relevant financial business information is available on the Company's website.	No significant deviation.
(III) Does the Company announce 2 month after the end of the accounting year, declare the		✓	(III) Within statutory deadlines, the Company announces and files quarterly and annual financial reports, as well as monthly operational updates. Going forward,	No significant deviation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
financial report, and announce previously and declare the financial report of the first, second, and the third quarter and the monthly operational situation before the date-line?			we will continue to assess operational conditions and aim to announce and file annual financial reports within two months after the end of the fiscal year.	
VIII. Does the Company have any other important information (including but not limited to employees' rights, employee care, investor relations, supplier relationship, rights and interests of interested parties, training for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and	✓		(I) Employee's rights and interests: the Company adheres to the principle of people foremost and values employees as an important asset of the Company. It has established a complete set of management systems regarding employees' working environment, education and training, so as to integrate the employees' personal interests and the Company's interests under the preconditions of employees' assurance and safety, hoping that employees can make contributions to creating benefits for the Company wholeheartedly. To support employees in planning for retirement, the Company allocates a portion of individual salaries to pension accounts in accordance with the new retirement system mandated by the Bureau of Labor Insurance. An Employee Welfare Committee has also been established to protect employee	No significant deviation.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
supervisors, etc.)?			<p>rights and benefits. On April 6, 2022, the Company adopted the Human Rights Policy and Workplace Code of Conduct to safeguard employee rights and promote sustainable corporate development. In 2024, the Company conducted various training programs, including courses on workplace sexual harassment, human rights protection, and complaint procedures under the Act of Gender Equality in Employment; the three key laws on sexual harassment and gender equality (Sexual Harassment Prevention Act, Gender Equality in Employment Act, and Gender Equity Education Act); and dignified labor across public and private sectors, with a focus on ending workplace bullying. These initiatives aim to enhance human rights awareness and strengthen employee protections. For further details, please refer to the Labor Relations Information section of this Annual Report.</p> <p>(II) Employee Care: The Company prioritizes the safety and health of its employees, offering health care and support services. Employees are entitled to annual health check-ups, employee massage services, and workplace medical services.</p> <p>(III) Investor Relations: the Company adheres to the spirit of</p>	



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
			<p>excellence, technology, integrity and quality, and operates in a proper manner, so as to maximize interests for the investors and increase the return rate of shareholders' equity. The Company's website has a special area for investors, which provides sufficient information for investors' reference.</p> <p>(IV) Supplier relationship: The Company keeps good relations with suppliers and ensures stable contract implantation.</p> <p>(V) Rights and interests of interested parties: The Company has set “The stakeholder Zone” to handle problems and suggestion of the stakeholders, and they can have response efficiently to maintain the legal right they deserve.</p> <p>(VI) Training for the directors and supervisors: The Company has communicated with the Directors (including the Independent Directors) and encouraged them to participate in continuing education to perform their duties.</p> <p>(VII) Implementation of risk management policies and risk measurement standards: The Company’s major operation policies, investments, endorsements and guarantees, loans and bank financing are subject to the assessment of appropriate authorities and the approval of the Board of Directors. The Audit Department</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
			<p>also draws up its annual audit plan in accordance with the risk assessment results to implement the monitoring mechanism and risk management.</p> <p>(VIII) Implementation of customer policy: To provide consumers with real-time product consulting services, the Company set up a customer service hotline and a customer service email address to communicate with customers and safeguard their interests.</p> <p>(IX) Liability insurance purchased for Directors and Supervisors: The Company has purchased Director Liability Insurance with a coverage amount of US\$5 million from Cathay Century Insurance Co., Ltd. The insured period is from June 30, 2024 to June 30, 2025. The key terms and conditions of the policy for the period were reported to the Board of Directors on May 14, 2024.</p>	
<p>IX. IX. Please state the improvements made to the items in the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd., and indicate the enhancement and improvement measures for the items not yet improved (not applicable if not included as a company to be evaluated). The Company has completed the corporate governance self-assessment report for 2024. For any indicators not yet achieved, improvement goals and deadlines have been established based on the Company’s current circumstances. The Company will continue to advance various corporate governance initiatives in an effort to improve its overall evaluation score.</p> <p>(I) Items improved:</p> <ol style="list-style-type: none"> <li>1. The Company has disclosed its greenhouse gas emissions and water usage for the past two years.</li> <li>2. The Company has engaged external 3rd party entities to verify the information on greenhouse gas inventories.</li> </ol>				

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	YES	NO	Summary description	
<div>3. The English version of the Company’s interim financial report is disclosed within two months after the deadline for filing the Chinese version.</div> <div>4. In addition to continuing the development of green building projects, the Company has procured solar energy equipment and invested over NT\$8 million in 2024 to support the development of arts and culture in Taiwan.</div> <div>(II) Priority to enhance according to items that have not been improved:</div> <div>1. The Company will evaluate the establishment of an English-language corporate website that includes information on finance, business operations, and corporate governance.</div> <div>2. The Company will assess the feasibility of holding (or participating in) two investor conferences per year.</div>				

Note 1: Key evaluation indicators for the independence and competence of the attesting CPAs in 2024 are listed as follows:

Highwealth Construction Corporation  
Evaluation Form for CPA Independence and Competence in 2024

- I. Assessment description: According to Article 29 of “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, listed companies should choose the certified public accountants with specialty, responsibility, and independency. The Company should assess the independency of certified public accountants employed regularly(at least one time a year).
- II. Assessment target:

Name of Accountant:	Accountant Han Yilien Accountant Tim Tzang	Name of Accounting firm:	KPMG Taiwan
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- ◎ Content of assessment: Established in accordance with Certified Public Accountant Act, Article 47 and the Norm of Professional Ethics for Certified Public Accountant 10.

Item	Assessment Index	Assessment complies with independency	
		YES	NO
1	As of the latest certification, there is no such case as non-replacement for seven years.	✓	
2	No relationship of stakeholder about property with clients.	✓	
3	Avoid inappropriate relationship with clients.	✓	
4	Accountants should have their assistants honest, justice, and independent.	✓	
5	Do not audit the financial report of the service that accountant serve within two years.	✓	
6	The accountant nominal can not be used by others.	✓	
7	Do not have shares of the Company and its related business.	✓	
8	Do not have affair of money lending with the Company and its related business.	✓	
9	Do not have relationship of joint investment or shared interest with the Company and its related business.	✓	
10	Do not have part-time jobs in the Company and its related business.	✓	
11	Do not involve with the competency of decision in the Company and its related business.	✓	
12	Do not have other business that could lose their independency.	✓	
13	Do not have relationship within couple, lineal relative, lineal relative by marriage, or second-degree relatives with the management officers in the Company.	✓	
14	Do not receive any commissions related to the business.	✓	
15	So far, do not have punishment and affairs damage the principle of independency.	✓	

◎ Assessment of Audit Quality Indicators (AQIs): The CPAs and the audit team possess sufficient audit experiences.

◎ Performance and plans of works

1. Completed the Company's fiscal year 2024 financial and tax attestation engagements on schedule.
2. Provided financial and taxation assurance services from time to time.

◎ Result of assessment

After the assessment, CPAs appointed by the Company do not have any circumstances described in the independence evaluation items above. We confirmed that the CPAs comply with the rules of independence; the CPAs and the audit team possess sufficient audit experience, and the financial reports issued by them are reliable.

(IV) If the company has a remuneration committee, please disclose its composition, duties, and operation:

1. Remuneration Committee Member Information

April 25, 2025

Criterion		Professional qualification and experience	Independence Criteria	No. of other listed companies working as remuneration committee member of
Identity	Name			
1. Independent Director 2. Convener 3. Work experience of more than six (6) years	Li Wencheng	1. Central Police University 2. Division-Chief Judge, Taiwan High Court President of Hualien Local Court President of Taitung Local Court President of Penghu Local Court	1. The Director, the Director’s spouse, or relative(s) within the second degree of kinship has not assumed positions as a Director, Supervisor or employee of the Company or its affiliated companies. 2. The Director, the Director’s spouse, or relative(s) within the second degree of kinship does not hold any shares of the Company. 3. In the most recent two years, no services in commercial, law, finance, or accounting has been provided to the Company or its affiliated companies.	0
1. Independent Director	Chen Tachun	1. Master’s Degree in Political Sciences, Chinese Culture University 2. Associate Professor of National Taichung University of Science and Technology	1. The Director, the Director’s spouse, or relative(s) within the second degree of kinship has not assumed positions as a Director, Supervisor or employee of the Company or its affiliated companies. 2. The Director, the Director’s spouse, or relative(s) within the second degree of kinship owns 29,285 shares of the Company (0.0014%). 3. In the most recent two years, no services in commercial, law, finance, or accounting has been provided to the Company or its affiliated companies.	0



1. Others 2. Work experience of more than six (6) years	Cai Chi- chan	1. Managing director of Hong Li Law Firm 2. Independent conciliator of Labor Affairs Bureau of Taichung City Government	1. The Director, the Director's spouse, or relative(s) within the second degree of kinship has not assumed positions as a Director, Supervisor or employee of the Company or its affiliated companies. 2. The Director, the Director's spouse, or relative(s) within the second degree of kinship does not hold any shares of the Company. 3. In the most recent two years, no services in commercial, law, finance, or accounting has been provided to the Company or its affiliated companies.	1
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## 2. Remuneration Committee Operation Status

- (1) The Remuneration Committee of the Company was established by the approval of the Board of Directors on December 19, 2011.
- (2) The Remuneration Committee comprises three members. The current term started on June 13, 2023 and ends on June 12, 2026.

For 2024, the Remuneration Committee convened three (3) meetings (A), and the member attendance is as follows:

Position	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) [B/A]	Note
Convener (Independent Director)	Li Wencheng	3	0	100%	Nil
Committee Member (Independent Director)	Chen Tachun	3	0	100%	
Member	Cai Chi- chan	3	0	100%	

Other items to be recorded:

- I. If the Board of Directors did not adopt or amend the suggestion of the remuneration committee, please indicate the date and session number of the board meeting, the contents of the motion, the result of the resolution and the Company's handling of the suggestion of the remuneration committee (if the remuneration passed by the board is better than the suggestion of the remuneration committee, please state the difference and the reasons): Not such situation.
- II. If any member had objections or reservations about the resolution of the remuneration committee and there is a record or a written statement, please indicate the date and session number of the remuneration committee meeting, the contents of the motion, all the opinions of the members and how the opinions were handled: Not such situation.

(V) Implementation of sustainable development, and deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
I. Does the company promote sustainable development governance framework and have a unit that specializes (or is involved) in sustainable development? Is the sustainable development unit run by senior management authorized by the board of directors? How is the supervisory status of the board?	✓		<p>(I) By upholding integrity principle and sustainable development, as well as the materiality principle, as the core values of corporate governance, on August 1, 2017, the Board of Directors established and implemented the Corporate Social Responsibility (CSR) Best Practice Principles by resolution. On March 15, 2022, the CSR Best Practice Principles were amended to Sustainable Development Best Practice Principles to provide for CSR and the governance framework of sustainable development promotion.</p> <p>(II) The Board of Directors established the Sustainable Development Committee on November 14, 2023, comprising Chairman Cao Yuanbo, Independent Director Li Wencheng, and Independent Director Chen Tachun. The Committee oversees the Sustainability Promotion Task Force and several functional subgroups, and is responsible for advancing ESG assessments and planning based on their respective roles and responsibilities. ESG-related topics are coordinated and communicated by the Planning Department, which serves as the concurrent responsible sustainability unit. The Committee reports its implementation progress to the Board of Directors at least once annually. In 2024, the Sustainable Development Committee convened</p>	No significant deviation.



Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			<p>three meetings and reported on the implementation of sustainability initiatives, the Sustainability Report, stakeholder engagement, information security risk management, greenhouse gas inventory results, and the development and execution of the Intellectual Property Management Plan aligned with the Company's operational goals. The Committee also approved the greenhouse gas reduction target, aiming for an annual 1% reduction in total emissions under a consistent boundary framework. The Board of Directors is responsible for overseeing sustainable development. In 2024, the Sustainable Development Committee convened three meetings. The 2024 Sustainability Report was approved on August 13, 2024, and a report on the implementation of various sustainability initiatives was presented to the Board of Directors on December 26, 2024.</p> <p>The duties of the Sustainable Development Committee are as follows:</p> <ul style="list-style-type: none"> <li>• Deliberation on sustainable development policies.</li> <li>• Deliberation on the planning and implementation of sustainable development strategies.</li> <li>• Supervision, review, and tracking of the implementation and effectiveness of sustainable development strategy planning and execution.</li> <li>• Addressing other material issues of</li> </ul>	

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			<p>concern to stakeholders, including investors, customers, suppliers, employees, government agencies, society, and media.</p> <ul style="list-style-type: none"> <li>Handling other matters assigned by the Board of Directors. Decisions made by the Sustainable Development Committee are executed by the Sustainability Promotion Task Force and other functional groups.</li> </ul> <p>(III)The Company fulfills its corporate social responsibility and upholds the principle of sustainable development. It discloses risk assessments related to environmental, social, and corporate governance (ESG) issues associated with its operations in the Sustainability Report and on the Company's official website. The Board of Directors regularly reviews performance across all ESG dimensions as a basis for continuous improvement. The Company will continue to implement its corporate responsibility initiatives and refine its sustainability management strategies to realize its long-term vision for sustainable development.</p>	
II. Has the company conducted risk assessment on environmental, social, and corporate governance issues that are relevant to its operations, and	✓		The Company has established the Sustainable Development Best Practice Principles, as resolved by the Board of Directors. Annually, risk assessments are conducted based on materiality principles, encompassing all subsidiaries listed in the consolidated financial statements. Below are explanations of risk strategies concerning environmental, social, and corporate governance issues:	No significant deviation.

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
implemented risk management policies or strategies based on materiality principle?			<p>(I) Product Construction Risk: For hillside land or geologically sensitive areas, the Engineering Department is required to conduct thorough assessments during the early stages. Geological improvement, foundation, and structural engineering measures are implemented to mitigate potential construction risks.</p> <p>(II) Product Design Risk: The Company provides post-sale product warranties and conducts proactive on-site inspections to reduce the likelihood of more severe issues arising.</p> <p>(III) Customer Data Privacy Risk: Customers are provided with a Personal Data Protection Notice, which they sign to acknowledge and consent to the purpose, duration, geographic scope, recipients, and methods of data use.</p> <p>(IV) Market Development Risk: The Company actively explores local consumer needs and develops products tailored to those demands to reduce market entry risk.</p> <p>(V) Financial Investment Risk: A conservative financial strategy is adopted, prioritizing the use of idle funds for loan repayment.</p> <p>(VI) Climate Change Risk: Prior to land acquisition, the Company conducts preliminary evaluations of regional risks such as typhoons and flooding. Additionally, heat hazard prevention programs are promoted among field personnel to reduce climate-related risks and</p>	

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			minimize potential financial losses caused by extreme weather events. A full report on ESG-related operational risks was presented to the Sustainable Development Committee and the Board of Directors on December 26, 2024.	
<p>III. Environmental Issue</p> <p>(I) Does the company set up an appropriate environmental management system, according to the feature of the industry?</p>	✓		<p>(I) The Company recognizes environmental protection as a critical global issue and is committed to addressing the importance of environmental sustainability, resource conservation, and climate change. In its operations, the Company actively implements energy-saving, electricity-saving, and water-conservation measures. All construction site waste is handled by licensed and professional environmental service providers to ensure proper recycling and disposal, reflecting the Company's dedication to green practices. In terms of product design, the Company plans green building projects in accordance with the 2024 Green Building Evaluation Manual issued by the Ministry of the Interior. Using quantifiable standards to assess green buildings, the Company has successfully obtained Green Building Label certifications for several of its projects. (For further details, please refer to the Company's ESG Report.)</p>	No significant deviation.

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
(II) Is the company committed to enhancing efficient use of energy resources, and using reusable materials that produce less impact on the environment?	✓		<p>(II) Office:</p> <p>Implement paper re-use and retain cabinets, glasses, curtains, doors and windows when moving to the new office.</p> <p>Use energy conserving LED lighting and equipment with water conservation certification. Switch off lighting not in use frequently, set air conditioning to 27 degree Celsius and other energy conservation measures</p> <p>Engage in regular exercise.</p> <p>Additionally, besides continuing to promote the use of the reverse side of paper, the Company is reducing paper usage by implementing digital form processes.</p> <p>Product design:</p> <p>The Company formulates planning for green building projects in accordance with the 2024 Green Building Evaluation Manual published by the Ministry of the Interior. Upon using quantification standards to examine green buildings, the Company has managed to apply for Green Building Label successfully (for details, please refer to the ESG Report).</p> <p>For construction methods, the Company adopts aluminum formwork that can be reused up to 300 times, significantly reducing the use of traditional wooden formwork and minimizing the need for construction adjustments.</p>	No significant deviation.

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
(III) Does the company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	✓		<p>Construction wastewater is discharged into government-designated drainage channels after undergoing primary and secondary sedimentation treatments. Additionally, by controlling construction schedules to reduce material wastage, selecting appropriate recycled materials, and separating construction waste from general household garbage, the Company implements effective waste sorting and recycling (for more details, refer to the Company's ESG Report).</p> <p>(III) For potential current and future risks to the Company due to climate change, please refer to the "Implementation of Climate-Related Information" section of this Report. The opportunities and response strategies are as follows:</p> <ol style="list-style-type: none"> <li>1. Improve Water Resource Efficiency: Implementing water-saving measures to reduce operational costs and mitigate the impact of water shortages on operations.</li> <li>2. Establish Risk Management Procedures: Formulating and implementing risk management procedures, with regular reviews to ensure adaptability to emerging risks.</li> <li>3. Obtain Public Sector Incentives and Carbon Emission Reduction Collaborations: Participating in government incentive programs and carbon</li> </ol>	No significant deviation.

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			<p>offset collaborations to reduce potential future costs related to carbon taxes or fees and support progress toward net-zero emissions.</p> <p>4. Utilize Renewable Energy: Install proprietary renewable energy generation equipment to reduce greenhouse gases, mitigate risks of external power shortages, and avoid future potential carbon taxes or fees.</p> <p>5. Enhance Energy Efficiency: During operations, the Company procures the latest energy-saving equipment (e.g., variable frequency air conditioners) and constructs more efficient systems (e.g., energy monitoring systems) to enhance energy efficiency and save operational costs.</p> <p>6. Increase Supply Chain Stability: Identify climate risks, regularly audit, and assist high-risk suppliers to ensure effective risk control. This reduces the risk of supply chain disruptions due to climate changes and enhances supply chain stability, ensuring timely deliveries.</p> <p>7. Local Procurement: Actively develop local suppliers to implement local procurement, reducing management and operational costs, minimizing indirect greenhouse gas emissions from transportation, and creating local employment</p>	

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
(IV) Does the company maintain statistics on greenhouse gas emission, water usage, and total waste volume in the last two years, and implement policies aimed at reducing energy, carbon, greenhouse gas, water and waste?	✓		<p>opportunities and economic prosperity, thus improving the Company's positive image.</p> <p>8. Developing Green Innovative Services/Products: In response to shifting consumer preferences, the Company is introducing environmentally friendly products such as those made with green building materials. The operational sites can procure the latest energy-saving equipment for lighting to achieve energy conservation and environmental protection goals. Furthermore, the Company updates and replaces equipment in its plants, reducing emissions and cost expenses, thereby enhancing operational performance.</p> <p>(IV) The Company actively promotes energy conservation, carbon reduction, and greenhouse gas mitigation measures in response to the impacts of climate change. These efforts include implementing paperless digital workflows in office operations, turning off lights during lunch breaks, flexibly adjusting indoor air-conditioning temperatures, and conducting regular equipment maintenance. The Company has disclosed statistics on greenhouse gas emissions, water consumption, and waste generation over the past two years in its Sustainability Report. Looking ahead, the Company will continue</p>	No significant deviation.



Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			to advocate for energy-saving policies, with a target of reducing carbon emissions by 1% year-over-year under a consistent boundary, thereby contributing to greenhouse gas reduction and long-term corporate sustainability. For detailed explanations and policies regarding greenhouse gas emissions, water usage, and waste management, please refer to the Company's ESG Report and website, as well as the "Implementation of Climate-Related Information" section of this annual report.	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) The Company has established "Human Rights Policy and Workplace Code of Conduct" to protect employee rights and interests, promote sustainability development, fulfil its CSR, ensure the basic human rights of all employees, and support and conform to international human rights standards and principles, e.g. Universal Declaration of Human Rights, as well as closely observing Taiwan labor laws so as to forestall any violation of human rights. The Company's human rights policy applied to all of the unit within the Company, treating employees, customers, suppliers and others with dignity, and provide sufficient educational training to the following content to improve and adjust the management related to	No significant deviation.

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
(II) Does the company set up and practice the measures of employees' welfare (including payment, vacation, and others), and adjust the payment according to the performance of the operation?	✓		the human right issue continuously. The Company focus on the following human right issues: Forbidding From the Use of Child Laborers, Forbidding Forced or Compulsory Labor, Freedom of Religious beliefs, Freedom of association, Against discrimination, bullying and harassment and providing safety, hygiene and healthy working environment. (II) The Company has a reasonable measure of employees' welfare. The policy of payment, vacation, and other welfares are formulated in the policy, and the payment will be adjusted as a reward due to the performance of operations. The Company has established an employee complaint mechanism and pipeline, and properly handled relevant appeal cases. Pursuant to Article 29 of the Company's Articles of Incorporation, employee remuneration shall not be less than 0.1% of the Company's pre-tax profit. In line with operational performance, the Company shares its achievements with employees. The ratio of employee remuneration to pre-tax profit was 1.4% in 2023 and approximately 0.7% in 2024.	No significant deviation.
(III) Whether the company offers both safe and healthy working environment for its employees,	✓		(III) The Company has established a "Human Rights Policy and Workplace Code of Conduct," emphasizing the safety and health of employees. Office facilities are equipped with central air	No significant deviation.

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
and put into practice of safety and health education on a regular basis or not?			<p>conditioning, adequate lighting, and comfortable workspaces. Emergency evacuation routes and exits are clearly marked, elevator systems undergo regular maintenance, fire safety equipment is installed, and the work environment is regularly disinfected and subject to water quality inspections. Access to office areas is controlled by a security system. The Company arranges annual health check-ups for employees and conducts daily pre-construction inspections and training for site personnel. During construction, inspection personnel carry out regular patrols, and after construction, equipment power-off checks are performed. Every site worker, including contractors, completes employee safety and health education, and all relevant labor safety and health regulations are sent to employees' email inboxes.</p> <p>On May 15, 2024, the Company held a training course on "Prevention of Workplace Sexual Harassment and Complaint Procedures under the Act of Gender Equality in Employment," followed by another course on "Three Key Laws on Sexual Harassment and Gender Equality" on December 5, 2024. In addition to annual health screenings and follow-up consultations, the Company provided a total of 11 individual</p>	

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
(IV) Whether an effective career development training project is available for employees or not?	✓		employee health consultation sessions throughout the year. (IV) Relevant internal and external professional education and training are offered to fulfill career skills of employees. Employees are also encouraged to assess their own interests, skills, values, and goals; and communicate with managers regarding personal intentions and career plans for the future.	No significant deviation.
(V) Whether the health and security of the customers, privacy of the clients, and marketing and indication are following the rules, and related consumer and customer protection policies and grievance procedures are available by the company?	✓		(V) The Company abides by relevant laws and international standards regarding its marketing and labeling of products and services. Nothing on cheating, misleading, fraudulence or any other acts that undermine consumer confidence and consumer right damages.	No significant deviation.
(VI) Has the company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental	✓		(VI) The Company has established comprehensive management measures for subcontractors. New suppliers undergo a preliminary review process, and only those who pass this review, which includes assessments of supply capability, scale, industry reputation, and financial credit, are eligible for transactions. Additionally, the	No significant deviation.

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
protection, occupational safety and health, or work rights/human rights issues, and tracked suppliers' performance on a regular basis?			<p>Company conducts evaluations of suppliers at least once a year. These evaluations consider factors such as product delivery time, quality, cooperation/service level, and pricing. Suppliers are also required to comply with regulations regarding safety, health, environmental protection, and human rights, fostering a collaborative effort towards enhancing corporate social responsibility and building sustainable partnerships.</p> <p>Supplier Evaluation: By the end of 2024, procurement units completed the subcontractor evaluation report. Based on a comprehensive assessment of supplier self-evaluations and evaluations by relevant procurement departments, all suppliers were rated as A-grade qualified suppliers.</p> <p>Contractor Management Policy: To ensure that contractors adhere to environmental, health, and safety regulations, and to minimize potential hazards to the public, contractors, on-site personnel, and the environment, the Company mandates that contractors comply with labor safety and health regulations during the construction period in all engineering contracts. Evaluations cover engineering quality, progress, responsibility, coordination and cooperation, crew scheduling, compliance, and financial stability.</p>	

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			<p>Contractor Evaluation: After the completion and acceptance of a project, the Engineering Department fills out relevant supplier evaluation forms and collaborates with related departments to evaluate contractors. Suppliers are required to comply with regulations on occupational safety, health, environmental protection, and human rights, striving together to enhance corporate social responsibility and establish sustainable development partnerships.</p> <p>Before contractors commence work on a project, they must complete a minimum of 6 hours of "Occupational Safety and Health Education and Training." If any contractor personnel are found not to comply, the Company immediately assists them in completing the required training before they can proceed with the project. Additionally, a pre-construction briefing and training meeting is held daily to cover safety and health precautions for the day's tasks. Personnel are assigned to inspect construction activities daily to prevent violations of occupational safety and health regulations. In 2024, the Company carried out construction work on a total of 38 projects, with all on-site personnel in compliance with the aforementioned safety and training requirements. A total of 13,870 pre-</p>	

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			construction meetings were conducted throughout the year. Beginning in 2025, the Company has launched its Sustainable Supply Chain Initiative, aiming to collaborate with suppliers in promoting the principles of sustainable development.	
V. Does the company prepare sustainable development report or any report of non-financial information based on international reporting standards or guidelines? Has the assurance or guarantee opinion been obtained from a third-party verification institution for the abovementioned report?	✓		The information of the Company's Sustainability Report discloses non-financial information with reference to the general international preparation standards or guidelines. The preparation of the Sustainability Report prepared will improve the reliability of the information on stakeholders, and we will obtain the assurance from a third-party verification institution - Ernst & Young.	No significant deviation.
VI. If the company has established sustainable development principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: The Company has established the Sustainable Development Best Practice Principles and designated the Administration Department as the concurrent unit taking charge. The Department of Planning shall assist in preparing the Sustainability Development Report. On November 14, 2023, we formed the Sustainable Development Committee, which consists of various functional groups responsible for promoting ESG practices,				

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																						
	YES	NO	Summary description																							
conducting assessments, and planning within their respective areas of authority. This committee facilitates communication and integration of relevant issues across departments, enabling the Company to comprehensively review current performance and plan for the future. Overall, no significant deviation.																										
VII. Other information useful to the understanding of sustainable development promotion:																										
<div>1. Environmental protection: The wastes of the Company's various construction sites are fully contracted and handled by professional and legal environmental protection companies. Each site has a director who is responsible for rectification and environmental maintenance management.</div> <div>2. Community participation: Participate in all the cases to distinguish the owner's meeting, the guiding management committee to operate normally, and provide community services, strengthen the TMO function, promote to the non-construction community, the permanent adoption of the park near the construction case and the public park of the non-construction park adoption.</div> <div>3. Social contribution, social service, social welfare: Apart from being committed to the development of the industry, the Company and its subsidiaries have not forgotten to give back to the community, and to practice the corporate spirit of "taking it from society and using it in society". In recent years, the Company has continued to promote caring for the disadvantaged and investing considerable resources and donations. In 2024, various donor activities were held consistently as follows:</div>																										
Unit: NT\$ Dollar																										
<table><tr><th>Donation receiving party</th><th>Amount</th></tr><tr><td colspan="2">Social Welfare</td></tr><tr><td>Association of Cross-Strait Exchange Athletics, Culture and Education</td><td>2,850,000</td></tr><tr><td>Taiwan Creative Content Agency (TAICCA)</td><td>3,000,000</td></tr><tr><td>Taichung Ci-Xin Charity</td><td>52,180</td></tr><tr><td>Taipei City Wenshan District Mingdao Elementary School</td><td>50,000</td></tr><tr><td>Taipei Urban Development Exchange Association</td><td>30,000</td></tr><tr><td>Kao-Yuan Vocational High School</td><td>10,000</td></tr><tr><td>Sinshang Elementary School, Zuoying District, Kaohsiung City</td><td>622,800</td></tr><tr><td>National Taichung University of Science and Technology</td><td>113,040</td></tr><tr><td>Jianshan Junior High School, New Taipei City</td><td>50,000</td></tr></table>					Donation receiving party	Amount	Social Welfare		Association of Cross-Strait Exchange Athletics, Culture and Education	2,850,000	Taiwan Creative Content Agency (TAICCA)	3,000,000	Taichung Ci-Xin Charity	52,180	Taipei City Wenshan District Mingdao Elementary School	50,000	Taipei Urban Development Exchange Association	30,000	Kao-Yuan Vocational High School	10,000	Sinshang Elementary School, Zuoying District, Kaohsiung City	622,800	National Taichung University of Science and Technology	113,040	Jianshan Junior High School, New Taipei City	50,000
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Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			Taichung Medical Clinics Association	20,000
			Taipei Municipal Minzu Junior High School	50,000
			Legislative Assistants Union of Taipei City	20,000
			St. Joseph Technical High School	15,000
			Tainan Municipal Anping District Yizai Elementary School	50,000
			Fu Jen Catholic University	200,000
<p>4. Consumer Rights: While maintaining normal operations and maximizing the interests of shareholders, we will also build a qualified, legal and national security regulations and environmental protection policies, and pay attention to consumer rights, community environmental protection and public welfare issues, and irregular customer satisfaction. Investigate, for projects with poor satisfaction, in conjunction with relevant departments, review the lack of improvement, to improve product quality and customer satisfaction, so that consumers can buy peace of mind, rest assured, and pay attention to the Company's social responsibility.</p> <p>5. Human rights, safety and health: To care for the retirement lives of employees, the Company has appropriated pension from the employee salary to their individual accounts at the Bureau of Labor Insurance based on the new pension system in hopes of assisting employees in securing a worry-free retirement life. The Company has also established the Staff Benefits Committee to ensure employee rights and interests. Safety and health technical staff, operational supervisors or construction safety evaluation personnel are designated to provide a safe and healthy workplace. Regular training is also provided for them. The Company has established "Human Rights Policy and Workplace Code of Conduct" to protect employee rights and interests, promote sustainability development, fulfil its CSR, ensure the basic human rights of all employees, and support and conform to international human rights standards and principles.</p> <p>6. Issues, communication channel, and way of replying that stakeholders pay attention to: Highwealth values engagement with relevant stakeholders to better understand their perspectives and foster effective communication. Through internal discussions and insights gleaned from peer industry players, the Company categorizes stakeholders into: employees, investors, customers, suppliers, government agencies, media, communities, and society at large. In its operating model, Highwealth engages with stakeholders through various communication channels. Key issues of concern and the contact information for each stakeholder group are disclosed on the Company's official website (<a href="https://www.highwealth.com.tw">https://www.highwealth.com.tw</a>).</p>				

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	

A report on stakeholder communication activities for 2024 was presented to the Board of Directors on December 26, 2024.

### VIII.Implementation of Climate-Related Information:

Item	Execution
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>In response to the high uncertainty of climate and the rapid changes in policies and markets, the consolidated Company regularly convenes senior executives from various departments to identify significant climate risks and opportunities. The Company also evaluates the potential risks of floods, droughts, typhoons, and high temperatures on construction projects across different regions. This approach aims to understand climate changes and market dynamics more comprehensively, considering the overall operational strategy planning.</p> <p>The Board of Directors has established a "Sustainable Development Committee," composed of two board members with expertise in corporate sustainability authorized by the board, as well as the Chairman. This committee meets biannually to formulate, promote, and strengthen major sustainability policies (including climate-related issues) within the group. It reviews, tracks, and revises the implementation and effectiveness of sustainable development actions and reports to the Board of Directors.</p> <p>The Committee oversees several functional task forces, including those focused on climate-related issues: the Inclusive Sustainability Group, Environmental Sustainability Group, Sustainable Supply Chain Group, and Risk Management and Legal Compliance Group. These groups are tasked with managing environmental systems, ensuring compliance with environmental regulations and international standards, evaluating sustainability transitions, improving resource efficiency, developing climate response mechanisms, assessing climate-related risks, and monitoring regulatory developments related to climate risk in the industry. Climate-related risks are categorized into physical risks and transition risks. Identified risks are integrated into the overall risk management framework of the consolidated entities.</p> <p>The Sustainable Development Committee convenes biannually and the Board of Directors meets annually to discuss climate-related issues and review climate risk reports. In addition, the progress of greenhouse gas inventories is reported to the Board on a quarterly basis.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weather events and transformative actions.	<p>1. Physical Risks</p> <p>(1) Acute Risks: Including extreme weather events, rising raw material costs, and power supply disruptions. Potential impacts on the Company:</p> <ul style="list-style-type: none"> <li>Extreme weather affecting the operation of facilities or equipment within the scope of operations, causing equipment damage, affecting employee commutes, or reducing production efficiency, leading to delays in the original schedule.</li> <li>Rise in raw material costs due to climate change include: Increased costs for importing raw materials such as stone and building materials, product transportation, and changes in port congestion and logistics, potentially leading to additional costs.</li> <li>Extreme weather causing power shortages or government policies restricting power supply, leading to operational disruptions.</li> </ul> <p>(2) Long-Term Risks: These include the rise in average temperatures. Possible impacts on the company are:</p> <ul style="list-style-type: none"> <li>The rise in average temperatures can lead to increased shutdowns, reduced work efficiency, or worker heat exhaustion, negatively impacting labor productivity and increasing costs (e.g., health, safety, attendance), disrupting Company operations and delaying scheduled activities.</li> </ul> <p>2. Transition Risks</p>



Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies										
	YES	NO	Summary description											
			<p>(1) Regulatory aspect: Includes mandatory regulations on products and services, increased costs of greenhouse gas emissions, and stricter renewable energy regulations. Possible impacts on the company are:</p> <ul style="list-style-type: none"> <li>• More stringent international and domestic environmental regulations (e.g., waste recycling, wastewater discharge, noise control) may increase environmental fees, management costs, and penalties for non-compliance.</li> <li>• Regulations for greenhouse gas emissions and the implementation of carbon taxes and fees internationally and domestically may impact the Company's compliance costs.</li> <li>• Stricter future renewable energy regulations could increase electricity costs, including the construction or purchase of green energy and higher electricity prices due to government-promoted green energy usage.</li> </ul> <p>(2) Market aspect: Changes in consumer preferences. Possible impacts on the company are:</p> <ul style="list-style-type: none"> <li>• Changes in consumer preferences towards green products due to environmental trends may require investment in personnel and equipment to produce products that meet consumer expectations, leading to increased manufacturing costs.</li> </ul> <p>(3) Reputational: Impact on corporate image Possible impacts on the company are:</p> <ul style="list-style-type: none"> <li>• Negative or insufficient performance in climate action, energy conservation, and carbon reduction may cause customers or the public to question the Company's brand, affecting stakeholder cooperation, recruitment, long-term investment willingness, and corporate image.</li> </ul>											
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.			<p>To strengthen risk evaluation and reinforce risk management capabilities, the Board of Directors resolved on November 14, 2023, to establish the Sustainable Development Committee, under which the Risk Management and Legal Compliance Group was formed. This group, in coordination with other departments, is responsible for identifying and managing business risks—including those associated with physical and transition risks from climate change—and proposing corresponding mitigation measures.</p> <p>The Board has also adopted the Risk Management Policy, under which the Risk Management and Legal Compliance Group coordinates the Company's risk-related activities. It supports and monitors cross-departmental efforts, fosters risk awareness at all levels, and submits an annual report to the Board outlining implementation and control results. The Board also supervises and reviews the management team's performance in risk control to further enhance the Company's resilience.</p>											
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.			<p>Facing the ever-changing industry environment, to effectively address the environmental, social, and governance risks that may arise in operations and reduce the impact of risk events, Highwealth implements risk management with two main focuses: "pre-risk identification" and "post-crisis management mechanisms." This is aimed at timely response and handling of related events. Each department regularly holds cross-departmental meetings to report identified risks to the Chairman's Office. The Chairman's Office convenes responsible units to discuss the severity of the impacts, identify significant risks, and develop response measures. Each department then tracks and manages these risks. Related measures are described below:</p> <table> <tr> <th>Type</th><th>Scenario</th><th>Risk Description</th><th>Potential Impact</th><th>Countermeasures</th></tr> <tr> <td>Physical Risks</td><td>Extreme Weather Events</td><td>Extreme weather affecting the operation of facilities or equipment within the scope of operations,</td><td>Climate Change Response Measures and Associated</td><td>Allocates funds as a precautionary measure to prevent asset damage, operational</td></tr> </table>	Type	Scenario	Risk Description	Potential Impact	Countermeasures	Physical Risks	Extreme Weather Events	Extreme weather affecting the operation of facilities or equipment within the scope of operations,	Climate Change Response Measures and Associated	Allocates funds as a precautionary measure to prevent asset damage, operational	
Type	Scenario	Risk Description	Potential Impact	Countermeasures										
Physical Risks	Extreme Weather Events	Extreme weather affecting the operation of facilities or equipment within the scope of operations,	Climate Change Response Measures and Associated	Allocates funds as a precautionary measure to prevent asset damage, operational										

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.			causing equipment damage, affecting employee commutes, or reducing production efficiency, leading to delays in the original schedule.	Costs disruptions, or supply chain interruptions. Monitoring water conditions via the Water Resources Agency's real-time data and formulating drought response plans. Enhance resilience through business continuity management to reduce disaster risks and improve responsiveness.
			Increasing Material Costs Rise in raw material costs due to climate change include: Increased costs for importing raw materials such as stone and building materials, product transportation, and changes in port congestion and logistics, potentially leading to additional costs.	Rising building material costs could erode operating profits. Increase the proportion of local procurement and maintain backup supply sources to ensure supply chain stability. Ensure multiple supply sources and establish supplier code of conduct management.
			Supply Chain Disruptions Address potential energy supply disruptions caused by factors like extreme weather or government policies limiting power supply.	Prepare for revenue losses due to events such as temporary suspensions of operations. Implement energy management measures to stabilize operations and enhance overall competitiveness.
			Rise in Average Temperature The rise in average temperatures can lead to increased shutdowns, reduced work efficiency, or worker heat exhaustion, negatively impacting labor productivity and increasing costs (e.g., health, safety, attendance), disrupting Company operations	Increase in electricity consumption and carbon emissions, resulting in increased transportation costs. Regularly review electricity consumption and set reduction targets. Reduce equipment usage during off-peak hours or switch to intermittent operation. Install facilities such as awnings to prevent heat

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			and delaying scheduled activities.	exhaustion among employees.
			Address transition risks related to mandatory regulations for products and services.	Prepare for increased costs associated with stricter international or domestic environmental regulations (such as waste recycling, wastewater discharge, noise pollution, etc.).
			Allocate additional expenses for internal corporate transitions to comply with regulations. The cost of installing energy-saving systems and procuring energy-saving equipment.	Establish sustainable procurement criteria to ensure compliance with government regulations. Replace aging and high-energy-consuming equipment.
			Transition Risks	Through energy-efficient lighting equipment, lighting time control, and air conditioning temperature control, electricity consumption and greenhouse gas emissions are reduced. By implementing Building Information Modeling (BIM) and aluminum formwork construction methods, construction standardization is achieved, saving construction time and costs, reducing material waste, and continually introducing green building products.
			Increased costs associated with greenhouse gas emissions	Paying carbon fees increases operational costs. Violating regulatory requirements may result in fines, leading to increased operating expenses.
			More stringent regulations on	Cost from purchasing renewable energy and green energy
			With more stringent regulations on renewable energy, the Company anticipates potential increases in	Installing solar photovoltaic panels contributes to constructing a low-carbon society

Item of promotion	Execution				Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	
	YES	NO	Summary description			
		renewable energy	electricity costs under existing electricity demands (e.g., costs for establishing/purchasing green energy, government-promoted green energy usage leading to increased electricity fees).	certificates. Resources invested in promoting corporate green transformation.	and city, while incorporating heat exchangers and air conditioning systems enhances efficiency.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company currently does not utilize internal carbon pricing as a planning tool.					
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>To promote greenhouse gas reduction, the Company has set a target of reducing total GHG emissions (Scope 1 and Scope 2) by 1% annually, based on a consistent organizational boundary.</p> <p>(1) The building's exterior features energy-efficient glass with shading coefficient and reflectivity, sunshades, roof insulation, natural ventilation design, and heat-insulating materials to reduce energy consumption.</p> <p>(2) Solar energy is maximized by using energy-efficient building envelopes to minimize air conditioning usage. Wind cooling systems are strategically placed based on local climate conditions. Based on the local climate, air cooling systems are configured using the principles of natural ventilation.</p> <p>(3) Energy-saving in Air Conditioning Systems: The building is oriented north-south, with a suitable number of exterior windows to facilitate natural ventilation in summer and reduce the entry of cold air in winter, thus minimizing the use of air conditioning equipment.</p> <p>(4) Energy-saving in Lighting Systems: High-efficiency and LED lighting fixtures are used. Night-time lighting adopts a three-stage design to reduce energy waste and lower the electricity costs shared by residents.</p> <p>(5) Installing Solar Photovoltaic Panels: These panels help construct a low-carbon society and city, creating a new energy-saving and carbon-reducing image. The installation of total heat exchangers paired with air conditioning systems increases the efficiency of the air conditioning system.</p> <p>(6) Standardizing Construction Through BIM and Aluminum Formwork Methods: This approach saves valuable construction time and costs, reduces errors, minimizes material waste, and continues to promote green building products.</p> <p>In Office Management: Energy-saving lighting equipment, lighting time control, and air conditioning temperature control (air conditioning temperature in office spaces should not be lower than 26°C) are implemented to reduce electricity consumption and greenhouse gas emissions. Water-saving devices are also used.</p> <p>2023 GHG Emissions (Scope 1, Scope 2):</p> <p>(1) Total emissions: 1,141.0577 tCO<sub>2</sub>e (assured by a third party)</p> <p>(2) Emission intensity: 0.0259 tCO<sub>2</sub>e / NT\$1 million in revenue</p> <p>2024 GHG Emissions (Scope 1, Scope 2, Scope 3):</p> <p>(1) Total emissions: 23,155.6999 tCO<sub>2</sub>e (not yet assured)</p>					



Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
			(2) Emission intensity: 0.6270 tCO <sub>2</sub> e / NT\$1 million in revenue Inventory Completion Progress: The Company completed its 2024 GHG inventory in March 2025 and expects to finalize third-party assurance by the end of May 2025.	
9. Greenhouse Gas Inventory and Assurance, Reduction Goals, Strategies, and Specific Action Plans (Filled in 1-1 and 1-2).			For details, please refer to the following.	
<b>1-1. GHG Inventory and Assurance Status for the Past Two Years</b>				
<b>1-1-1. GHG Inventory Information</b> Describe the greenhouse gas emissions (in metric tons of CO <sub>2</sub> e), emission intensity (tCO <sub>2</sub> e per NT\$ million in revenue), and the organizational boundary (data coverage) for the past two years.				
<p>2023</p> <p>(1) Direct (Scope 1) GHG emissions: 110.4596 tCO<sub>2</sub>e (Boundary: Parent company)</p> <p>(2) Energy Indirect (Scope 2) GHG emissions: 1,030.6598 tCO<sub>2</sub>e (Boundary: Parent company)</p> <p>(3) Other indirect (Scope 3) GHG emissions: Not available; no data collected</p> <p>(4) Emission intensity: 0.0259 tCO<sub>2</sub>e / NT\$1 million in revenue</p> <p>2024</p> <p>(1) Direct (Scope 1) GHG emissions: 3,726.3810 tCO<sub>2</sub>e (Boundary: Parent company and subsidiaries)</p> <p>(2) Energy Indirect (Scope 2) GHG emissions: 16,060.6249 tCO<sub>2</sub>e (Boundary: Parent company and subsidiaries)</p> <p>(3) Other indirect (Scope 3) GHG emissions: 3,368.6940 tCO<sub>2</sub>e (Boundary: Parent company and subsidiaries)</p> <p>(4) Emission intensity: 0.6270 tCO<sub>2</sub>e / NT\$1 million in revenue</p> <p>Note: Scope 3 includes inventory of Categories 4.</p>				
<b>1-1-2. GHG Assurance Information</b> Describe the assurance status for the most recent two years as of the annual report publication date, including assurance scope, assurance agency, assurance standards, and assurance opinions.				
<p>2023 GHG inventory assurance data:</p> <p>(1) Assurance Scope: Limited assurance was conducted for Category 1 (Scope 1 – direct emissions) and Category 2 (Scope 2 – energy indirect emissions), and a limited assurance report was issued.</p> <p>Direct (Scope 1) GHG emissions: 110.4596 tCO<sub>2</sub>e (Boundary: Parent company)</p> <p>Energy indirect (Scope 2) GHG emissions: 1,030.6598 tCO<sub>2</sub>e (Boundary: Parent company)</p> <p>Other indirect (Scope 3) GHG emissions: Not available; no data collected</p> <p>(2) Assurance Provider, Standards, and Opinion:</p> <p>Based on the procedures performed and evidence obtained by Ernst &amp; Young for the period from January 1 to December 31, 2023, no material misstatements were identified in the Company's GHG assertions for Category 1 and Category 2 that would require material modification under ISO 14064-1.</p> <p>As of the publication date of this report, assurance for 2024 has not yet been completed. Full assurance information will be disclosed in the upcoming ESG Report.</p>				
<b>1-2. GHG Reduction Targets, Strategies, and Action Plans</b> Describe the GHG emissions baseline year and its data, the reduction targets, strategies, and specific action plans, as well as the status of target achievement.				

Item of promotion	Execution			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	YES	NO	Summary description	
<p>To promote greenhouse gas (GHG) reduction, the Company has set a target of reducing total GHG emissions by 1% annually, based on a consistent organizational boundary. In 2024, total GHG emissions (not yet assured by a third party) increased by 22,014.6422 tCO<sub>2</sub>e, representing a 1,929% increase compared to 2023. However, this increase resulted from an expanded inventory boundary in 2024, which includes subsidiaries and adds Scope 3 Categories 4 emissions.</p> <p>Strategies and Specific Actions:</p> <p>(1) The building's exterior features energy-efficient glass with shading coefficient and reflectivity, sunshades, roof insulation, natural ventilation design, and heat-insulating materials to reduce energy consumption.</p> <p>(2) Solar energy is maximized by using energy-efficient building envelopes to minimize air conditioning usage. Wind cooling systems are strategically placed based on local climate conditions. Based on the local climate, air cooling systems are configured using the principles of natural ventilation.</p> <p>(3) Energy-saving in Air Conditioning Systems: The building is oriented north-south, with a suitable number of exterior windows to facilitate natural ventilation in summer and reduce the entry of cold air in winter, thus minimizing the use of air conditioning equipment.</p> <p>(4) Lighting System Efficiency: Install high-efficiency and LED lighting. Apply a three-stage lighting scheme for nighttime exterior illumination to reduce energy waste and lower shared electricity costs for residents.</p> <p>(5) Installing Solar Photovoltaic Panels: These panels help construct a low-carbon society and city, creating a new energy-saving and carbon-reducing image. The installation of total heat exchangers paired with air conditioning systems increases the efficiency of the air conditioning system.</p> <p>(6) Standardizing Construction Through BIM and Aluminum Formwork Methods: This approach saves valuable construction time and costs, reduces errors, minimizes material waste, and continues to promote green building products.</p> <p>(7) Office Energy and Water Management: Improve energy efficiency in offices through LED lighting, controlled lighting schedules, and air-conditioning temperature management (maintaining indoor temperatures at no lower than 26°C). Water-saving fixtures are also used to reduce energy and GHG emissions.</p>				



# (VI) Operational Status of the Sustainable Development Committee

## 1. Information on members of the Sustainable Development Committee

April 25, 2025

Criterion		Professional qualification and experience	
Identity	Name	Education and experience	Sustainability and corporate governance course study status
Chairman	Cao Yuanbo	1. Specialized class 43, ROC Military Academy 2. Chairman of Highwealth Construction	1. 2024 Cathay Sustainable Finance and Climate Change Summit 2. Protection of business secrets
Independent Director	Li Wencheng	1. Central Police University 2. Division-Chief Judge, Taiwan High Court President of Hualien Local Court President of Taitung Local Court President of Penghu Local Court	1. Building Knowledge for the Carbon Era – Sustainability Advocacy Session 2. Green Chemistry - Ensuring Sustainability 3. Ten Lectures for Corporate Governance 4. Review of Merger and Acquisition, and Director Responsibilities 5. Taishin 30 Sustainability and Net-Zero Summit - Transform to Net-Zero and Realize Sustainability by 2030 6. Director Responsibilities in Corporate Control Disputes – Focusing on Shareholder Rights
Independent Director	Chen Tachun	1. Master's Degree in Political Sciences, Chinese Culture University 2. Associate Professor of National Taichung University of Science and Technology	1. 2024 Cathay Sustainable Finance and Climate Change Summit 2. Protection of business secrets

## 2. Operations of the Sustainable Development Committee

- (1) The Company's Sustainable Development Committee was established by a resolution of the Board of Directors on November 14, 2023.
- (2) The Company's Sustainable Development Committee consists of three members. The current term of the committee is from November 14, 2023, to June 12, 2026.

For 2024, the Sustainable Development Committee convened three (3) meetings (A), and the member attendance is as follows:

Position	Name	Actual no. of meetings attended (B)	No. of meetings with entrusted attendance	Actual attendance rate (%) [B/A]	Remarks
Convener (Chairman)	Cao Yuanbo	3	0	100%	Nil
Committee Member (Independent Director)	Li Wencheng	3	0	100%	
Committee Member (Independent Director)	Chen Tachun	3	0	100%	

(VII) Enforcement of business integrity, deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies

Evaluation Item	Implementation Status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies
	YES	NO	Summary description	
<p>I. Establishment of ethical corporate management policies and solutions</p> <p>(I) Does the company set the policy of trust management pass by the board of directors and express its commitment to the policies and practices of integrity management in its regulations and in the external documents, and do the board of directors and the management actively implement the business policies?</p>	✓		<p>(I) The Company has established Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct by resolution of Board of Directors. Reviews and amendments are conducted regularly in accordance with the law and regulations. To strengthen the concept of ethical business practices, directors, managerial officers, and employees are required to undergo ongoing education and training. In support of the Company's integrity management policies and commitments, internal training was conducted on December 5, 2024, during which a law firm was invited to provide instruction on risk and ethical business practices through a session titled “Legal Disputes in the Construction Industry”, delivered via video conferencing across the northern, central, and southern regions. For additional training and development programs, please refer to the section on Education and Training for Directors,</p>	No significant variances

Evaluation Item	Implementation Status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies
	YES	NO	Summary description	
(II) Has the company developed assessment mechanism for risks of unethical conduct? Does the company perform regular analyses and assessments on business activities that are prone to higher risk of misconduct, and implement preventions against dishonest conducts that include at least the measures mentioned in "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", Article 7, Paragraph 2?	✓		Managerial Officers, and Employees. (II) The Company has established "Ethical Corporate Management Best Practice Principles". Furthermore, "Code of Ethical Conduct" and "Regulations Governing Human Resource Management" and "Procedures for Ethical Management and Guidelines for Conduct" clearly provide the code of conduct for all employees. The Company also performs regular analyses and assessments on business activities that are prone to higher risk of misconduct, and requires all employees to commit to regulatory and ethical compliance, so as to protect Company assets, interests and image.	No significant variances
(III) Has the company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a	✓		(III) The Company has established "Code of Ethical Conduct", "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct". The Company also complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act and regulations applicable to public firms to provide for	No significant variances

Evaluation Item	Implementation Status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies
	YES	NO	Summary description	
regular basis?			disciplinary actions for violations and establish a complaint system so as to uphold the basic principles of ethical corporate management. The necessity to make amendments to the aforementioned law and regulations shall be reviewed depending on circumstances. The implementation of compliance is disclosed on the Company website.	
II. Implementation of integrity management				
(I) Does the company assess the integrity record of its business partner, and stipulate the terms of conduct on integrity in the contract with the business partner?	✓		(I) The Company conducts commercial activities on the principle of fairness and transparency. When signing a contract with others, the legal personnel review the terms of the contract, and the contractual content will strengthen the relevant provisions of the integrity clause.	No significant variances
(II) Does the company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress regarding implementation of business integrity policy and prevention against dishonest conducts to the board	✓		(II) The Company except establishing the audit unit belongs to the Board of Directors and assign the management department and legal affairs department to in charge CSR and evaluating whether the Company had disobeyed the CSR. The Company, in accordance with the Ethical Corporate Management Best Practice Principles and related internal regulations, reviews the implementation, interpretation,	No significant variances

Evaluation Item	Implementation Status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies
	YES	NO	Summary description	
of directors on a regular basis (at least once a year)?			and consultation practices of each department concerning integrity management. The results are reported to the Board of Directors on an annual basis. Directors, managerial officers, and employees strengthen their understanding of integrity management through ongoing education and training in order to uphold the Company's ethical policies and commitments. The Company also regularly organizes annual training sessions on integrity-related topics. On December 5, 2024, an internal training program was conducted, during which a law firm was invited to deliver a video conference course titled "Legal Disputes in the Construction Industry," broadcast to the northern, central, and southern regions. For information on other training and continuing education activities, please refer to the section on Education and Training for Directors, Managerial Officers, and Employees. On December 26, 2024, the implementation status of the Company's ethical corporate management practices was reported to the Board of Directors.	
(III)Has the company formulated policies to prevent conflicts of	✓		(III)The "Rules and Procedures of the Board of Directors Meetings" of the Company has a recusal system	No significant variances

Evaluation Item	Implementation Status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies
	YES	NO	Summary description	
<p>interest, provided appropriate channels for statements and implemented them?</p> <p>(IV)Has the company implemented effective accounting policy and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans</p>	✓		<p>to tackle conflict of interest for the Directors. Directors or the juristic person(s) represented by Directors who have conflict of interest in the resolutions listed shall explain the material content of the conflict of interest to the Board of Directors. For example, if it is harmful to the interests of the Company, they shall not participate in the discussion and voting, and shall recuse themselves from the discussion and voting. Furthermore, they shall not act as an agent to exercise the voting rights on behalf of other Directors. The Board of Directors and management should commit to actively implementing integrity management. The company has also established the "Procedures for Ethical Management and Guidelines for Conduct" which are thoroughly executed in both internal management and external business activities.</p> <p>(IV)The Company has established an effective accounting system and internal control system. Staff and shareholders can communicate with auditors through e-mail. Internal auditors regularly check the audit plan according to the audit plan, report to the Board of Directors and track the improvement of subsequent units</p>	No significant deviation.

Evaluation Item	Implementation Status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies
	YES	NO	Summary description	
<p>based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against unethical conduct?</p> <p>(V) Does the company organize internal or external training on a regular basis to maintain business integrity?</p>	✓		<p>to ensure the implementation of integrity management and avoid fraud. The internal audit supervisors attend the Board of Directors meeting and Audit Committee meeting regularly, and report on the operation of auditing.</p> <p>(V) Directors, managerial officers, and employees enhance their understanding of ethical corporate management through ongoing education and training to implement the Company's policies and commitments to integrity. The Company also holds regular annual training sessions on ethical management. On December 5, 2024, an internal training session was conducted, during which a law firm was invited to deliver a video course titled "Legal Disputes in the Construction Industry," simultaneously broadcast to the northern, central, and southern regions. For additional education and training activities, please refer to the section on Education and Training for Directors, Managerial Officers, and Employees.</p>	No significant deviation.
<p>III. The operation status of reporting system.</p> <p>(I) Has the company set up specific reporting and reward systems and a convenient</p>	✓		<p>(I) The Company has set up a reporting system on both internal and external websites of the Company to accept any</p>	No significant deviation.

Evaluation Item	Implementation Status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies
	YES	NO	Summary description	
reporting channel, and does the company assign appropriate personnel to investigate the person being reported?			notification of illegal or unethical circumstances, and an independent responsible unit is responsible for the investigation, and the identity of the informant and the contents of the report are strictly confidential.	
(II) Has the company implemented any standard procedures for handling reported misconducts, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?	✓		(II) The Company has set up a reporting system on both internal and external websites of the Company to accept any notification of illegal or unethical circumstances, and an independent responsible unit is responsible for the investigation, and the identity of the prosecutor and the contents of the report are strictly confidential.	No significant deviation.
(III) Does the company have appropriate measures in place to protect whistleblowers from retaliation?	✓		(III) The Company will not tolerate any threats and retaliation from the sender. If the sender wishes to process it anonymously, the Company will replace the original name of the sender anonymously during the investigation.	No significant deviation.
IV. Strengthening of Information Disclosure: Has the company disclosed its ethical corporate management principles and progress onto its website and MOPS?	✓		The Company has established a website, annual report and an external mailbox to disclose the implementation status of its ethical corporate management policy. The information disclosure and reporting pipeline remains operational. To obtain information disclosed to the competent authority or the public that is complete, appropriate, accurate and timely, please see MOPS and the Company website.	No significant deviation.





Evaluation Item	Implementation Status			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies
	YES	NO	Summary description	
V. If the company has its own Corporate Governance Best Practice Principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the difference between them. The Company has formulated the Corporate Governance Best Practice Principles (including “Procedures for Ethical Management and Guidelines for Conduct”). The Company has no significant deviation by implementation of the complete internal control system and various guidelines, and with the regular review on it.				
VI. Other important information that helps to understand the company's integrity management operation (such as the company's review and revision of the company's integrity management code, etc.): The Company adheres to the principle of good faith management and engages in all commercial activities. When signing a contract with others, its contents include compliance with the integrity management policy and the transaction relatives may terminate or cancel the terms of the contract at any time; Professional and diligent management to ensure fair, sustainable and competitive returns, to create the best interests of shareholders; to provide working conditions that guarantee the health and safety of each employee, to listen to employees and to face complaints from employees in good faith problems, encouragement and assist employees in developing relevant skills and knowledge, and avoid illegal activities, providing employees with sustainable employment opportunities. The Company values the interests of every interested person to promote the sustainable development of the Company. The Company has established the "Regulations Governing the Prevention of Insider Trading," which stipulates that insiders are prohibited from trading the Company’s shares during the 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of each quarterly financial report. Related education and training sessions are also conducted accordingly.				

(VIII) Other important information that is sufficient to enhance understanding of the operation of corporate governance.

1. All material information of the Company is promptly announced on the Market Observation Post System (MOPS) in accordance with regulatory requirements. Financial, business, and corporate governance-related information is also regularly or promptly updated in the "Stakeholders" section and other relevant areas of the Company's website.
2. For the amendment for law compliance and consider the change in environment of the Company. The Company's principles and guidelines shall be amended in time as the criterion for behaviors of directors, managers and employees. The Company's website

shall establish the corporate governance zone in the Company’s website to disclose the related management procedure. With the concept of corporate sustainability management, the Company shall complete the corporate governance operating in all aspects of organizational structure, regulations and system, implementations and review.

3. Training situation of directors of the Company and its subsidiaries

Name of the Company	Position	Name	Date of further training	Held by	Training Program	Duration (hour)
Highwealth Construction	Director	Zheng Qintian	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		Zheng Xiuhui				6
		Cao Yuanbo				6
		Fan Huachun				6
	Independent Director	Li Wencheng	2024/04/19	Taiwan Corporate Governance Association	Director Responsibilities in Corporate Control Disputes – Focusing on Shareholder Rights	3
			2024/03/22	Taiwan Stock Exchange Corporation	Building Knowledge for the Carbon Era – Sustainability Advocacy Session	3
		Hou Tsai Feng	2024/10/08	Taiwan Stock Exchange Corporation	2024 WIW Forum – “Digital and Sustainable Finance in the Age of AI”	3
			2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		Chen Tachun	2024/08/20	Securities & Futures Institute	Protection of business secrets	3
			2024/08/16	Securities & Futures Institute	Corporate Post-M&A Integration and Mechanism Establishment	3

Name of the Company	Position	Name	Date of further training	Held by	Training Program	Duration (hour)
Run Long Construction	Director	Qiu Bingze	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		Lin Weijun	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		Chen Guoyan	2024/10/04	Taiwan Corporate Governance Association	Net-Zero Emissions Promotion Session – Taichung	3
			2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		Lu Chia-Yin	2024/11/22	Securities & Futures Institute	2024 Seminar for Legal Compliance of Insider Ownership Transaction	3
			2024/10/08	Taiwan Stock Exchange Corporation	2024 WIW Forum – “Digital and Sustainable Finance in the Age of AI”	3
			2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
	Independent Director	Yan Yunqi	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		Chou Yi-Chiang	2024/10/25	Securities & Futures Institute	2024 Seminar for Legal Compliance of Insider Ownership Transaction	3
			2024/10/08	Taiwan Stock Exchange Corporation	2024 WIW Forum – “Digital and Sustainable Finance in the Age of AI”	3
			2024/10/04	Taiwan Corporate Governance Association	Net-Zero Emissions Promotion Session – Taichung	3
			2024/09/06	Securities & Futures Institute	2024 Annual Defense Insider Promotion Conference	3

(IX) Implementation of the internal control system

1. Internal Control Statement

**Highwealth Construction Corporation  
Internal Control Statement**

March 12, 2025

The internal control system for 2024, according to the results of self-assessment are thus stated as follows:

- I. The company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The purpose is to enhance the effectiveness and efficiency of operations (including profitability, performance, and the safeguarding of assets), ensure the reliability, timeliness, and transparency of reporting, and achieve compliance with relevant regulations and laws, providing reasonable assurance.
- II. The internal control system has its innate restriction. An effective internal control system can only ensure the foregoing three goals are achieved; nevertheless, due to the change of environment and conditions, the effectiveness of internal control system will be changed accordingly. However, the internal control system of the Company has self-monitoring function and the Company will take corrective action once any defect is identified.
- III. According to the effective judgment items for the internal control system specified in “Highlights for Implementation of Establishing Internal control System by Listed Companies” (hereinafter referred to as “Highlights”) promulgated by Securities and Futures Commission, Ministry of Finance R.O.C., the company has made judgment whether or not the design and execution of internal control system is effective. The judgment items for internal control adopted by “Highlights” are, based on the process of management control, for classifying the internal control into five elements: 1. Control environment; 2. Risk assessments; 3. Control activities; 4. Information and communication; and 5. Monitoring. Each element also includes a certain number of items. For the foregoing items, refer to “Highlights”.
- IV. The Company has adopted the aforesaid judgment items for internal control to evaluate the effectiveness of design and execution of internal control system.
- V. Based on the above-mentioned result of evaluation, the company suggests that the internal control system, including the design and execution of internal control relating to the effectiveness and efficiency of operation, the reliability of financial reporting the compliance of applicable law and regulations has been effective on December 31, 2024, and they can reasonably assure the aforesaid goals have been achieved.
- VI. This statement will be the main content for annual report and prospectus and will be disclosed publicly. If the above contents have any falsehood and concealment, it will involve in the liability as mentioned in Article 20, 32, 171 and 174 of Securities and Exchange Law.
- VII. This statement has been approved by the meeting of Board of Directors on March 12, 2025, and those 7 directors in presence all agree on the contents of this statement.

Corporation

Highwealth Construction



Chairman: Cao Yuanbo (affixed with seal)



President: Fan Huachun (affixed with seal)



2. If the Securities and Futures Commission requires the Company to commission an accountant to audit its internal control system, please disclose the accountant's audit report: Nil.

(X) Important resolutions of the shareholders' meeting and the board meetings, and functional committees in the latest year and as of the date of publication of the annual report:

1. 2024 Important resolution made by the shareholder's meeting and its implementation

Date/Session	Content of Meeting Minutes		Special Items
	Items	Execution	
June 13, 2024 2024 General Shareholders Meeting	(1) Pass the annual business report and financial report for 2023	(1) The related forms and books are register to the competent authorities for reference, announced, and declared in accordance with the Company Act and relevant laws and regulations.	Nil
	(2) Resolution passed for earning distribution of 2023.	(2) For 2023, the Company decided to distribute a cash dividend of NT\$0.5 per share and a stock dividend of NT\$1 per share. The ex-dividend date was set for October 2, 2024, and the dividends were distributed on October 31, 2024.	
	(3) Approved the capital Increase from retained earnings and Issuance of new shares.	(3) Following approval by the shareholders' meeting, the capital increase registration was completed on October 14, 2024, and distribution was carried out on October 31, 2024.	
	(4) Approved the proposal for the amendment to partial articles of the Articles of Incorporation.	(4) The revised procedures have been implemented, uploaded to the Market Observation Post System and the Company website as required, and the change registration has been completed.	
	(5) By-election of Independent Directors of the Company.	(5) The by-election of the independent director has been completed. Ms. Hou Tsaifeng was elected as the new independent director. The relevant information has been uploaded to the Market Observation Post System (MOPS) in accordance with regulations, and the change in registration has been duly completed.	
	(6) Approved amendments to certain provisions of the Rules of Procedure for Shareholders' Meetings.	(6) The amendments have been implemented in accordance with procedures and have been uploaded to the MOPS and the Company's official website as required.	
	(7) Approved amendments to the "Procedures for Endorsements and Guarantees"	(7) The amendments have been implemented in accordance with the revised procedures and have been uploaded to the MOPS and the Company's official website as required.	
	(8) Approved amendments to the "Procedures for Acquisition or Disposal of Assets"	(8) The amendments have been implemented in accordance with the revised procedures and have been uploaded to the MOPS and the Company's official website as required.	

2. Important resolutions of the Board of Directors for 2024 up until the publication date of the annual report.

Date/Session	Content of Meeting Minutes		Special Items
	Brief summary of the motion	Implementation	
January 8, 2024; 2024 Session 1	(1) Proposal to authorize the Chairman to handle the sales matters of "TAIPEI ONE," "Highwealth T1," and "Fudu 6" projects at an appropriate time with full discretion.	(1) The resolution was passed by all the attending Directors unanimously.	Nil
January 18, 2024; 2024 Session 2	(1) Proposal for donation to the Taichung Highwealth Art and Culture Foundation.	(1) Except for Directors who recused themselves from the discussion and voting in accordance with the law, the remaining five Directors approved and passed the resolution as proposed.	Nil
February 22, 2024; 2024 Session 3	(1) Proposal to establish a new subsidiary through investment due to business expansion needs.	(1) The resolution was passed by all the attending Directors unanimously.	Nil
March 14, 2024; 2024 Session 4	(1) Proposal to approve the 2023 Business Report and Financial Statements.  (2) Proposal for establishing matters related to convening of 2024 Shareholders' Meeting.	(1) The proposals were approved unanimously by all attending directors. Financial reports were also acknowledged by the shareholders' meeting.  (2) The resolution was passed by all the attending Directors unanimously.	Nil
March 26, 2024; 2024 Session 5	(1) Proposal for earnings distribution of 2023.  (2) Proposal for the distribution of new shares from 2023 earnings.  (3) The Company proposal for the subscription of the cash capital increase of subsidiary "Well Rich International Co., Ltd."  (4) Proposal to authorize the Chairman to handle the sales matters of the "Municipal Vision Square" project at an appropriate time with full discretion.	(1) All proposals approved unanimously by all attending directors; relevant items also ratified by the shareholders' meeting.  (2) The resolution was passed by all the attending Directors unanimously, relevant items also approved by the shareholders' meeting.  (3) The resolution was passed by all the attending Directors unanimously.  (4) The resolution was passed by all the attending Directors unanimously.	Nil
May 14, 2024; 2024 Session 7	(1) Consolidated financial report of the company for first quarter 2024.  (2) Proposal to purchase directors' liability insurance for 2024.	(1) The resolution was passed by all the attending Directors unanimously.  (2) The resolution was passed by all the attending Directors unanimously.	Nil
August 13, 2024; 2024 Session 9	(1) Proposal to approve the consolidated financial statements for Q2 2024.  (2) Proposal to set the record date for capital increase from 2023 earnings and ex-dividend date for cash dividends.	(1) The resolution was passed by all the attending Directors unanimously.  (2) The resolution was passed by all the attending Directors unanimously, and the chairperson was authorized to follow-up on relevant matters.  (3) The resolution was passed by all the	Nil

Date/Session	Content of Meeting Minutes		Special Items
	Brief summary of the motion	Implementation	
	(3) Proposal to acquire land in Zhongshan District, Taipei City. (4) Proposal to approve the 2023 ESG Report.	attending Directors unanimously. (4) The resolution was passed by all the attending Directors unanimously.	
November 7, 2024; 2024 Session 12	(1) Consolidated financial statements of the Company for Q3 2024. (2) Proposal for subscription to the cash capital increase of subsidiary, "Heng Yue Construction Co., Ltd.".	(1) The resolution was passed by all the attending Directors unanimously. (2) The resolution was passed by all the attending Directors unanimously.	Nil
January 22, 2025; 2025 Session 1	(1) Proposal to enter into a construction contract. (2) Proposal to enter into a construction contract.	(1) The resolution was passed by all the attending Directors unanimously. (2) The resolution was passed by all the attending Directors unanimously.	Nil
March 12, 2025; 2025 Session 2	(1) Proposal to approve the 2024 Business Report and Financial Statements. (2) Proposal to amend certain provisions of the Company's Articles of Incorporation. (3) Proposal to sell land located at Lot No. 745-2, Wufu Section, Jinshan District, New Taipei City to a subsidiary. (4) Proposal to lease land and buildings located at Lot No. 744, Wufu Section, Jinshan District, New Taipei City to a subsidiary. (5) Proposal for establishing matters related to convening of 2025 Shareholders' Meeting.	(1) The proposals were approved unanimously by all attending directors. Financial reports were also acknowledged by the shareholders' meeting. (2) The resolution was passed by all the attending Directors unanimously. (3) Except for Directors who recused themselves from the discussion and voting in accordance with the law, the remaining five Directors approved and passed the resolution as proposed. (4) Except for Directors who recused themselves from the discussion and voting in accordance with the law, the remaining five Directors approved and passed the resolution as proposed. (5) The resolution was passed by all the attending Directors unanimously.	Nil

3. Important resolutions of Audit Committee for 2024 up until the date of publication of the annual report.

Date/Session	Content of Meeting Minutes		Special Items
	Brief summary of the motion	Implementation	
January 18, 2024; 2024 Session 2	(1) Proposal for donation to the Taichung Highwealth Art and Culture Foundation.	(1) The resolution was passed by all the attending committee members unanimously.	Nil
February 22, 2024; 2024 Session 3	(1) Proposal to establish a new subsidiary through investment due to business expansion needs.	(1) The resolution was passed by all the attending committee members unanimously.	Nil
March 14, 2024; 2024 Session 4	(1) Proposal to approve the 2023 Business Report and Financial Statements.	(1) The resolution was passed by all the attending committee members unanimously.	Nil

Date/Session	Content of Meeting Minutes		Special Items
	Brief summary of the motion	Implementation	
March 26, 2024; 2024 Session 5	(1) Proposal for earnings distribution of 2023. (2) Proposal for the distribution of new shares from 2023 earnings. (3) The Company proposal for the subscription of the cash capital increase of subsidiary "Well Rich International Co., Ltd."	(1) The resolution was passed by all the attending committee members unanimously. (2) The resolution was passed by all the attending committee members unanimously. (3) The resolution was passed by all the attending committee members unanimously.	Nil
May 14, 2024; 2024 Session 7	(1) Consolidated financial report of the company for first quarter 2024. (2) Proposal to purchase directors' liability insurance for 2024.	(1) The resolution was passed by all the attending committee members unanimously. (2) The resolution was passed by all the attending committee members unanimously.	Nil
August 13, 2024; 2024 Session 9	(1) Proposal to approve the consolidated financial statements for Q2 2024. (2) Proposal to acquire land in Zhongshan District, Taipei City.	(1) The resolution was passed by all the attending committee members unanimously. (2) The resolution was passed by all the attending committee members unanimously.	Nil
November 7, 2024; 2024 Session 11	(1) Consolidated financial statements of the Company for Q3 2024. (2) Proposal for subscription to the cash capital increase of subsidiary, "Heng Yue Construction Co., Ltd.".	(1) The resolution was passed by all the attending committee members unanimously. (2) The resolution was passed by all the attending committee members unanimously.	Nil
January 22, 2025; 2025 Session 1	(1) Proposal to enter into a construction contract. (2) Proposal to enter into a construction contract.	(1) The resolution was passed by all the attending committee members unanimously. (2) The resolution was passed by all the attending committee members unanimously.	Nil
March 12, 2025; 2025 Session 2	(1) Proposal to approve the 2024 Business Report and Financial Statements. (2) Proposal to amend certain provisions of the Company's Articles of Incorporation. (3) Proposal to sell land located at Lot No. 745-2, Wufu Section, Jinshan District, New Taipei City to a subsidiary. (4) Proposal to lease land and buildings located at Lot No. 744, Wufu Section, Jinshan District, New Taipei City to a subsidiary.	(1) The resolution was passed by all the attending committee members unanimously. (2) The resolution was passed by all the attending committee members unanimously. (3) The resolution was passed by all the attending committee members unanimously. (4) The resolution was passed by all the attending committee members unanimously.	Nil

(XI) Any dissenting opinions or written statements by directors or supervisors regarding material resolutions passed by the Board during the most recent fiscal year and up to the publication date of the annual report: Nil.





#### IV.CPA audit fee information

Unit: NT\$ thousand

Accounting firm name	Accountant name	Period Covered by the Audit	Audit Fees	Non-audit Fees	Total	Remarks
KPMG Taiwan	Han Yilien Tim Tzang	2024.01-2024.12	2,880	932	3,812	Note 2

Note 1: If the Company has changed its certified public accountant (CPA) or accounting firm during the current fiscal year, the audit periods involved shall be listed separately. The reason for the change shall be explained in the remarks column, along with a breakdown of audit and non-audit fees paid.

Note 2: Non-audit fees refer to services such as corporate income tax audit certification, business registration, and due diligence for corporate bond issuance.

#### V.CPA replacement information:

##### (I) Regarding the former certified public accountant

Date of the replacement	Approved by the Board of Directors on March 12, 2025		
Reason for replacement and Description	To accommodate KPMG Taiwan’s internal rotation policy, starting from the first quarter of 2025, the attesting CPAs for the Company’s financial statements have been changed from CPAs Han Yilien and Tim Tzang to CPAs Yilien Han and Emily Tsou.		
State whether the appointment is terminated or rejected by the consignor or CPAs	<div>By the consignor</div> Condition	CPA	Consignor
	Appointment terminated automatically	Not applicable.	Not applicable.
	Appointment rejected (Discontinued)	Not applicable.	Not applicable.
The Opinions other than unmodified Opinion issued in the last two years and the reasons for the said opinions	Not applicable.		
Is there any disagreement in opinion with the issuer	Yes	–	Accounting principle or practice
		–	disclosure of financial statements
		–	auditing scope or procedures
		–	Others
	Nil	✓	
	Explanation:	Not applicable.	
Other Disclosure Items (Disclosures specified in Article 10.6.1-4 to 10.6.1-7 of the Standards)	Nil		

(II) Regarding the successor certified public accountant

Name of the firm	KPMG Taiwan
Accountant name	Han Yilien, Emily Tsou
Date of Engagement	Approved by the Board of Directors on March 12, 2025
Prior to the Formal Engagement, Any inquiry or consultation on the accounting treatment or accounting principles for specific transactions, and the type of audit opinion that might be rendered on the financial report.	Not applicable.
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinion	Not applicable.

(III) Response letter of the former CPAs regarding matters stated in item 1 and point 3, item 2, subparagraph 6, Article 10 of the Regulations: Not applicable.

VI. The company's chairman, president, manager of financial or accounting affairs, has worked in the accountant's affiliated firm or its related business in the past year: Nil.

VII. Changes in shareholding and pledging by directors, managerial officers, and shareholders holding more than 10% of the shares during the most recent fiscal year and up to the publication date of the annual report

(I) Changes in shareholdings of directors, managers and major shareholders:

For changes in shareholding, please visit the Market Observation Post System (MOPS) at <https://mops.twse.com.tw>, select "Company Info," then go to "Shareholding Changes / Securities Issuance" and click on "Insider Shareholding Change Post-Event Declaration" for detailed information.

(II) Information on the relatives of directors, supervisors, managers and major shareholders' equity transfer is related: Nil.

(III) Information on the relatives of directors, supervisors, managers and major shareholders' equity pledges is related: Nil.

## VIII. Information on relationships among the top ten shareholders, including related parties, spouses, or relatives within the second degree of kinship

Shareholders who account for the top ten shareholder, and their relationship with each other

April 19, 2025 Unit: Shares; %

Name (Note 1)	Personal Holding Share		Shares held by Spouse & Minor Child(ren)		Total shareholding by nominee arrangement		Top ten shareholders with spousal relationship or familial relationship within the second degree kinship with one another. (Note 3)		Remarks
	Shares	Shareholding ratio (Note 2)	Shares	Shareholding ratio (Note 2)	Shares	Shareholding ratio (Note 2)	Name	Relation	
Times Winner Investment Co., Ltd. Representative: Huang Qingshui	160,190,430	7.74%	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Nil
Xing Ri-Sheng Investment Co., Ltd. Representative: Zheng Xiuhui	130,631,957	6.31%	0	0%	0	0%	Zheng Qintian Zheng Junfang Xie Shuying Zheng Yousheng Cai Congbin	Spouse Mother & Child Second Degree Kinship Second Degree Kinship Second Degree Kinship	Nil
Bluestone Investment Co., Ltd. Representative: Mauritius LOTUS GLOBAL INVESTMENTS LTD: Zheng Junfang	90,757,782	4.38%	0	0%	0	0%	Zheng Qintian Zheng Xiuhui Xie Shuying Zheng Yousheng Cai Congbin	Father & Child Mother & Child Second Degree Kinship Second Degree Kinship Second Degree Kinship	Nil
Wan Shengfa Investment Co., Ltd Representative: Zheng Yousheng	84,186,748	4.07%	0	0%	0	0%	Xie Shuying Zheng Qintian Zheng Xiuhui Zheng Junfang Cai Congbin	Spouse Second Degree Kinship Second Degree Kinship Second Degree Kinship Second Degree Kinship	Nil
Da-Li Investment Co., Ltd Representative: Cai Congbin	77,721,123	3.75%	0	0%	0	0%	Zheng Qintian Zheng Xiuhui	Second Degree Kinship	Nil

Name (Note 1)	Personal Holding Share		Shares held by Spouse & Minor Child(ren)		Total shareholding by nominee arrangement		Top ten shareholders with spousal relationship or familial relationship within the second degree kinship with one another. (Note 3)		Remarks
	Shares	Shareholding ratio (Note 2)	Shares	Shareholding ratio (Note 2)	Shares	Shareholding ratio (Note 2)	Name	Relation	
							Zheng Junfang Zheng Yousheng Xie Shuying	Second Degree Kinship Second Degree Kinship Second Degree Kinship Second Degree Kinship Second Degree Kinship	
Lishuo Investment Co., Ltd Representative: Xie Shuying	42,823,100	2.07%	0	0%	0	0%	Zheng Yousheng Zheng Qintian Zheng Xiuhui Zheng Junfang Cai Congbin	Spouse Second Degree Kinship Second Degree Kinship Second Degree Kinship Second Degree Kinship Second Degree Kinship	Nil
Wu Chaohong	39,717,807	1.92%	Note 1	Note 1	Note 1	Note 1	Note 1	Note 4	Nil
Zheng Qintian	39,050,049	1.89%	11,936,392	0.58%	0	0%	Zheng Xiuhui Zheng Junfang Xie Shuying Zheng Yousheng Cai Congbin	Spouse Father & Child Second Degree Kinship Second Degree Kinship Second Degree Kinship Second Degree Kinship	Nil
Run Ying Investment Co., Ltd. Representative: Zheng Xiuhui	37,505,527	1.81%	0	0%	0	0%	Zheng Qintian Zheng Junfang Xie Shuying Zheng Yousheng Cai Congbin	Spouse Mother & Child Second Degree Kinship Second Degree Kinship Second Degree Kinship Second Degree Kinship	Nil

Name (Note 1)	Personal Holding Share		Shares held by Spouse & Minor Child(ren)		Total shareholding by nominee arrangement		Top ten shareholders with spousal relationship or familial relationship within the second degree kinship with one another. (Note 3)		Remarks
	Shares	Shareholding ratio (Note 2)	Shares	Shareholding ratio (Note 2)	Shares	Shareholding ratio (Note 2)	Name	Relation	
Chang Gung Medical Foundation	30,584,724	1.48%	Note 1	Note 4	Note 1	Note 1	Note 1	Note 1	Nil

Note 1: The shareholder is not an insider declared by the Company, and thus the relevant information of his spouse, minor child(ren) or nominee shareholder(s) is not available.

## IX. Shareholding and consolidated shareholding ratio of the Company, its directors, managerial officers, and directly or indirectly controlled entities in the same investee company

### Comprehensive shareholding percentage

April 19, 2025 Unit: Shares; %

Re-investment business	Investment by the company		Directors, managers and investments directly or indirectly controlling the business		Comprehensive Investment	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage
Ju Feng Hotel Management Consultant Co., Ltd.	2,500,000	100%	0	0%	2,500,000	100%
Highwealth Real Estate	700,000	100%	0	0%	700,000	100%
Chyi Yuh Construction Co., Ltd.	439,200,000	100%	0	0%	439,200,000	100%
Run Long Construction Co., Ltd.	52,136,233	5.25%	97,629,087	9.84%	149,765,320	15.09%
Jin Jyun Construction Co., Ltd.	0	0%	170,000,000	100%	170,000,000	100%
Hundred Million Mark Enterprise Co., Ltd.	22,200,000	100%	0	0%	2,200,000	100%
Pi Chiang Enterprise Co., Ltd.	124,194,881	100%	0	0%	150,720,000	100%
Highwealth Construction Corporation	26,500,000	100%	0	0%	26,500,000	100%

## Highwealth Construction

Re-investment business	Investment by the company		Directors, managers and investments directly or indirectly controlling the business		Comprehensive Investment	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage
Bo-Yuan Construction Corporation	122,900,000	100%	0	0%	122,900,000	100%
Guangyang Investment Co., Ltd	0	0%	29,900,000	100%	29,900,000	100%
Well Rich International Co., Ltd.	38,100,000	100%	0	0%	38,100,000	100%
Heng Yue Construction Co., Ltd.	42,292,800	100%	0	0%	42,292,800	100%
Henn Yann Enterprise Co., Ltd.	0	0%	1,100,000	55%	1,100,000	55%

## Three.Capital Raising Activities

### I. Capital and Shares

#### (I) Source of Share Capital

##### 1. Types of stocks:

Share Type	Authorized Shares			Remarks
	Issued Shares	Un-issued Shares	Total	
Common Stock	2,070,555,751 shares	929,444,249 shares	3,000,000,000 shares	Listed company stock

##### 2. Source of share capital as of date of publishing:

April 25, 2025 Unit: Shares ; NT\$

Year and Month	Par value	Authorized Shares		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Non-cash Capital Increase	Others
2012/04	10	1,000,000,000	10,000,000,000	732,161,027	7,321,610,270	Conversion of bonds NT\$41,442,490 (Note1)	Nil	Nil
2012/07	10	1,000,000,000	10,000,000,000	747,870,073	7,478,700,730	Conversion of bonds NT\$15,709,046 (Note 1)	Nil	Nil
2012/07	10	1,000,000,000	10,000,000,000	598,270,073	5,982,700,730	Capital reduction by cash NT\$1,496,000,000 (Note 2)	Nil	Nil
2014/09	10	1,500,000,000	15,000,000,000	897,405,110	8,974,051,100	Earnings NT\$2,991,350,370 (Note 3)	Nil	Nil
2015/09	10	1,500,000,000	15,000,000,000	1,166,626,643	11,666,266,430	Earnings NT\$2,692,215,330 (Note 4)	Nil	Nil
2019/04	10	1,500,000,000	15,000,000,000	1,166,628,752	11,666,287,520	Conversion of bonds NT\$21,090 (Note 5)	Nil	Nil
October 2020	10	2,000,000,000	20,000,000,000	1,283,291,627	12,832,916,270	Earnings NT\$1,166,628,750 (Note 6)	Nil	Nil
April 2021	10	2,000,000,000	20,000,000,000	1,290,963,617	12,909,636,170	Conversion of bonds NT\$76,719,700 (Note 7)	Nil	Nil
October 2021	10	2,000,000,000	20,000,000,000	1,307,931,580	13,079,315,800	Conversion of bonds NT\$169,679,630 (Note 8)	Nil	Nil
January 2022	10	2,000,000,000	20,000,000,000	1,390,137,502	13,901,375,020	Conversion of bonds NT\$822,059,220 (Note 9)	Nil	Nil
April 2022	10	2,000,000,000	20,000,000,000	1,462,290,484	14,622,904,840	Conversion of bonds NT\$721,529,820 (Note 10)	Nil	Nil
July 2022	10	2,000,000,000	20,000,000,000	1,560,385,031	15,603,850,310	Conversion of bonds NT\$980,945,470 (Note 11)	Nil	Nil
October 2022	10	2,000,000,000	20,000,000,000	1,714,674,173	17,146,741,730	Earnings NT\$1,542,891,420 (Note 12)	Nil	Nil
October 2023	10	3,000,000,000	30,000,000,000	1,884,141,591	18,841,415,910	Earnings NT\$1,694,674,180 (Note 13)	Nil	Nil
October 2024	10	3,000,000,000	30,000,000,000	2,070,555,751	20,705,557,510	Earnings NT\$1,864,141,600 (Note 14)	Nil	Nil

Note 1: Approved by FSC on April 9, 2008 (ref. FSC document No. 0970011133).

Approved by FSC on April 16, 2009 (ref. FSC document No. 0980014192).

Note 2: Approved by FSC on July 23, 2012 (ref. FSC document No. 1010031538).

Note 3: Approved by business letter on August 5, 2014 (ref. FSC D&I Center No. 1030029588).

Note 4: Approved by business letter on September 3, 2015 (ref. FSC D&I Center No. 1040036020).

Note 5: Approved by business letter on May 22, 2017 (ref. FSC D&I Center No. 1060016434).

Note 6: Approved by FSC on October 16, 2020 (ref. Business letter No. 10901193320).

Note 7: Approved by FSC on April 19, 2021 (ref. Business letter No. 11001058250).

Note 8: Approved by FSC on October 6, 2021 (ref. Business letter No. 11001182980).

Note 9: Approved by FSC on January 3, 2022 (ref. Business letter No. 11001243640).

Note 10: Approved by FSC on April 11, 2022 (ref. Business letter No. 11101051800). Note 11: Approved by FSC on July 14, 2022 (ref. Business letter No. 11101118730). Note 12: Approved by FSC on October 14, 2022 (ref. Business letter No. 11101195240). Note 13: Approved by FSC on October 17, 2023 (ref. Business letter No. 11230193830). Note 14: Approved by FSC on October 14, 2024 (ref. Business letter No. 11330181740).
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3. Summary reporting system related information: Nil.





## (II) List of major shareholders

Name	Shares	Number of Shares Held (As of April 19, 2025)	Shareholding (%) (As of April 19, 2025)
Era Winner Investment Co., Ltd		160,190,430	7.74%
Xing Ri-sheng Investment Co., Ltd.		130,631,957	6.31%
Ching Shi Investment Co., Ltd.		90,757,782	4.38%
Wan Shengfa Investment Co., Ltd		84,186,748	4.07%
Da-Li Investment Co., Ltd		77,721,123	3.75%
Lishuo Investment (Stock) Company		42,823,100	2.07%
Wu Chaohong		39,717,807	1.92%
Zheng Qintian		39,050,049	1.89%
Run Ying Investment Co., Ltd.		37,505,527	1.81%
Chang Gung Medical Foundation		30,584,724	1.48%

## (III) Dividend Policy and Implementation Status

## 1. Dividend policy:

Article 29: If the Company makes profits for the year, of which the employee remuneration shall not be less than 0.1% of the pre-tax benefits and the director remuneration shall not be more than 1% of the pre-tax benefits, the remuneration shall be distributed after the resolution of the Board of Directors and reported to the Board of Directors. However, if the Company still has accumulated losses, the compensation amount shall be reserved in advance. The allotment objects of remuneration shall include employees of subsidiaries who meet certain conditions, which shall be authorized to the Board of Directors for decision.

The Company shall grasp the changing characteristics of the operating economic environment in order to achieve sustainable operation and long-term development. The Board of Directors shall pay attention to the stability and growth of dividends when formulating the appropriation of earnings, and shall decide on the most appropriate method for dividend policy payment depending on the operating conditions and considering the capital budget planning.

Article 29-1: The Company's earnings concluded in a year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for the legal reserve. However, no further provision for the legal reserve is required if the Company has accumulated legal reserve of an amount equal to paid-in capital. In addition, the legal reserve shall be allocated or reversed in accordance with laws and regulations or regulations stipulated by the competent

authority. The remaining balance and the beginning balance of the undistributed earnings constitute the accumulated distributable earnings. Of the aforementioned accumulated distributable earnings, not less than 20% shall be allocated as shareholders' bonus. The Board of Directors shall prepare the proposal for distribution and submit it to the Shareholders' Meeting for resolution. When distributing earnings, the cash part of shareholders' dividends shall not be less than 10% of the amount distributed to shareholders.

If the Company distributes all or part of the dividends or statutory surplus reserves and capital reserves by means of cash disbursement, it shall authorize the Board of Directors with over two-thirds of the directors attending the meeting and conduct after approval of a majority of the directors attending the meeting, which shall be reported to the shareholders' meeting.

2. Proposed dividend distribution:

The proposed distribution of 2024 profits were approved by resolution at the Board of Directors meeting on April 22, 2025. A cash dividend of NT\$2 per share (NT\$2,000 per 1,000 shares) and a stock dividend of NT\$0.5 per share (50 shares per 1,000 shares) was proposed, pending approval at the Annual Shareholders' Meeting on June 17, 2025. The distribution ratio of cash and stock dividends is 80% and 20%, respectively, in accordance with Article 29-1 of the Company's Articles of Incorporation.

3. Significant changes to dividend policy: Nil.



(IV) The Impact of Issuance of Bonus Shares Proposed in this Shareholders' Meeting on the Company's Business Performance and Earnings per Share

Unit: NT\$ thousand

Item		Year	2025 (estimate)
Paid-in capital at the beginning			20,705,557
Dividend and stock dividend this year	Cash dividend per share (NT dollars)		(Note)
	Stock dividend from retained earnings transferred to capital increase (shares)		
	Stock dividend from capital reserve transferred to capital increase (shares)		
Changes to operating performances	Operating profit		
	Increasing (decreasing) percentage of operating profit compared with the same period last year		
	Net income after tax		
	Increasing (decreasing) percentage of net income after tax compared with the same period last year		
	Earnings per share		
	Increasing (decreasing) percentage of earnings per share compared with the same period last year		
	Annual average rate on investment (reciprocal of annual price-earnings ratio)		
Proforma earnings per share and price-earnings ratio	If all the retained earnings transferred to capital increase were distributed by cash dividend	Proforma earnings per share (NT dollars)	
		Proposed average return on investment for the planned stock dividend distribution at the upcoming annual shareholders' meeting	
	If capital reserve transferred to capital increase was not conducted	Proforma earnings per share (NT dollars)	
		Proforma annual average rate on investment	
	If capital reserve transferred to capital increase and all the retained earnings transferred to capital increase distributed by cash dividend were not conducted	Proforma earnings per share (NT dollars)	
		Proforma annual average rate on investment	

Note: The Company has not disclosed its financial forecast for 2025; therefore, this item is not applicable.

(V) Employee, Directors' and Supervisors' Remuneration

- Information related to employee bonus and directors' and supervisors' remuneration in the Articles of Incorporation: Please refer to the above-mentioned (VI) dividend policy. On March 12, 2025, the Board of Directors resolved to amend Article 29 of the

Company's Articles of Incorporation to include a provision that no less than 10% of the total amount of employee compensation shall be allocated to grassroots employees. This proposed amendment will be submitted for discussion at the 2025 Shareholders' Meeting.

2. The basis for the estimation of the amount of bonus of employees, directors, and supervisors in the current period, and the accounting treatment if there is a difference between the estimated amount and the actual bonus paid in shares or cash:

If there is a discrepancy between the estimated number and the actual amount in the resolution of the Board of Directors, it shall be recognized as profit or loss from changes in accounting estimates in the following fiscal year.

3. Bonus distribution as decided by the Board of Directors' meeting:

- (1) Accounting disclosures, treatments, and explanations in the event of a discrepancy between the estimated amount and the actual bonus paid in shares or cash to employees, directors, and supervisors:

On March 12, 2025, the Board of Directors resolved to allocate NT\$48,000 thousand as employee cash compensation and NT\$10,000 thousand as Directors' remuneration. If there is a discrepancy between the estimate and the actual amount paid, the difference will be recognized as profit or loss from changes in accounting estimates in the next fiscal year.

- (2) Employee compensation distributed in stock, and the said compensation as a percentage of the sum of after-tax profit and total employee compensation in the standalone financial statements:

On March 12, 2025, the Board of Directors meeting has determined that there will be no stock dividend distribution for employees.

4. Actual distribution of bonus and remuneration (including distributed cash, shares, and share prices) in the prior year, and the accounting disclosures, treatments and explanations if a discrepancy exists:

Item	2023		
	Actual distribution	Distribution recognized	Diff.
Employee cash bonus	NT\$ 38,000 thousand	NT\$ 38,000 thousand	0
Employee stock bonus	0	0	0
Directors' Remuneration	NT\$ 8,000 thousand	NT\$ 8,000 thousand	0

(VI) Buyback of Treasury Stock: None.



## II. Corporate Bonds

### (I) Status of Outstanding Corporate Bonds

April 25, 2025

Type of Corporate Bonds		The second secured ordinary corporate bonds for 2020 (Code: B86406; abbreviation: P09Highwealth2)	The first secured ordinary corporate bonds for 2021 (Code: B86407; abbreviation: P10Highwealth1)	The third secured ordinary corporate bonds for 2021 (Code: B86409; abbreviation: P10Highwealth3)
Date of issuance		December 30, 2020	January 14, 2021	September 15, 2021
Per Share		NT\$ 1 million	NT\$ 1 million	NT\$ 1 million
Place of issuance and transaction		Not applicable.	Not applicable.	Not applicable.
Issuing price		At face value	At face value	At face value
Total amount		NT\$ 2 billion in total	NT\$ 2 billion in total	NT\$ 3 billion in total
Interest rate		Coupon rate: fixed rate at 0.53% per annum	Coupon rate: fixed rate at 0.52% per annum	Coupon rate: fixed rate at 0.55% per annum
Duration		5-year period, maturity date: December 30, 2025	5-year period, maturity date: January 14, 2026	5-year period, maturity date: September 15, 2026
Assurance agency		Land Bank of Taiwan Co., Ltd.	Mega International Bank Co., Ltd.	Hua Nan Commercial Bank, Ltd.
Trustee		Taipei Fubon Bank Co., Ltd.	Land Bank of Taiwan Co., Ltd.	Land Bank of Taiwan Co., Ltd.
Underwriting institution		Land Bank of Taiwan Co., Ltd.	Mega Securities Co., Ltd.	Bank Taiwan Securities Co., Ltd.
Certifying attorney		Chung-Chieh Yu (attorney)	Chung-Chieh Yu (attorney)	Chung-Chieh Yu (attorney)
CPA		Han Yilien and Judy Chien	Han Yilien and Judy Chien	Han Yilien and Judy Chien
Repayment method		Bullet repayment at maturity date at the end of 5-year period	Bullet repayment at maturity date at the end of 5-year period	Bullet repayment at maturity date at the end of 5-year period
Outstanding principal amount		NT\$ 2 billion	NT\$ 2 billion	NT\$ 3 billion
Terms of redemption or early repayment		The Company may exercise its right of redemption by the coupon payment date after three years of issuance and can be redeemed totally.	Not applicable.	Not applicable.
Restrictions		Nil	Nil	Nil
Credit rating agency, assessment date and results		Not applicable.	Not applicable.	Not applicable.
Secondary rights	Amount of conversion (exchange or subscriptions) to ordinary shares, oversea depositary receipts, or other securities	Not applicable.	Not applicable.	Not applicable.
	Issuing and conversion (or exchange or subscription) method	Please refer to the prospectus of the first secured ordinary corporate bonds for 2021.	Please refer to the prospectus of the first secured ordinary corporate bonds for 2021.	Please refer to the prospectus of the third secured ordinary corporate bonds for 2021.
Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders' rights		Please refer to the prospectus of the second secured ordinary corporate bonds for 2020.	Please refer to the prospectus of the first secured ordinary corporate bonds for 2021.	Please refer to the prospectus of the third secured ordinary corporate bonds for 2021.
Custodian of the target(s) of conversion		Not applicable.	Not applicable.	Not applicable.

April 25, 2025

Type of Corporate Bonds		The first secured ordinary corporate bonds for 2022 (Code: B86410; abbreviation: P11Highwealth1)	The first secured ordinary corporate bonds for 2023 (Code: B86411; abbreviation: P12Highwealth1)	The first secured ordinary corporate bonds for 2024 (Code: B86412; abbreviation: P13Highwealth1)
Date of issuance		April 18, 2022	December 11, 2023	January 11, 2024
Per Share		NT\$ 1 million	NT\$ 1 million	NT\$ 1 million
Place of issuance and transaction		Not applicable.	Not applicable.	Not applicable.
Issuing price		At face value	At face value	At face value
Total amount		NT\$ 2 billion in total	NT\$ 1.45 billion in total	NT\$1.6 billion in total
Interest rate		Coupon rate: fixed rate at 0.90% per annum	Coupon rate: fixed rate at 1.70% per annum	Coupon rate: fixed rate at 1.80% per annum
Duration		5-year period, maturity date: April 18, 2027	3-year period, maturity date: December 11, 2026	3-year period, maturity date: January 11, 2027
Assurance agency		Taiwan Business Bank Co., Ltd.	Agricultural Bank of Taiwan	Taiwan Cooperative Bank Co., Ltd.
Trustee		Land Bank of Taiwan Co., Ltd.	Mega International Bank Co., Ltd.	Mega International Bank Co., Ltd.
Underwriting institution		BankTaiwan Securities Co.,Ltd.	BankTaiwan Securities Co.,Ltd.	Taiwan Cooperative Securities Co., Ltd.
Certifying attorney		Chung-Chieh Yu (attorney)	Chung-Chieh Yu (attorney)	Chung-Chieh Yu (attorney)
CPA		Han Yilien and Judy Chien	Han Yilien and Judy Chien	Han Yilien and Judy Chien
Repayment method		Bullet repayment at maturity date at the end of 5-year period	Bullet repayment at maturity date at the end of 3-year period.	The first principal repayment will be made 18 months after the issue date. Subsequent principal repayments will be made semi-annually in four equal installments in the amount of NT\$400 million each.
Outstanding principal amount		NT\$ 2 billion	NT\$ 1.45 billion	NT\$ 1.6 billion
Terms of redemption or early repayment		Not applicable.	Not applicable.	Not applicable.
Restrictions		Nil	Nil	Nil
Credit rating agency, assessment date and results		Not applicable.	Not applicable.	Not applicable.
Secondary rights	Amount of conversion (exchange or subscriptions) to ordinary shares, oversea depositary receipts, or other securities	Not applicable.	Not applicable.	Not applicable.
	Issuing and conversion (or exchange	Please refer to the prospectus of the first secured ordinary corporate bonds for 2022.	Please refer to the prospectus of the first secured ordinary corporate bonds for 2023.	Please refer to the prospectus of the first secured ordinary corporate bonds for 2024.

Type of Corporate Bonds	The first secured ordinary corporate bonds for 2022 (Code: B86410; abbreviation: P11Highwealth1)	The first secured ordinary corporate bonds for 2023 (Code: B86411; abbreviation: P12Highwealth1)	The first secured ordinary corporate bonds for 2024 (Code: B86412; abbreviation: P13Highwealth1)
or subscription) method			
Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders' rights	Please refer to the prospectus of the first secured ordinary corporate bonds for 2022.	Please refer to the prospectus of the first secured ordinary corporate bonds for 2023.	Please refer to the prospectus of the first secured ordinary corporate bonds for 2024.
Custodian of the target(s) of conversion	Not applicable.	Not applicable.	Not applicable.

(II) Information on Corporate Bonds Maturing Within 1 Year:

April 25, 2025

Type of Corporate Bonds		The second secured ordinary corporate bonds for 2020 (Code: B86406; abbreviation: P09Highwealth2)	The first secured ordinary corporate bonds for 2021 (Code: B86407; abbreviation: P10Highwealth1)
Date of issuance		December 30, 2020	January 14, 2021
Per Share		NT\$ 1 million	NT\$ 1 million
Place of issuance and transaction		Not applicable.	Not applicable.
Issuing price		At face value	At face value
Total amount		NT\$ 2 billion in total	NT\$ 2 billion in total
Interest rate		Coupon rate: fixed rate at 0.53% per annum	Coupon rate: fixed rate at 0.52% per annum
Duration		5-year period, maturity date: December 30, 2025	5-year period, maturity date: January 14, 2026
Assurance agency		Land Bank of Taiwan Co., Ltd.	Mega International Bank Co., Ltd.
Trustee		Taipei Fubon Bank Co., Ltd	Land Bank of Taiwan Co., Ltd.
Underwriting institution		Land Bank of Taiwan Co., Ltd.	Mega Securities Co., Ltd
Certifying attorney		Chung-Chieh Yu (attorney)	Chung-Chieh Yu (attorney)
CPA		Han Yilien and Judy Chien	Han Yilien and Judy Chien
Repayment method		Bullet repayment at maturity date at the end of 5-year period	Bullet repayment at maturity date at the end of 5-year period
Outstanding principal amount		NT\$ 2 billion	NT\$ 2 billion
Terms of redemption or early repayment		The Company may exercise its right of redemption by the coupon payment date after three years of issuance and can be redeemed totally.	Not applicable.
Restrictions		Nil	Nil
Credit rating agency, assessment date and results		Not applicable.	Not applicable.
Secondary rights	Amount of conversion (exchange or subscriptions) to ordinary shares, oversea depositary receipts, or other securities	Not applicable.	Not applicable.
	Issuing and conversion (or exchange or subscription) method	Please refer to the prospectus of the first secured ordinary corporate bonds for 2021.	Please refer to the prospectus of the first secured ordinary corporate bonds for 2018.
Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders' rights		Please refer to the prospectus of the second secured ordinary corporate bonds for 2020.	Please refer to the prospectus of the first secured ordinary corporate bonds for 2021.
Custodian of the target(s) of conversion		Not applicable.	Not applicable.

(III) Status of Outstanding Convertible Corporate Bonds: None.

(IV) Convertible Corporate Bond: None.

(V) Exchangeable bond: Nil.

(VI) Issuance of corporate bond under a shelf registration: Nil.

(VII) Corporate bonds with warrants: Nil.



III. Preferred Shares: Nil.

IV. Overseas Depository Receipts: Nil.

V. Employee Stock Warrants: Nil.

VI. Restricted Awards: None.

VII. New Shares Issuance in Connection with Merger and Acquisition: Nil.

VIII. Fund Utilization Plans and Implementation Status: Nil.

## Four. Operational Highlights

### I. Business Activities

#### (I) Business Activities

##### 1. Main fields of business:

Our main business activities include commissioning contractors to construct commercial buildings and public housing buildings for sale or for lease.

- (1) H701010 Housing and Building Development, Lease, Sale Business
- (2) H701020 Industrial Factory Development and Rental
- (3) H701040 Specific Area Development
- (4) H701050 Investment, Development and Construction in Public Construction
- (5) H701060 New Towns, New Community Development
- (6) H701020 Industrial Factory Development and Rental
- (7) H701080 Urban Renewal Reconstruction
- (8) J901020 Regular Hotel
- (9) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

##### 2. Weighting of business activities:

Units: NT\$ '000; %

YEAR Activities	2023		2024	
	Amount	Weight (%)	Amount	Weight (%)
Construction	43,821,503	99.44	36,720,803	99.44
Construction	99,778	0.23	66,720	0.18
Departmental stores:	145,912	0.33	140,757	0.38
Total	44,067,193	100.00	36,928,280	100.00

##### 3. Current product (service) lineup and developing products and services:

###### (1) Existing products and services

Apartment buildings: Apartments, suites, and parking spaces.

Office buildings: Offices, storefronts, parking lots, and suites.

###### (2) New products and services in development

Highwealth Group will continue acquiring land and launching development projects in eight major regions across Taiwan—Keelung, Taipei, New Taipei City, Taoyuan, Hsinchu, Taichung, Tainan, and Kaohsiung—and actively participate in

urban renewal initiatives. In line with the evolving needs of metropolitan areas, the Group is focused on the development, leasing, and sale of general residential properties, upscale leisure residences, and office buildings located in areas with strong transportation infrastructure. Furthermore, the Group is expanding into new business sectors such as food and beverage services and hospitality. Through diversified operations, the Group aims to achieve new milestones in revenue growth.

## (II) Industry Overview

### 1. Industry status and overview

According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), Taiwan's GDP growth rate in 2024 reached 4.59%, exceeding expectations. In the real estate sector, favorable mortgage conditions under the "Preferential Housing Loans for Youth" implemented in the second half of 2023 successfully attracted first-time buyers. As a result, property transaction volumes and new housing transfers both increased in 2024 compared to the previous year.

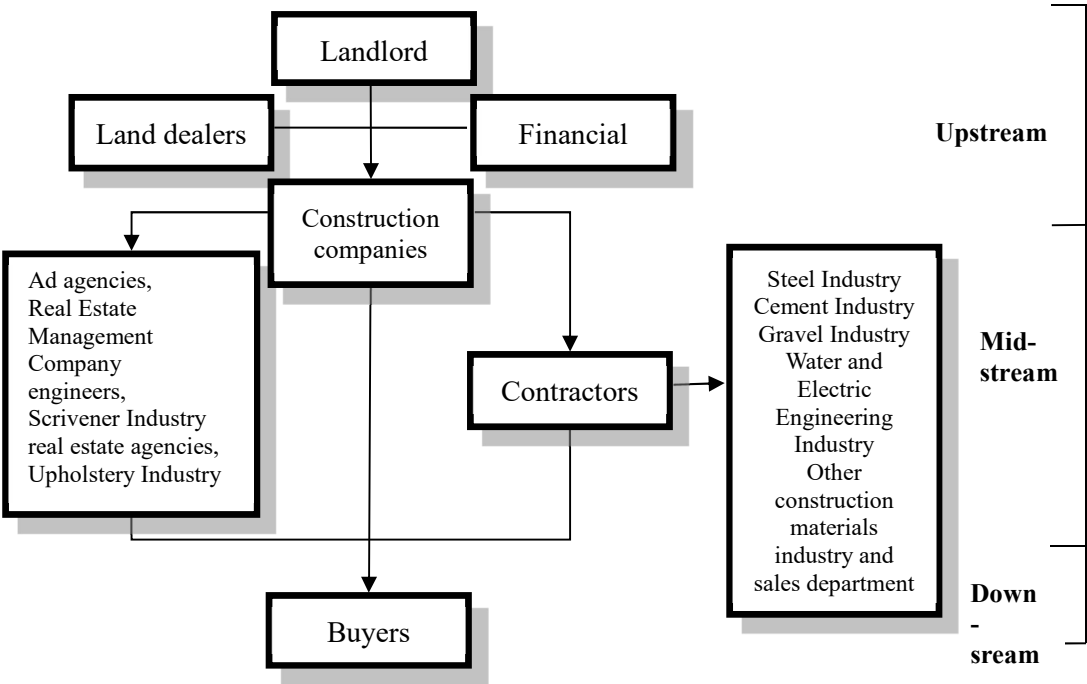
As of the first quarter of 2024, the central bank had raised interest rates six times, with the benchmark interest rate reaching 2%. Coupled with credit control measures targeting the housing market and regulatory amendments from the Ministry of the Interior—such as revisions to the Equalization of Land Rights Act, the Real Estate Broking Management Act, and the implementation of Vacant Housing Tax 2.0—these developments impacted housing demand and the overall real estate market. Despite these challenges, the New Mortgage Program continued to support market activity in the first three quarters. However, with the introduction of the central bank's seventh wave of credit controls in September, the market began to cool in the fourth quarter. Project launches became more conservative, and buyer sentiment turned cautious.

In 2024, housing demand in Taiwan initially surged before tapering off. Home prices across the seven major metropolitan areas mostly held steady or rose during the first three quarters, particularly in cities such as Kaohsiung, buoyed by TSMC's planned investment, Taoyuan, and Taichung, where transportation and public infrastructure continued to expand. In Tainan, while housing prices had already seen significant increases, transaction volumes declined. Several factors are bolstering the market, including sustained export growth, a robust overall economy, domestic interest rates at historically low levels, rising wages, and increased costs for building materials and land. As a result, housing prices generally exhibit an upward trajectory that is difficult to reverse. In northern Taiwan, the Taipei and New Taipei City markets remained mature and stable. Meanwhile, central and southern regions benefited from population inflows and industrial development, supporting continued price growth in key areas. The Executive Yuan's "Action Plan for Welcoming Taiwanese Businesses Back to Taiwan" has also spurred demand for both commercial and residential properties, driven by industrial investment and relaxed regulatory thresholds for insurance companies' real estate returns, now set at 2.545%.

Looking ahead to 2025, while geopolitical tensions in the Middle East persist, the Russia-Ukraine conflict has eased. However, the aggressive imposition of trade tariffs by the United States poses significant uncertainty for the global economic landscape. Domestically, the seventh round of housing market control measures introduced in late 2024 is expected to exert pressure on the industry. Nevertheless, the ongoing stimulus from the New Mortgage Program, strong rigid demand fueled by aging housing stock in major cities, and the rising costs of land, materials, and labor will likely keep housing prices in primary urban areas relatively stable.

2. Relationship among the industry’s up-, mid-, and downstream

The construction business has been called the “locomotive of all industries”. Its upstream raw materials are mainly land and building materials. The sources of land may come from sales or release of privately-owned property through joint construction, auctions of government-owned land, and the redevelopment of land use in urban renewal projects. Construction companies are in the midstream of the industry. As for the necessary raw materials, such as iron, steel, cement, etc., are non-renewable and limited in supply, substitute building materials are becoming readily available as the technology advances. Also in the midstream are housing dealerships and real estate agencies. In the past, the construction investment industry had a closer business relationship with housing dealerships. In recent years, however, real estate agencies have diversified our selling options with the advantage of having physical storefronts. With the assistance from scrivener services, construction management companies, and financial institutions construction companies lie in the intermediary position and coordinate the whole system. Construction companies acquire land from landowners, apply for loans from financial institutions, commission engineers for designs and contractors for constructions, and finally, sell through the buyer. The relationship among the industry’s up-, mid-, and downstream is illustrated in the diagram below:



3. Product development trends

- (1) Due to regulations on real estate transaction and limited land supply, instead of outright transfer of land ownership or joint construction with landowners, the Company will diversify its land development opportunities through superficial acquisition, urban renewal projects, real estate investment trust, commissioning, and strategic alliances with competitors.
- (2) Because of the varied demands in regional housing and office space, the government’s fight against urban-rural gap through urban planning and

transportation infrastructure, and the scarcity and the high price of real estate in Taipei City, the industry has been moving towards a multi-regional approach to diversify risks and adopting unique marketing strategies to tailor to regional developmental needs. The Company will continue to develop high-end residential buildings throughout the northern, central, and southern regions of Taiwan, and general residential buildings with easy traffic connections will be developed to meet the needs of urbanization. In addition, we will examine the profitability of the development, operation, lease, and sales of smart office buildings.

- (3) Diversification, sophistication, and humanization are the three major trends in the market. Apart from the traditional residential buildings, commercial buildings, office spaces, leisure housing, senior citizen housing, green housing, and high-tech smart housing are here to satisfy every customer's needs. As the average income continues to rise, home buyers are focusing less on practicality and safety and more on the living environment, life function, exterior/interior design, and the quality of buildings materials and equipment. Thus, brand awareness and customer satisfaction have become essential indices of competitiveness. The Company will work towards further diversification, humanization, and sophistication in future product development.

#### 4. Competition

The housing market is characterized by its massive scale, vast market reach, and distinctive regional needs. Therefore, the competitive environment is not as hostile as in other industries. Instead, our main focus is in on product differentiation. Our flexible product development strategies enable us to adjust the supply of various kinds of products in a timely manner to adapt to the industry's structural change and to meet the market demand. We determine the product positioning based on each project's scale and location, differentiate market needs according to regional characteristics, and diversify our portfolio to expand our market reach.

In recent years, the Company has mainly rolled out projects in highly urbanized regions, such as Taipei city, New Taipei city, Keelung, Taoyuan, Hsinchu, Taichung, Tainan, and Kaohsiung City. We are one of the very few construction companies that are able to adopt a multi-region approach. We pride ourselves on the creation of value-add with our excellent management team, robust financial planning, visionary land development, professional research and design, precise product positioning, robust construction process, and complete after-sale services. Through these competitive advantages, we can differentiate our products and sell them at a higher price in order to increase gross profits and ensure that our profitability remains stable. For hotels, the Company shall collaborate with Grand Hyatt Group and Marriott Corporation to roll out five-star hotel products. Integration with resources of international hotel corporations is able to minimize negative effects of external competition.

### (III) Overview of Technology and R&D

The Company has no in-house R&D department within the main construction business division.

#### 1. Technology know-hows and research outlook

##### (1) Construction business division

##### a. Construction design

Careful evaluations of product locations, the characteristics of the surrounding environment, and consumer demands are conducted to introduce suitable commercial real estate or residential products. For instance, due to changes in

Taiwan's industrial ecosystem, many young people are entering new technology and startup industries, which are characterized by fewer employees and smaller office spaces. In response to this trend, the Company has launched "micro office" products to cater to the needs of the startup industry, thereby expanding its product niche. Additionally, as technology advances, the Company continuously introduces environmentally friendly building materials from various countries and designs high-quality products to meet the ever-evolving market demands.

b. Construction management

We continuously study various construction methods, introducing the most suitable techniques and engineering management practices to rigorously control quality, cost, and progress. We have launched a 100-person BIM team and implemented new construction methods to reduce labor demand and material wastage. Additionally, we enhance safety and health training and management in construction projects, including pre-construction briefings and training, inspections during construction, and post-construction safety checks.

c. Structural integrity and safety measures

The Company introduced the advanced shock absorption system from Japan to minimize damages brought by earthquakes and ensure the safety of residential buildings in Taiwan.

d. Process automation and digitalization

We promote computerization by introducing an integrated construction management system, which includes the engineering budget system, project contracting system, business system, accounting system, and electronic forms. Additionally, we are strengthening the development of professional talent to enhance operational efficiency.

e. Marketing research

We have an accurate understanding of the real estate market, and we actively gather information on land use and real estate transactions. These data offer useful insights and enable us to precisely position our products and adopt superior marketing strategies, making large sales volume an achievable goal.

(2) Hotels:

The Group's first hotel, Aloft Tainan Anping, achieved an average occupancy rate of over 78% in 2024, up from 75% in 2023. Meanwhile, the InterContinental New Taipei Hot Spring in New Taipei City is scheduled for completion in the third quarter of 2025. The resort will offer 211 guest rooms, a wedding chapel with a seating capacity of 200, and a pillar-free banquet hall with a ceiling height of 7 meters. With its abundant hot spring resources, it will be the first InterContinental-branded hot spring resort in Taiwan. In addition, the Hyatt Regency Kaohsiung, featuring 177 guest rooms, is expected to be completed in the third quarter of 2026.

#### (IV) Short-term and Long-term operation plans

1. Short-term plan

With the Company's capital size, human resources, rate of return on investment, and capital turnover in mind, our short-term operation focus will stay on the investment and construction of mid- to large-scale projects at prime locations in northern, central, and southern Taiwan. We have established a professional marketing channel to accelerate sales, achieve zero inventory, and reduce interest expense. Apart from maximizing operational outcome, we are able to rapidly increase our capital thanks to our projects' profitability.

With careful budgeting, auditing, and cost monitoring, we are able to gradually increase our equity ratio, strengthen our financial structure, and solidify our operational foundation, leading to continuous growth and profit generation.

## 2. Long-term plan

As the capital of the Company reaching a certain scale, it is necessary to consider long-term stable investment options and integrate sustainable development policy. As such, for the long-term business development, the Company plans to utilize part of its capital for long-term investments, manage or engage external agent to manage properties, e.g. real estate for leisure and tourism, commercial real estate. In respond to an aging Taiwan society, the Company is prepared to develop old age support residential products and green buildings that integrate comprehensive environmental protection design conception, as well as design conception accommodating environmental co-existence and co-prosperity. Meanwhile, the majority of our capital will still be invested in construction projects. Therefore, we should be able to maximize earnings for shareholders. In the future, we will actively form strategic alliances with our competitors and the insurance industry to acquire land for construction or operation of residential buildings, office buildings, resorts, and department stores. At the same time, we will develop or introduce substitute building materials, maintaining a diversified portfolio and stable source of income.

## II. Market and Sales Overview

### (I) Market Analysis

#### 1. Main product sales area:

The Company continued to focus on high-rise multi-purpose residential buildings and office buildings for its operation. These buildings are situated in major metropolitan areas, including Taipei, New Taipei, Keelung, Taoyuan, Hsinchu, Taichung, Tainan, and Kaohsiung. We mainly select areas with convenient transportation, good life functions, and high developmental potentials. Our sales volume has been satisfactory.

#### 2. Market share

For the summary of the Company's operating revenue in 2024, please see the table below:

Top 10 TWSE/TPEX Listed Construction Companies in Terms of Consolidated Operating Revenue in 2024

Rank	Stock Code:	Name of the Company	Operating revenue (NT\$ 100 million)
1	2542	Highwealth	369
2	3703	Continental Holdings	307
3	2520	Kingdom Construction	287
4	2597	Ruentex Group	262
5	2501	Guo-Jian	239
6	2515	BES Engineering Corporation	238
7	5522	Farglory Group	224

Rank	Stock Code:	Name of the Company	Operating revenue (NT\$ 100 million)
8	2504	Goldsun Building Materials Co., Ltd	217
9	2535	DACIN Construction	147
10	2546	Gen-Ji	142

Data source: public information observatory

### 3. Market share, analysis of future supply and demand and market growth

#### (1) Supply

The four stages of land development are investment, production, transaction, and utilization. Construction companies will evaluate the market to determine the location, invest capital to procure building materials, and then begin the design process. However, the Building Act stipulates that building construction, reconstruction, addition, and repair all require building permits, that construction must commence within 6-9 months of permit issuance, and that land use registration and land use change both require a license. Because the whole process can take around 2-3 years, land transaction volume and building permit issuance can be seen as an early indicator of future housing market performance. The number of new construction projects can further reflect the industry's attitude towards the market outlook. On the other hand, property roll-out volume indicates the current housing supply. Therefore, in the following section, we will analyze land transaction volume, number of permits issued, and property roll-out volume to paint a clearer picture of market supply and growth.

##### (A) Land transaction volume

According to statistics from Cushman & Wakefield, Taiwan's land transaction volume in 2024 reached NT\$263.2 billion, representing a 133% increase from NT\$112.9 billion in 2023. The bulk of this activity occurred in the first three quarters, with transactions totaling NT\$214.4 billion, driven primarily by major tech companies expanding their facilities, which in turn spurred demand for housing. Developers responded by acquiring land to replenish their inventories. However, in the fourth quarter, land transaction value dropped to just NT\$45 billion due to the Central Bank's cooling measures and tightened credit controls, prompting developers to adopt a more prudent approach.

Looking ahead, with continued regulatory oversight from the Central Bank and increasing uncertainty in the global economic and political landscape, exacerbated by U.S. President Trump's aggressive tariff policies, developers are expected to remain prudent, refraining from bidding up land prices. Instead, they are likely to shift toward strategies such as participating in government-led urban renewal projects or engaging in joint developments with landowners.

##### (B) Number of construction licenses and building user permits issued

The Building Act stipulates that new construction, addition, reconstruction and repair of buildings all require construction permits. Relevant statistics are the leading indicators used to observe the prosperity of construction industry in Taiwan. According to the Ministry of the Interior Construction and Planning Agency's Monthly Statistics Report, 156,237 residential building permits



(excluding farmhouses) were issued in 2024, marking a 7% increase from 145,553 units in 2023. Of these, the six special municipalities plus Hsinchu County and City accounted for 85% of the permits issued, indicating that developers are increasingly concentrating their projects in major urban areas. This regional cluster also represents a growth of over 13% compared to 2023. In 2024, an average of over 13,000 residential units were approved each month. However, following the Central Bank's implementation of the seventh wave of real estate credit controls in September 2024, the average number of approved units dropped to below 11,000 per month in January and February 2025, reflecting a more cautious stance by developers. In terms of usage licenses, 137,707 residential units (excluding farmhouses) were granted occupancy permits in 2024, a 16.98% increase from 117,723 units in 2023. This reflects the completion of housing projects approved in prior years and has also contributed to an increase in residential mortgage lending.

Table shows the Housing Construction Permit and Housing User Permit issued

Unit: Number of households, Total floor area(m<sup>2</sup>)

Area	Item	Housing Construction Permit			Housing User License		
		2024	2023	2-year Comparison	2024	2023	2-year Comparison
Taipei City	Number issued	12,365	12,240	1.02%	10,312	5,515	86.98%
	Total Floor Area	1,668,090	1,636,982	1.90%	1,387,661	773,698	79.35%
New Taipei City	Number issued	22,962	26,179	-12.29%	19,517	18,599	4.94%
	Total Floor Area	2,717,882	3,007,985	-9.64%	2,423,039	2,381,479	1.75%
Taoyuan City	Number issued	28,978	18,820	53.97%	23,814	19,048	25.02%
	Total Floor Area	3,560,766	2,437,917	46.06%	3,473,729	2,780,094	24.95%
Hsinchu City and County	Number issued	8,010	8,118	-1.33%	7,213	7,561	-4.60%
	Total Floor Area	1,127,978	1,217,788	-7.37%	1,144,624	1,136,481	0.72%
Taichung City	Number issued	30,483	24,622	23.80%	26,798,000	21,366	25.42%
	Total Floor Area	4,472,967	3,752,623	19.20%	3,987,317	3,281,687	21.50%
Tainan City	Number issued	9,023	8,837	2.10%	8,368	8,341	0.32%
	Total Floor Area	1,199,237	1,170,897	2.42%	1,175,480	1,150,183	2.20%
Kaohsiung	Number issued	20,295	17,853	13.68%	18,050	16,439	9.80%
	Total Floor Area	2,425,479	2,299,828	5.46%	2,325,797	2,373,014	-1.99%

Source: Construction and Planning Agency, Ministry of the Interior

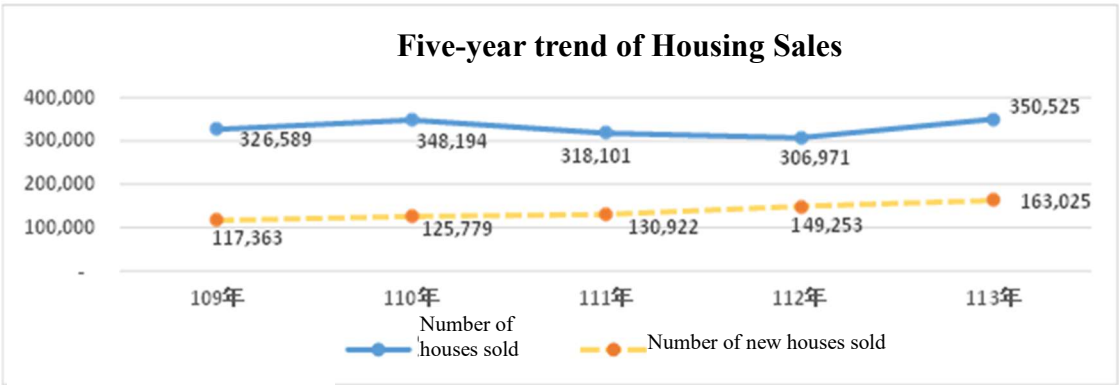
### (C) Property roll-out

According to statistics from 591 New Property Listings, the total nationwide presale and launch value in 2024 exceeded NT\$2.56 trillion, marking a significant increase compared to both 2022 and 2023. This growth was largely driven by the establishment of major technology plants, favorable infrastructure developments, and the catalytic effect of the government's "Preferential Housing Loans for Youth" policy.

#### (2) Demand

According to the DGBAS, the annual growth rate of the rental index in 2024 reached 2.45%, the highest in 28 years. Under the influence of the housing loan policy for first-time home buyers, many people now believe that buying is more advantageous than renting. As a result, both the number of property transfers and new home transactions reached multi-year highs. However, following the central bank's seventh round of housing market control measures implemented in September, the increased difficulty in obtaining home loans has led to a more cautious market

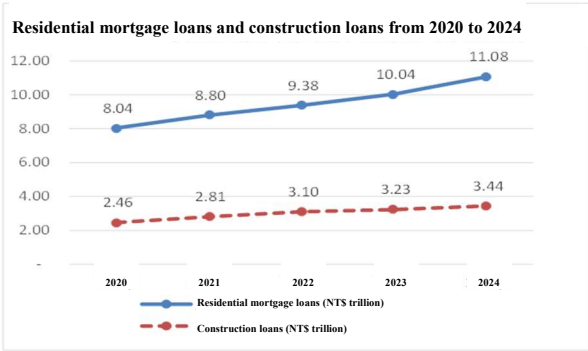
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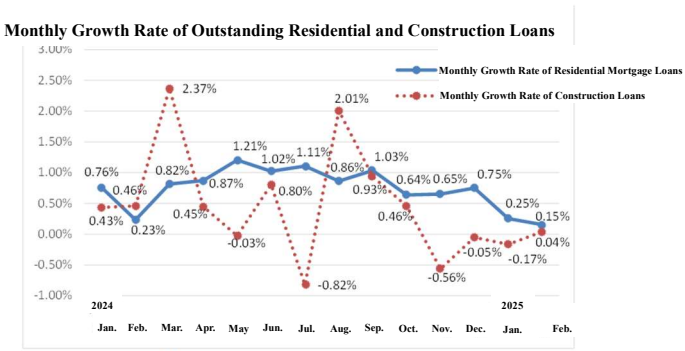
Source: Ministry of the Interior

According to data from the Central Bank, over the past five years, the amount of residential mortgage loans has consistently increased by more than 5% annually. By the end of 2024, the total amount of residential mortgage loans reached NT\$11.08 trillion, representing a growth of over 10% compared to NT\$10.04 trillion at the end of 2023. Additionally, construction loan amounts reached NT\$3.44 trillion by the end of 2024, up more than 6% from NT\$3.23 trillion at the end of 2023. These figures indicate that demand for home purchases remained strong in 2024, and developers continued to launch new projects.

However, following the Central Bank’s implementation of continued housing market control measures in September 2024, the monthly growth rate for both residential mortgage loans and construction loans began to decline noticeably. From November 2024 to January 2025, the monthly growth rate of construction loans even turned negative, signaling that the overall housing market has cooled under the Central Bank’s regulatory pressure.



Source: Central Bank



Source: Central Bank

(3) Growth

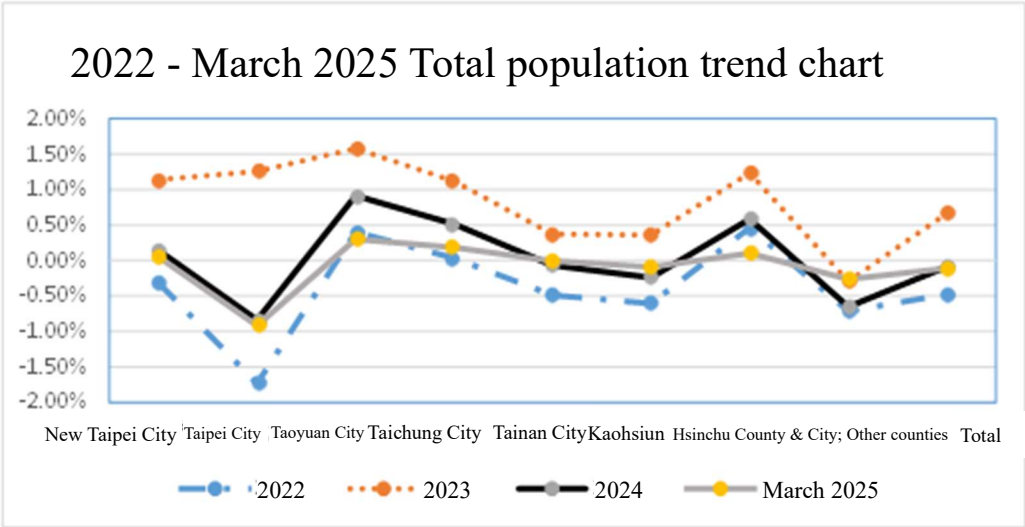
Due to escalating global trade tensions and ongoing uncertainty surrounding various international policies and geopolitical conditions in 2025, the International Monetary Fund (IMF) revised its global economic growth forecast in the World Economic Outlook downward from 3.3% to 2.8%. However, Taiwan’s GDP growth rate was adjusted upward from 2.7% to 2.9%, reflecting the resilience of Taiwan's

economy amid trade conflicts. Additionally, according to the Directorate-General of Budget, Accounting and Statistics (DGBAS), Taiwan's average monthly salary per capita in 2024 reached NT\$60,984, marking a year-over-year increase of 4.39%. With rising personal income and government initiatives encouraging corporate wage hikes, income levels are expected to continue improving, thus enhancing home-buying capacity.

In the real estate sector, the aging housing stock in major cities and frequent earthquakes in recent years have sustained strong replacement demand. Due to cost-related factors, housing prices are unlikely to decline significantly. Furthermore, as populations continue to concentrate in urban areas, the housing market in major cities is expected to remain relatively stable under the Central Bank's regulatory policies—likely showing limited price fluctuations but reduced transaction volumes. Cities with major infrastructure or industrial development projects will experience more noticeable resilience. Although Taiwan's overall population returned to negative growth in 2024 due to declining birth rates, urban areas still saw a net increase of 19,054 people, indicating a continuing trend of population concentration in metropolitan regions. Coupled with widespread aging of housing stock across Taiwan, the demand for housing in major cities is expected to remain steady.

Region	Population Change (2022-2023)		Population Change (2023-2024)	
	Population Change	Change %	Population Change	Change %
Taipei City	31,205	1.26%	-21,017	-0.84%
New Taipei City	45,569	1.14%	5,881	0.15%
Taoyuan City	35,981	1.58%	21,203	0.91%
Taichung City	31,450	1.12%	14,692	0.52%
Tainan City	6,949	0.38%	-1,295	-0.07%
Kaohsiung	9,804	0.36%	-6,529	-0.24%
Hsinchu City and County	12,788	1.24%	6,119	0.59%
Other counties and cities	-128,618	-2.08%	.39,276	-0.65%
Total	45,128	0.19%	-20,222	-0.09%

Source: DGBAS, Ministry of the Interior

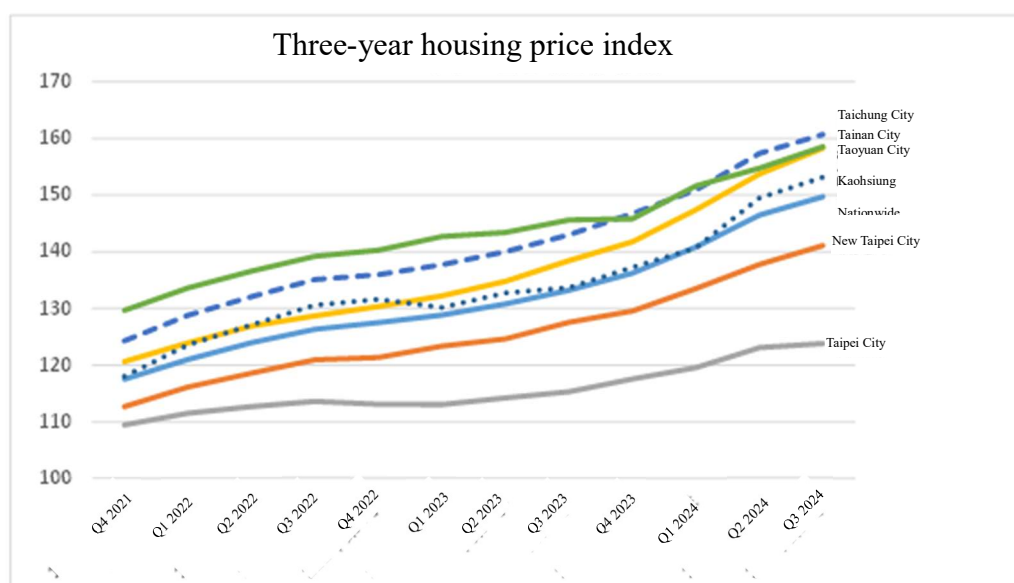


Source: DGBAS, Ministry of the Interior

According to the statistics of DGBAS, ongoing inflation has led to rising land costs, labor shortages, and increased labor costs for developers, resulting in an overall increase in construction costs. Over the past five years, the construction and building engineering total index has continued to rise, making it difficult to reduce housing prices. Additionally, the expansion of infrastructure, the return of overseas Taiwanese businesses, increased corporate investments, and economic recovery have fueled market expectations of continuously rising housing prices in 2024, driving the housing price index to new highs.



Source: DGBAS



Source: Ministry of the Interior

#### 4. Competitive advantages

- (1) Great capital resources and credit worthiness
- (2) Superior land development abilities with visions
- (3) Rigorous product design to satisfy market needs
- (4) Leading construction technologies in the industry.
- (5) Precise control of construction quality, progress, and costs.

#### 5. Long-term opportunities, threats, and our countermeasures

##### (1) Opportunities

- ① As inflation continues to ease, although the Central Bank raised interest rates by 0.125% in the first quarter of 2024, the housing market has already cooled significantly following the implementation of the seventh round of selective credit controls. Therefore, substantial interest rate hikes are unlikely to occur in 2025.
- ② The aging of residential buildings across major cities nationwide has increased the public's demand for home upgrades and replacements.
- ③ The "Preferential Housing Loans for Youth" policy remains in effect, with applications open from August 1, 2023 to July 31, 2026. The maximum loan amount is NT\$10 million, with a repayment period of up to 40 years, a fixed interest rate, and a grace period of five years.

##### (2) Threats

- ① The Legislative Yuan approved the amendment to "The Equalization of Land Rights Act" at the third reading in January 2023, and the content includes:

A Restrictions on contract exchange or resell of presale houses and newly

built houses.

- B Material punishments on speculation.
  - C Establishment of a whistleblowing and bonus system.
  - D Restriction on private house acquisition by corporations.
  - E Requirement of declaration and registration for the cancelation of contracts for presale houses.
- ② The trend in mortgage delinquency rates will continue to influence the Financial Supervisory Commission's regulation of banks' mortgage businesses. Additionally, the future imposition of carbon fees may increase construction costs.
- ③ The ongoing conflicts in the Middle East and the Russia–Ukraine war may cause raw material prices to continue rising or remain high.
- ④ Interest rate and housing policies of the Central Bank:
- A Following the sixth round of credit control in June 2024, the Central Bank launched a seventh round of selective credit control in September:
    - a For buyers who already own property, first-home mortgages are no longer eligible for a grace period.
    - b The maximum loan-to-value (LTV) ratio for a second home was lowered from 60% to 50%, and the restriction was expanded from the six major municipalities to the entire country.
    - c For third homes or luxury homes, the maximum LTV ratio was reduced to 30%.
    - d In both the sixth and seventh rounds, the reserve requirement ratio was raised by 0.25 percentage points, tightening the money supply.
  - B The government and Central Bank have stepped up investigations into non-owner-occupied home purchases and are strictly scrutinizing violations under the “Preferential Housing Loans for Youth” policy.

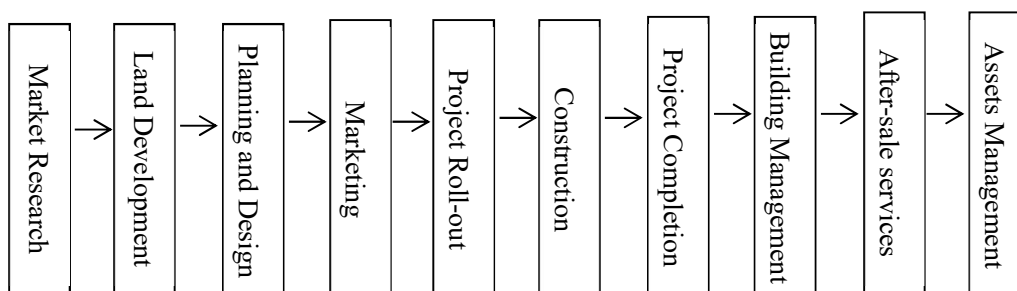
### (3) Countermeasures

- ① Conduct rigorous reviews of new development projects to determine the reasonable returns and prices; strengthen internal management and shorten construction time to minimize loss of profits due to rising material costs.
- ② Product design diversification strives for breakthroughs by focusing on construction quality and enhancing product competitiveness. Diversified operations reduce business risks, including the introduction of small-sized residential units and micro-offices, and continued expansion into the hotel market to promote revenue diversification.
- ③ Enforce “just-in-time” zero inventory policy and the selling policy to maximize returns on invested capital (ROIC).
- ④ Strategies of urban renewal by governmental agencies of co-building with

landlords.

## (II) Main Products and Manufacturing Process

1. Major products and their main uses
  - (1) Luxury apartment buildings: apartments, suites, parking spaces.
  - (2) Luxury office buildings: storefronts, malls, suites, parking spaces.
2. The manufacturing process of main products



## (III) Supply of Major Source Materials

1. Land: The Company actively seeks and develops suitable areas for construction in metropolitan regions such as Greater Taipei, Taoyuan, Hsinchu, Taichung, and Kaohsiung, in coordination with various public infrastructure projects. Depending on practical needs, the Company may collaborate with landowners through joint development, form strategic alliances with industry peers, or participate in urban renewal and metro joint development projects. Therefore, there is no concern regarding land supply shortages.
2. Construction: From contracting to project acceptance, we have rigorous operating procedures in place to help us control the progress and quality of construction. Supply shortage or monopoly is out of the question.
3. Materials: For cost-saving and scheduling efficiency, the Company traditionally procures materials through competitive pricing comparisons. To enhance flexibility and control in subcontracting, the Company has gradually adopted integrated packages that include both labor and materials, or joint contracting arrangements. This ensures a stable supply of construction materials.

## (IV) Major Suppliers and Clients

1. Major suppliers with at least 10% of annual order volume in the previous two years

Unit: NT\$ thousands

Item	2023				2024			
	Name	Amount	Percentage (%)	Relation	Name	Amount	Percentage (%)	Relation
1	Others	25,636,813	100.00%	None	Others	33,843,070	100.00%	None
	Net Purchase	25,636,813	100.00%		Net Purchase	33,843,070	100.00%	

Note 1: List the suppliers with at least 10% of annual order volume in the previous two years, and the purchase amount and proportion. However, if it is not allowed to disclose the name of the supplier due to the contract agreement or if the trading partner is an individual who is not a related person, it can be listed in the form of code.

## Highwealth Construction

Note 2: When preparing the consolidated financial statements, the transactions between the consolidated enterprises have been written off.

Note 3: As of the publication date of the annual report, the Q1 financial information is yet to be audited.

### **Reason for the change:**

We use composite outsourcing of construction work and materials. Purchase amounts vary based on the construction progress. Because construction projects are discrete in nature and because land is non-increasing, immovable, and irreplaceable, land acquisition depends on our project locations and we don't rely on specific suppliers.

### 2. Major clients with at least 10% of annual order volume in the previous two years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	Percentage (%)	Relation	Name	Amount	Percentage (%)	Relationship to issuer
1	Others	44,067,193	100.00%	None	Others	36,928,280	100.00%	None
	Net Sales	44,067,193	100.00%		Net Sales	36,928,280	100.00%	

Note 1: List the clients with at least 10% of annual sales volume in the previous two years, and the amount and proportion of the sales. However, if it is not allowed to disclose the name of the client due to the contract agreement or the trading partner is an individual who is not a related person, it can be listed in the form of code.

Note 2: When preparing the consolidated financial statements, the transactions between the consolidated enterprises have been written off.

Note 3: As of the publication date of the annual report, the report for the review of the Q1 financial information is yet to be issued.

### **Reason for the change:**

Due to the nature of the business, the Company does not have regular clients commanding more than 10% of our annual sales volume.

## III. Human Resource Information (Ratio of employees in service, average years of service, average age and education) in the last two years up until the publication date of the annual report

The consolidated human resources information of the Company and its subsidiaries for the past two fiscal years and as of April 25, 2025, is summarized as follows:

YEAR		2023	2024	April 25, 2025
Number of employees	Employee	760	735	722
	Engineers	609	762	810
	Total	1,369	1497	1532
Average age		38.8	39.1	39.1



YEAR		2023	2024	April 25, 2025
Average years of service		5.3	5.2	5.1
Educational Background	PhD	0%	0.13%	0.07%
	Master's	5.62%	5.41%	5.29%
	College	74.14%	66.20%	63.25%
	High School	11.40%	12.89%	14.49%
	Below high school	8.84%	15.43%	16.91%
Gender	Male	64.06%	66.40%	67.82%
	Female	35.94%	33.60%	32.18%

#### IV. Environmental Protection Expenditure

- (I) Total Losses and Penalties by environmental pollution during the latest year and up to the printing date of this annual report

Our main business activities consist of the construction and sales of buildings. We outsource construction with or without materials procurement to contractors, who will be responsible for the processing and disposal of wastes. The Company assumes a supervisory role, and therefore, did not recognize any losses from environmental pollution penalties during the last year and up to the publishing date.

- (II) Environmental Protection Measures

We stipulate in our contracts that our construction partners shall take whole responsibility for any pollution during construction. The Company assumes a supervisory role. We have the following measures in place to prevent pollution:

1. Select the most appropriate construction methods based on the geology and the neighboring areas of the location to minimize noise and vibrations.
2. Put up protection nets to prevent dust and stones from flying or falling.
3. Set up enclosed scavenging ducts to prevent wastes from scattering.
4. Designate a place for waste disposal. No burning of wastes is allowed during construction, and carry out regular collections of wastes.
5. Regularly dredge the drainage trench to keep surrounding areas sanitary.

- (III) Contingent Liability in Environmental Protection: Nil.

#### V. Labor-management relations

- (I) Policies on employees' welfare, continuing studies, training, retirement, and their implementation status; labor agreements and measures to safeguard employees' interests in the past year and up to the publication date of the Annual Report:

1. Employee welfare:

To ensure sustainable operations and foster a positive work environment, while promoting employee well-being and enabling personal growth aligned with the Company's development, a Workers' Welfare Committee has been established. Committee members are

elected by employees and are regularly re-elected. The committee convenes periodically to coordinate and implement various welfare initiatives, all of which are open to current employees. Funding for these activities is allocated from the Company’s operating revenue and managed by the committee, allowing employees to share in the Company’s business achievements. The Company has enacted the “Employee Welfare Operation Management Guidelines” to govern these efforts. In 2024, the Company hired massage therapists with disabilities to provide on-site massage services, totaling 1,008 sessions over 252 hours. Additionally, the Company arranged 44 hours of on-site medical services across 11 sessions, offering consultations on health checkups, occupational injuries, personal illnesses, and infectious diseases. Educational training sessions were also organized in 2024, covering topics such as “Workplace Sexual Harassment Prevention and Gender Equality Complaint Procedures” and the “Three Major Laws on Sexual Harassment and Gender Equality.” Organized Penghu Cruise employee tour and Leofoo Village employee team building activities. Other relevant employee welfare items are listed below:

- |                                                           |                                                             |
|-----------------------------------------------------------|-------------------------------------------------------------|
| (1) Holiday bonuses                                       | (7) Performance bonus                                       |
| (2) Wedding gifts and funeral solarium                    | (8) Bonus Allocation,                                       |
| (3) Uniforms                                              | (9) Year-end banquet                                        |
| (4) Employee housing discounts                            | (10) Other benefits defined by the Staff Benefit Committee. |
| (5) Labor insurance, health insurance and group insurance | (11) Employee travel and team-building activities           |
| (6) Pension                                               |                                                             |

2. Training and further training:

The Company and its subsidiaries offer job orientation, general and professional training courses to help employees cultivate professional skills and achieve self-actualization. Employees can take these courses on their own initiative or with the recommendation of their supervisors. The training program includes:

- (1) Job orientation
  - ⊕ General training: Introduction to the Company’s history and management, and lectures on safety, sanitation, and quality control.
  - ⊗ Professional training: all new recruits must undergo training of professional knowledge and operational procedures before they are put to work.
- (2) On-job training and further training
  - ⊕ The Company provides on-job training based on each department’s needs.
  - ⊗ The Company can hold irregular educational training in accordance of the need for the employees, the employees can take these courses on their own initiative or with the recommendation of their supervisors.

## (3) Training for new hires in the Company and its subsidiaries in the recent year:

Name of the Company	Unit	Target	Training Program	Hours
Highwealth Construction	Administration Department	New recruits	Pre-employment training, corporate culture orientation, human rights (DEI), gender equality, sexual harassment prevention, employee grievance mechanisms, and training on the HR leave system	24
			Occupational safety and health training (online)	3
			Information security training (online)	1
		All employees	2024 Greenhouse Gas Inventory Kick-off Training	1.5
			Workplace Sexual Harassment / Human Rights / Act of Gender Equality in Employment - Complaint Procedures	3
			Greenhouse Gas Inventory Education and Training	3
			Health Seminar: "Say Goodbye to Sugar – A Lazy Guide to Blood Sugar Control"	2
			Information Security Awareness Training (in-person/online)	2
			Employee Empowerment: How to Promote a Positive Team Environment and Build a Friendly Workplace (online)	1.5
			Annual GHG Inventory Issue Reporting	2
		Group Human Resources	Understanding Different Labor Models and Common Disputes	3
			Creating New Opportunities for Business – Recruitment Strategies for the New Generation	2
			Gender Mainstreaming – Promoting Workplace Equality / Introduction to Gender Equality Indicators	2
			Optimizing Employer Branding to Attract Top Talent	2
			Eliminating Sexual Crimes: New Sexual Harassment Law Revisions and Corporate Investigation Procedures	4
			Overview and Case Sharing on Labor Occupational Accident Insurance and Protection Act	4
			The Secrets Behind Pay Slips – Interpreting Pay Structure and Labor Rights	4
			Labor Dispute Resolution Mechanisms and Protection under the Labor Incident Act	4
			Global Workplace Trends and Legal Issues for Talent Sustainability	4
			HR Practices under ESG Framework	18
			Certified Training Program for Employee Mental Health Management Specialists	12
			Workforce Planning Methods and Practical Applications	3
			Dignified Labor for Public and Private Sectors – Ending Workplace Bullying (online)	1.5
			2024 Smart HR Forum	3
			ESG Performance Evaluation and Executive Compensation Planning	1.5

## Highwealth Construction

Name of the Company	Unit	Target	Training Program	Hours
		Group General Affairs	HR Management Amidst the AI Revolution	2
			2024 GHG Inventory Kick-off Meeting	2
			Fire Safety Manager Refresher Training	6
			Smart Taiwan: A New Sustainable Lifestyle	3
			Global Sustainability Trends and Challenges	3
			What Constitutes “High-Quality” Carbon Credits? Carbon Credit Quality: Stop, Look, and Listen	2.5
			Workshop on Trends and Challenges of Digital Carbon Emission Tools	3
			Global Deployment and Integration of ICT	3
			Introduction and Implementation Planning for IFRS Sustainability Disclosure Standards	3
		Group IT	Shareholders’ Meeting Video Support System – Centralized Custody and Settlement System Training	2
			ISO/IEC 27001:2022 Lead Auditor Transition Training on Information Security Management Systems	16
			Unpredictable Crisis: How Generative AI Disrupts Cybersecurity Defenses	2.5
			Seminar on Integrating AI into Zero Trust Architecture and Cybersecurity Strategies	3
Highwealth Construction	Administration Department	Group IT	From Intelligent Revolution to the Digital Battlefield – New Zero Trust Cybersecurity Landscape in the AI Era	3
			In-person Training for Chief Information Security Officers	4
			Taiwan Cybersecurity Incident Response Annual Conference	2
			Cybersecurity Staffing and Budgeting – Expert Insights	2
	Administration Department	Employees from various departments	Cybersecurity Awareness Training	3
	Sales Department	All employees	2024 Latest Real Estate and Construction Regulations Briefing	3
			Analysis and Discussion on Common Violations in Pre-sale Housing Standard Contracts	3
			Pre-sale Housing Sales Reminders and Case Sharing	3
	Audit Office	Internal audit personnel	Latest Amendments to the Regulations Governing Establishment of Internal Control Systems by Public Companies and Compliance Practices Related to Financial Report Preparation	6
			Analysis of Recent Regulations on Annual Reports, Sustainability Disclosures, and Financial Statement Preparation and Internal Control Practices	6
	Finance Department	All employees	Discussion and analysis of financing cases	120
			Seminar on construction site visitation	24
		Stock affairs personnel	Seminar of Listed company’s business.	3

Name of the Company	Unit	Target	Training Program	Hours
	Accounting Department	All employees	Updates of taxation laws and regulations	2
			Updates of building management laws and regulations	3
			New Employee Orientation Training Courses	9
			New Regulations Seminars	15
			Lecture for the upgrade of demonstrating the ACM system	3
			IFRS Awareness Seminar	7
	Department of Planning	Group ESG representatives and project members	TAICCA ESG Co-Creation Workshop	8
			Ushering in a New Era of Net-Zero Emissions and Sustainable Finance in Taiwan Forum	4.5
			TAICCA ESG Forum	4
			Keelung-Taipei-Taoyuan “My Carbon Savings Account” Forum	2.5
			SDG Asia Exhibition	2
			Net-Zero Building and Sustainable Finance Strategy Forum	4
			TAICCA ESG Exhibition	4.5
			DISCO Digital Sustainability Management Platform	2
			ESG Report Optimization Seminar	4.5
			ESG Carbon Emission System and Supply Chain Management	2
			ESG Carbon Inventory System Training	1.5
		Department of Planning	AI-Generated Illustration Training	1.5
		All employees	Commercial Real Estate Investment Trend Forum	4.5
			Overseas Study Tour – Tokyo, Japan	80
		Digitalization Team	Generative AI Industry Forum	2.5
		Personnel of individual case	2024 Mars Creative Day – We Spark Together Forum	8
	Development Department	All employees	Introduction to the Four Major Building Certifications: International Trends in Health and Low-Carbon Certification	2
	Planning Department	All employees	VAF Air Purification System (Green Building Topic)	2
			Energy Recovery Ventilation System (Green Building Topic)	2
			Residential and Office Elevator Dispatching Systems (Green Building Topic)	3
			Northern Region EV Charging System Overview (Green Building Topic)	2
Highwealth Construction	Planning Department	All employees	Architecture Firm AI Application Sharing	2
			Introduction to the Four Major Building Certifications: International Trends in Health and Low-Carbon Certification	2
			Regulatory Review Timeline for Fire Safety and Prevention	2
			AI Software Applications: Sharing and Hands-on Practice	2

## Highwealth Construction

Name of the Company	Unit	Target	Training Program	Hours
			Project Showcase by BuroHappold on Curtain Wall Engineering	2
			Site Visits to “Urban Forest” and “The Castle” (Sample Units Featuring Prefabricated Bathrooms)	3
		Personnel of individual case	Visit and Exchange with Skidmore, Owings & Merrill (SOM) in the United States	2
Well Rich	Hotel Department	All employees	Marriott Brand Training Courses	18
			Departmental Functional Training	77
			Occupational Safety and Health Education and Training	18
			Others (Sexual harassment, anti-narcotics, kid’s playroom, etc.)	80
Chyi Yuh Construction	Entire company	New recruits	orientation training	1
	All construction sites in Taiwan	Deputy Director or higher	Structure and Techniques of Construction Planning Reports	2
		Deputy Director or higher	Case Study Review on Leakage Deficiencies	2
		Assistant Engineers/Engineers	Temporary Construction Works	2
		Assistant Engineers/Engineers	Practical Training in Aluminum Formwork Engineering	2
		All employees	Occupational Safety Management and Practices in the Construction Industry	3
		Deputy Director or higher	Underground Engineering (Diaphragm Walls, Bored Piles, Retaining Walls)	2
		Deputy Director or higher	Preparatory Work Before Project Commencement	2
		Director level or higher	Preparations before Usage License	2
		Assistant Engineers/Engineers	Inspection and Handover Procedures	1
		Assistant Engineers/Engineers	Matter of notice for building planning and construction drawings	2
		Director/Deputy Director or higher	Curtain Wall Engineering	2
		Director/Deputy Director or higher	Structural Engineering (Climbing Formwork and Core Tubes)	1
		Deputy Director or higher	Improving Site Quality Control Based on Seismic Certification Inspection	2

Name of the Company	Unit	Target	Training Program	Hours
		Deputy Director or higher	Emergency Measures for Adjacent Property Damage	1
		Deputy Director or higher	Construction Budgeting, Final Accounts, and Project Closure	1
		Deputy Director or higher	Review of Standard Procedures for Internal Procurement and Costing	2
		Deputy Director or higher	Occupational Health and Safety Management in Practice	1
		Assistant Engineers/Engineers	Principles of Safety Equipment Layout (Unified Facilities)	2
		Assistant Engineers/Engineers	Standard Construction Drawings	2
		Director level and above; occupational safety and health personnel	Review of Safety Deficiencies and Promotion of Occupational Accident Case Studies	1
Chyi Yuh Construction	All construction sites in Taiwan	All Site Staff (up to and including Director)	Procedures for Handling: Violations of the Employment Services Act, Occupational Accidents, Other Major Site Incidents	1
		Assistant Engineers/Engineers	Standard Operating Procedures for Material Delivery Acceptance inspection	2
		Assistant Engineers/Engineers	Drawing Review Key Points (BIM)	2
		Deputy Director or higher	Fundamentals of MEP (Mechanical, Electrical, Plumbing) Systems	2
		Above the level of director	Leadership Potential Training	24
		Deputy Director or higher	Cross-Site Observation and Peer Training	24
Run Long	Chairman Office	Internal audit personnel	Corporate Sustainability Transformation under ESG Trends and Strategies for Internal Audit Alignment	6
			Corporate Governance Practices and Audit Case Analysis: Focusing on Boards and Shareholders	6
			Latest Legal and Regulatory Analysis for Annual Reports/Sustainability Disclosures/Financial Reporting and Internal Controls	6

Name of the Company	Unit	Target	Training Program	Hours
			Ethics and Anti-Fraud Strategies for Corporate Auditors: Case Study on Breach of Trust and Non-Conventional Transactions	6
			2024 Internal Control System Seminar on ESG Information Management	3.5
	Accounting Department	All employees	IFRS Adoption Seminar (featured set) (Taipei class)	12
			2024 Seminar on Taiwan's Adoption of IFRS	4.5
		Select staff	ACM General Ledger and Notes Payable Management System – Beginner & Advanced Video Modules (Part I)	6.5
			ACM General Ledger and Notes Payable Management System – Beginner & Advanced Video Modules (Part II)	4
			ACM Journal Voucher Entry Training	2.5
		Service Personnel	Seminar of Listed company's business.	3
	IT Department	All employees	Information Ethics	1
			Advanced Network and Communications Management	3
			Computer Fundamentals and Hardware Maintenance	3
			Email Phishing & Social Engineering Awareness	0.5
			2024 Cybersecurity Training for TWSE/TPEX-Listed Company Information Security Personnel	6
	Finance Department	Select staff	ACM General Ledger and Notes Payable Management System – Beginner & Advanced Video Modules (Part I)	6.5
			ACM General Ledger and Notes Payable Management System – Beginner & Advanced Video Modules (Part II)	4
			ACM Journal Voucher Entry Training	2.5
	Various departments	Employees from various departments	Labor Education Course: Hazard Identification & Safety Awareness, Workplace Violence Prevention & Practices	3
			General Education: Discovering Self Through "Life Code File" Analysis	2
			Labor Education: Workplace Equality Measures & Taipei City Gender Equality Indicators Introduction	3
			Occupational Health Education: Diabetes Awareness	2
			GHG Inventory Training	1
			GHG Topic Reporting and Review	2
Run Long	Various departments	Employees from various departments	Information Security Awareness Training Course	2
			IFRS Sustainability Reporting Standards S1 & S2	2
			General Occupational Safety and Health Education Training (Part 1)	1
			General Occupational Safety and Health Education Training (Part 2)	1
			Construction Site Safety and Health Management	1



Name of the Company	Unit	Target	Training Program	Hours
			Safety and Health Work Guidelines and Related Knowledge	1
Jin Jyun Construction	Various departments	New employee orientation	orientation training	1
	All construction sites in Taiwan	All employees	Occupational Safety Management and Practices in the Construction Industry	3
		Engineering personnel	Procedures for Handling: Violations of the Employment Services Act, Occupational Accidents, Other Major Site Incidents	1
		Director level or higher	Preparations before Usage License	2
			Leadership Potential Training	24
		Director level and above; occupational safety and health personnel	Review of Occupational Safety and Health Deficiencies / Case Studies on Occupational Accidents	1
		Directors and Deputy Directors and above at all sites nationwide	Curtain Wall Engineering	2
			Structural Engineering (Climbing Formwork and Core Tubes)	1
		Deputy Directors and above	Structure and Techniques of Construction Planning Reports	2
			Case Study Review on Leakage Deficiencies	2
			Underground Works (Diaphragm Walls, Bored Piles, Retaining Walls)	2
			Preparatory Work Before Project Commencement	2
			Improving Site Quality Control Based on Seismic Certification Inspection	2
			Emergency Measures for Adjacent Property Damage	1
			Construction Budgeting, Final Accounts, and Project Closure	1
			Review of Standard Procedures for Internal Procurement and Costing	2
			Occupational Safety and Health Management in Practice	1
			Fundamentals of MEP (Mechanical, Electrical, Plumbing) Systems	2
			Cross-Site Observation and Peer Training	24
		Engineers and Assistant Engineers	Temporary Construction Works	2
			Practical Training in Aluminum Formwork Engineering	2
			Inspection and Handover Procedures	1
			Matter of notice for building planning and construction drawings	2
			Principles for Allocating Safety Equipment (Unified Facilities)	2
			Standard Construction Drawings	2
			SOP Training for Material Delivery Inspection and Acceptance	2

## Highwealth Construction

Name of the Company	Unit	Target	Training Program	Hours
			Drawing Review Essentials	2

- (4) Off-site training received by employees in the Company and its subsidiaries in the recent year:

Training on corporate governance received by managerial officers:

Name of the Company	Position	Name	Training Program	Hours
Highwealth Group	All managers		Common Legal Disputes Faced by Developers and Case Analysis	3
Highwealth Construction	Corporate Governance	Supervisors/Managers	ESG Empowerment Training – Non-Electronics Industry	6
			Digital and Sustainable Finance Under the AI Boom	3
			2024 Seminar for Legal Compliance of Insider Ownership Transaction	3
	Audit Office	Supervisors/Managers	Enhancing Corporate Sustainability Value through Improved Risk Management Systems	6
			Case Studies on Breach of Trust and Unconventional Transactions – Ethics and Fraud Prevention for Auditors	6
	Accounting Department	Supervisors/Managers	Continuing Education Program for Issuers, Securities Firms, and TWSE Accounting Officers (Corporate Governance: 6 hours; Auditing: 3 hours; Professional Ethics and Legal Responsibilities: 3 hours)	12
Run Long Construction	President Office	President	Corporate Governance Scoring and New Tax Incentive Opportunities – Collaborating Across Corporate Cultures to Create ESG Win-Win Solutions	2.5
	Accounting Department	Supervisors/Managers	IFRS Adoption Seminar (featured set) (Taipei class)	20
			2024 Internal Control System Seminar on ESG Information Management	3.5
			2024 Seminar on Taiwan's Adoption of IFRS	3
	Administration Department	Supervisors/Managers	Corporate Governance Scoring and New Tax Incentive Opportunities – Collaborating Across Corporate Cultures to Create ESG Win-Win Solutions	2.5
	Corporate Governance	Supervisors/Managers	GDP Taiwan Conference – Empowering the New Carbon Era through Sustainability Knowledge	3
			Sustainability Empowerment Training for Non-Electronics Industries – Empowering the New Carbon Era through Sustainability Knowledge	6
			2024 Annual Defense Insider Promotion Conference	3

3. Labor agreements and measures to safeguard employees' interests:



The Company considers talents to be the most important resources of all, and we pay great attention to employees' benefits, safety, and health. We encourage open communication to promote policy change and listen to employees' opinions. We strictly follow Labor Standards Act to maintain a harmonious labor relation, and so far, we have experienced great success. We established the Staff Benefit Committee to ensure the implementation of employees' welfare programs and rights protection. Every year, we distribute performance bonuses, year-end bonuses, and employee dividends based on our operation outcome, effectively aligning employees' interests with the Company's business goals. Any revisions or additions to the labor agreement must be thoroughly discussed by both parties so that no disputes would arise.

The Company has established the "Human Rights Policy and Workplace Code of Conduct" to safeguard employee rights, promote sustainable corporate development, and fulfill corporate social responsibility. It guarantees fundamental human rights for all employees and supports internationally recognized human rights standards and principles. In 2024, the Company arranged training programs including "Prevention of Workplace Sexual Harassment / Gender Equality Complaint Procedures" and "Three Key Gender Equality and Sexual Harassment Prevention Laws" to foster a healthy work environment and gender equality. Due to the industrial nature of the Group, which includes construction-related personnel, male employees accounted for 66.4% and female employees 33.6% in 2024. Within the Company itself, the gender ratio was 43.02% male and 56.98% female.

4. Retirement system and implementation:

The Company has formulated a staff retirement scheme in accordance with the Employee Retirement Measures of the Labor Law. Since the implementation of the Labor Pension Act (the "New Scheme") on July 1, 2005, employees who chose the old pension system have had 6% of their monthly salary contributed by the Company to a dedicated labor pension reserve account at the Bank of Taiwan. For those who opted for the new pension scheme, the Company also contributes 6% of the employee's monthly salary to their individual pension accounts managed by the Bureau of Labor Insurance. As of March 31, 2025, the total amount contributed for employees under the old pension system reached approximately NT\$40.96 million.

5. Gender Equality Policy:

The company creates a gender-friendly workplace, promotes work-family balance, and formulates the "Child-Friendly Welfare Measures Operation Guidelines", providing flexible working hours for childcare, paid adjustment leave for parent-child relationships, parent-child seminars, and psychological support courses.

(II) Loss due to labor disputes in the past year and up to the date of publication of the Annual Report, and disclosure of contingent liability and countermeasures:

The Company and its employees have always maintained, and will continue to foster, the spirit of mutual cooperation and teamwork, and continue to achieve higher business goals with joint efforts. Accordingly, no loss due to labor disputes has ever occurred. We endeavor to improve employees' welfare and management with a view to giving our staff better benefits and bringing in greater profits and sales for the Company. We are confident that the chance of labor disputes in the future is remote.

## VI. Information security management

(I) Describe the risk management framework, policies and concrete management measures of information security, and resources invested in information security management:

1. Risk management framework for information security

- (1) The Company has established a Chief of Information Safety and a dedicated department for information safety according to relevant requirements under the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to coordinate the planning, and monitoring of the information safety system and implement information safety management.
  - (2) The dedicated department for information safety subordinated to the Administration Department of the Company is responsible for the planning, implementation, and promotion of information safety management matters and for improving the awareness of information safety. There is a Chief of Information Safety, an information safety supervisor, and two information safety personnel in place.
  - (3) The Internal Audit Division is designated to be the audit unit supervising information security. For example, if a weakness is found during audit, the concerned unit shall be requested immediately to produce improvement plan and submit to the Board of Directors. Regular follow-ups shall be conducted to trace the improvement progress so as to reduce internal information security risk.
2. Information security policy
- (1) The Company referred to the requirements under the ISO 27001 and CNS27001 information safety management system standard and established and issued its regulations for safety protection and management to continue to promote internal information safety work by establishing compliant and appropriate information safety system and control measures.
  - (2) The Company has established remote backup system and maintained the sustainable operation of various information systems.
  - (3) Prevent hackers, virus attacks and sabotage.
  - (4) Prevent leaks of confidential information.
  - (5) Maintain safety of physical environment.
  - (6) Strengthen protection for internal and external network from attacks.
  - (7) Strengthen education and training, and raise awareness for anti-hacking.
3. Management measures of information security
- (1) The mainframes and different servers are installed in specialized server rooms.
  - (2) The server rooms are equipped with independent air conditioning to ensure that the computers are operating under appropriate temperature.
  - (3) The mainframes in the server room are connected to uninterruptible and stabilized power supply to ensure that power failure shall not disrupt the operation of computers.
  - (4) Reminder: Require all employees to change their passwords each quarter mandatorily to maintain account security.
  - (5) Information security education: Provide information security case study for the reference of all employees.
  - (6) Information Security Meetings: Monthly information security meetings are held on a regular basis. In 2024, the Company convened a total of 12 internal cybersecurity meetings and invited external vendors to participate in discussions on information

security-related topics.

- (7) All personal computers are shut down and subject to connection control measures after working hours each day.
- (8) Regular password changes and antivirus software updates on personal computers are enforced.

#### 4. Resources invested in cybersecurity management

- (1) The Company has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) alliance to enhance overall cybersecurity defense capabilities.
- (2) Optimize internal information safety measures for management's assistance to minimize risks and threats to information safety faced by the Company.
- (3) Regularly perform social engineering and phishing exercises for the entire Company and carry out information safety promotions for the entire Group so as to improve employees' awareness of information protection and information safety risks.
- (4) Regularly carry out intranet vulnerability analysis and comprehensive information safety tests for mainframes and PCs.
- (5) Information security protection equipment is regularly upgraded to ensure the effective operation of all business functions. In 2024, approximately NT\$1.5 million was invested in cybersecurity software, equipment, and training.
- (6) An information security equipment monitoring system has been implemented.
- (7) A 24-hour information security monitoring and emergency response team has been established.
- (8) A comprehensive backup system and protective measures have been set up.

#### 5. Other Information and Communication Security Management Measures

- (1) The Chief Information Security Officer holds ISO 27001:2013 and ISO 27001:2022 Lead Auditor certifications and has participated in events organized by the Chinese Software Association and the National Institute of Cyber Security, including the "2024 Taiwan Cybersecurity Incident Response Annual Conference."
- (2) The Information Security Officer attended the ISO 27001:2022 Lead Auditor Certification Training in 2024.
- (3) In 2024, a company-wide simulated social engineering penetration test was conducted, with a total of 912 participants tested.

- (II) For the most recent year up until the publication date of the annual report, the total losses incurred by the Company due to major information security incident, potential influences and countermeasures. If an estimation cannot be made, the cause(s) should also be disclosed: Nil.

## VII. Major contracts

Type	Case	By the consignor	Duration	Content	Restrictions
Engineering Contract (Note 1)	De'an	Taisei Corporation	Feb. 2019 to warranty expiry	Construction	Nil
	Wanfang Section, Taipei City	Taisei Corporation	April 2021 to warranty expiry	Construction	Nil
	Huiguo 5	Taisei Corporation	April 2023 to warranty expiry	Construction	Nil
	Huiguo 2	Taisei Corporation	February 2024 to warranty expiry	Construction	Nil
	Fuduxin 6	Obayashi Taiwan	January 2024 to warranty expiry	Construction	Nil
	Shanjie 2	Tong Yuan Construction	August 2023 to warranty expiry	Construction	Nil
Joint construction (Note 2)	Gongjian Section	WORLDWIDE FREIGHT TERMINAL INC.	March 2021 - Joint construction completed	Xizhi District, New Taipei City	Nil
	Huiguo 116	New Shimao and Chung Cheng	April 2022 - Joint construction completed	Xitun District, Taichung City	Nil
	Zhonghe Yuantong	Chuangding Construction Co., Ltd.	December 2015 - Joint construction completed	Zhonghe, New Taipei	Nil
	Heguan Section, Tainan City	Mr. Hsu et al.	December 2021 - Joint construction completed	Annan District, Tainan City	Nil
	Wenshang Section 19.20	Mr. Liu et al.	March 2023 - Joint construction completed	Xitun District, Taichung City	Nil
	Wenshang Section 2	Mr. Liu et al.	June 2023 - Joint construction completed	Xitun District, Taichung City	Nil
	Longju Section	Taili Construction etc.	June 2024 - Joint construction completed	Baoshan Township, Hsinchu County	Nil
Joint investment	De'an	Hai Ju Construction	April 2013 to completion	Zhongshan, Keelung	Nil
Technical service	InterContinental New Taipei Hot Spring	InterContinental Hotels Group plc	20 years after opening	InterContinental New Taipei Hot Spring - Entrusted Management & Trademark Use	Nil
	Aloft Tainan Anping	ALOFT INTERNATIONAL HOTEL MANAGEMENT INC.	January 2018 - 20 years after opening	Aloft Tainan Anping Entrusted Management	Nil
	Kaohsiung Hyatt Hotel	HYATT INTERNATIONAL (ASIA)LIMITED	March 2018 - 20 years after opening	Kaohsiung Hyatt Hotel Entrusted Management	Nil
Lease	Office	Taiwan Life Insurance Co., Ltd.	5.5 years since January 2021	Taipei City	Nil

Type	Case	By the consignor	Duration	Content	Restrictions
Contract for entrusted implementation	Special Trade III	Kaohsiung City Government	February 2022 - Construction completed	Urban Renewal	Nil

Notes: 1. Only includes contracts with value above NT\$ 300 million (before taxes).  
2. Joint construction contracts only include contracts with a deposit of NT\$30 million or more.

## Five. Financial position, business performance review, and risk Items

### I. Financial Status

Main reasons for significant changes in assets, liabilities and equity in the last two years and their impacts, and the explanation for significant impacts' future plans:

Comparative Analysis Table of Financial Status

Unit: NT\$ thousand

Item \ YEAR	2023	2024	Diff.	
			Amount	%
Current assets	209,002,542	223,303,712	14,301,170	7
Property, plant and equipment	7,393,698	9,864,365	2,470,667	33
Intangible assets	31,151	42,367	11,216	36
Other assets	10,447,350	12,357,423	1,910,073	18
Total assets	226,874,741	245,567,867	18,693,126	8
Current liabilities	151,099,455	157,208,022	6,108,567	4
Non-current liabilities	18,439,925	24,293,205	5,853,280	32
Total liabilities	169,539,380	181,501,227	11,961,847	7
Capital	18,841,415	20,705,557	1,864,142	10
Capital surplus	8,836,578	9,267,169	430,591	5
Retained earnings	19,868,237	23,364,140	3,495,903	18
Other interests (including treasury stock)	(971,662)	(966,562)	5,100	(1)
Non controlling interests	10,760,793	11,696,336	935,543	9
Total equity	57,335,361	64,066,640	6,731,279	12

### **Explanation of Material Changes and Fluctuations: (Analysis provided for changes exceeding 20% and amounts over NT\$100 million)**

1. Property, plant and equipment: Mainly due to increase in investment of hotel construction.
2. Non-current liabilities: The increase was mainly attributable to corporate bonds issued by a subsidiary in 2024.



## II. Financial Performance

Main reasons for significant changes in operating income, net operating profit and pre-tax net profit in the last two years, sales forecast and the basis, and possible impact on the Company's future financial status and the contingency plan:

### (I) Comparative analysis table of financial performance

Unit: NT\$ thousand

Item \ YEAR	2023	2024	Changes of increase or decrease	
			Amount	Changes %
Operating revenue	44,067,193	36,928,280	(7,138,913)	(16)
Decrease: sales returns and allowances	0	0	0	0
Net operating income	44,067,193	36,928,280	(7,138,913)	(16)
Operating costs	28,647,295	23,940,862	(4,706,433)	(16)
Gross profit from operations	15,419,898	12,987,418	(2,432,480)	(16)
Operating expenses	3,707,766	3,571,320	(136,446)	(4)
Operating profit	11,712,132	9,416,098	(2,296,034)	(20)
Non-operating income and expenses	(959,608)	308,860	1,268,468	(132)
Profit from continuing operations before tax	10,752,524	9,724,958	(1,027,566)	(10)
Less: Income tax expense	1,917,585	1,551,025	(366,560)	(19)
Profit from continuing operations before tax	8,834,939	8,173,933	(661,006)	(7)
Net profit	8,834,939	8,173,933	(661,006)	(7)

### Explanation of Material Changes and Fluctuations: (Analysis provided for changes exceeding 20% and amounts over NT\$100 million)

- Explanation:
1. Operating profit: The decrease was primarily due to a decline in revenue.
  2. Non-operating income and expenses: The increase was mainly due to gains from financial assets measured at fair value through profit or loss, gains from the disposal of investment properties, and a reduction in finance costs.

### (II) Analysis of variation of operational gross profit

	Increase/ Decrease	Variance analysis			
		Price variance	Cost variance	Sales portfolio variance	Variance
Gross profit from operations	(2,432,480)	-	-	-	-

Note: 1. The Company belongs to the construction industry. Due to the characteristics of the industry, the differences will not be calculated.

2. Mainly attributed to a decrease in operating revenue in 2024, which led to a reduction in gross profit by NT\$2,432,480 thousand.

(III) Sales forecast and the basis, and possible impact on the Company's future financial status and the contingency plan

The Company will focus on internal properties development-aspects according to internal business cycle and absorption.

### III. Cash flow

(I) Latest cash flow analysis

Item \ YEAR	2023	2024	% of change
Cash flow ratio	11.37	0.25	98%
Cash flow adequacy ratio	(38.25)	(30.12)	21%
Cash reinvestment ratio	24.33	(2.13)	109%
Reasons for increase/decrease proportion analysis:			
1. Cash Flow Ratio: The decrease was primarily due to a reduction in net cash inflows from operating activities in 2024.			
2. Cash Flow Adequacy Ratio: The increase was mainly attributable to a decrease in net cash outflows from operating activities over the past five years compared to the previous period.			
3. Cash Reinvestment Ratio: The decline was primarily caused by a decrease in net cash inflows from operating activities in the current period.			

(II) Remedy for a lack of liquidity: timely apply for financing activities or bank loans.

(III) Analysis of cash flow in the coming year

Unit: NT\$ thousand

Beginning cash balance	Estimated yearly net cash inflow from operating activities	Cash provided by (used in) throughout the year	Anticipated cash surplus (shortage)	Remedies for cash shortage	
(A)	(B)	(C)	(A)+(B)-(C)	Investment plan	Financing plan
16,993,504	(56,340,438)	(51,919,463)	12,572,529	—	—

Analysis:

1. Operating activities: It is expected that there will be net cash outflows from operating activities due to the successive investment in construction project payments over the next year.
2. Investing activities: The net cash outflows from investing activities are primarily due to the purchase of land, joint development and construction, and urban renewal project expenses.
3. Financing activities: The net cash outflows from financing activities increased mainly due to the completion of construction projects and the initiation of financing borrowings.

### IV. Impact of Major Capital Expenditure in the Past Year on the Financial Status: Nil.



## V. Re-investment Policy in the Past Year, the Main Reason for Its Profit or Loss, the Improvement Plan and Investment Plan in the Next Year

### (I) Investment policy

The Company integrates its Group advantages and resources and focuses on relevant industries in the upstream and downstream of construction for its investment policy in the hope of gaining synergies of overall operations and increasing our income. Meanwhile, to implement diversified operations, we set foot in the field of hotels to separate operating risks and improve our investment gains.

### (II) Main reasons for gains or losses

#### 1. Re-invested businesses Information is Listed Below:

Unit: NT\$ thousand

Investor	Investee	2024	
		Net income	Investment profit(loss)
The Company	Ju Feng Hotel	6,125	3,355
	Highwealth Real Estate	5,319	(36)
	Chyi Yuh Construction	575,551	343,288
	Run Long Construction	2,257,970	117,231
	Hundred Million Mark Enterprise Co., Ltd.	(33,014)	(33,014)
	Pi Chiang Enterprise	2,608,982	1,524,008
	Highwealth Construction	24,090	(5,991)
	Bo-Yuan Construction Corporation	(136,639)	(136,639)
	Well Rich International	(58,621)	(58,620)
	Heng Yue Construction	(2,730)	(2,730)
Chyi Yuh Construction	Kuang Yang Investment	123,190	Permit records confidential
	Run Long Construction	2,257,970	"
	Kuo Yu Construction	57,964	"
	Heng Yuan	(81)	"
Kuang Yang Investment	Run Long Construction	2,257,970	"
Run Long Construction	Jin Jyun Construction	51,523	"

2. For investments in subsidiaries by the Company, the reason for gains was primarily due to the integration of the upstream and downstream of the construction industry to generate gains by adopting the operating models of the Group through synergies and economies of scale. The reason for losses was primarily due to the inability to recognize income as the real estate built by subsidiaries is not completed and the difficulty in generating operating performances and gains in a short period of time resulting from the high expenses invested in the initial operating period of hotels and allocation costs.

(III) Improvement plans

Supervise subsidiaries to improve losses through completion progress control and improve operating efficiency.

(IV) Investment plan for the following year: None.

## VI. Analysis and Assessment of Risk Issues in the Past Year and as of the Date of Publication of the Annual Report

(I) The impact of interest and exchange rate changes and inflation on the Company's profit and loss and future countermeasures

1. The impact of interest rate changes on the Company's profit and loss

Unit: NT\$ thousand

Item		2023	2024
Interest income		178,089	228,769
Interest expense		1,192,702	699,613
Operating revenue		44,067,193	36,928,280
Net operating income		11,712,132	9,416,098
Net profit		8,834,939	8,173,933
To operating revenue ratio	Interest income from bank deposits/operating revenue	0.40%	0.62%
	Interest expenses/operating Revenue	2.71%	1.89%
To operating net profit ratio	Interest income from bank deposits/operating net profit	1.52%	2.43%
	Interest expenses/operating net profit	10.18%	7.43%
To net income ratio	Interest income from bank deposits/net income	2.02%	2.80%
	Interest expenses/net income	13.50%	8.56%

The short-term and long-term borrowings of the Company and its subsidiaries are subject to floating interest rates. Accordingly, changes in market interest rates will result in corresponding fluctuations in the effective interest rates of these borrowings, leading to volatility in future cash flows. In an effort to curb rising housing prices, the government is expected to continue tightening credit in the construction sector. In March 2024, the Central Bank raised the discount rate, secured loan rate, and short-term financing rate by 0.125 percentage points, from 1.875%, 2.25%, and 4.125% per annum to 2%, 2.375%, and 4.25%, respectively. As illustrated in the table above, these interest rate adjustments will impact the operating costs of the Company and its subsidiaries.

**Future countermeasures:** the Company will coordinate with reference banks, use call loan rates in response to market interest rates, and actively repay borrowings to reduce our liabilities.

2. The impact of exchange rate changes on the Company's profit and loss

The Company and its subsidiaries' main operating revenues and expenditures, long-term and short-term liabilities, and capital expenditures are denominated in New Taiwan dollars. So far, the Company's businesses only operated domestic buildings and sales, and the business partners are mostly domestic suppliers. Therefore, exchange rate changes had no impact on the Company's profit and loss.

**Future countermeasures:** Nil.

3. The impact of inflation on the Company's profit and loss

The Company and its subsidiaries pay attention to the market swing at all time and maintain cooperative relationships with supplier and accounts. In 2024, the inflation rate stood at 2.18%. Currently, there have been no significant impacts arising from inflation. Therefore, there has been no major effect on the profits and losses of the Company and its subsidiaries.

**Countermeasures:**

- (1) Negotiate with suppliers: The Company and its subsidiaries pay attention to the market swing at all time and maintain cooperative relationships with supplier and accounts. Reducing the purchasing costs had minimized the influence of inflation; therefore, there is no impact of inflation on the Company over the past few years.
- (2) Adjust the price of products: Properly rising price with accounts' agreement, due to the increasing cost.
- (3) Strive for favorable interest rate consistently: The Company and its subsidiaries will consistently strive for favorable interest rate to lower the cost in the future. As the countermeasure of variable interest rate, the Company and its subsidiaries' financial personnel will keep in touch with banks and properly use every financial tool to reduce impact on variable interest rate. Therefore, no inflation risks occurred in the short term, and no impact of inflation on the Company and its subsidiaries' profit and loss.

(II) Policies of engagement in high-risk and highly leveraged investments, loans to others, endorsements and guarantees and derivative trading, main reasons for profit or loss and future countermeasures:

1. High risk and highly leveraged investments

The Company and its subsidiaries have not engaged in any high-risk or highly leveraged investments in the most recent fiscal year.

2. Loans to others

The Company and its subsidiaries did not provide any loans to others in the most recent fiscal year.

3. Endorsements and guarantees

Unit: NT\$ thousand

YEAR	Receiver of Endorsement/Guarantee		Limits on endorsement/guarantee amount provided to each guaranteed party	Maximum balance for the period	Ending balance
	Name of the Company	Relation			
2024	Chyi Yuh Construction	Subsidiary	49,131,461	10,404,000	10,404,000
	Bo-Yuan Construction Corporation	Subsidiary	49,131,461	5,160,000	4,960,000
	Well Rich International	Subsidiary	49,131,461	540,000	200,000
	Pi Chiang Enterprise	Subsidiary	49,131,461	3,145,000	1,000,000
	Highwealth Construction	Subsidiary	49,131,461	350,000	100,000
	Hundred Million Mark Enterprise Co., Ltd.	Subsidiary	49,131,461	1,450,000	1,450,000

The Company provides endorsement or guarantees to companies invested, namely Chyi Yuh Construction, Bo-Yuan Construction, Well Rich International, Pi Chiang Enterprise, Highwealth Construction, and Yeh Kee Enterprise for the working capital loan applications to banks. The Company has stipulated the “Operational Procedures for Endorsement and Guarantees” as the basis for making endorsement guarantees, which has been approved by the resolution of the Board of Directors and the shareholders’ meeting. The above guarantees were all handled pursuant to the “Operational Procedures for Endorsement and Guarantees” of the Company and implemented after the approval of the Audit Committee and Board of Directors.

4. Derivative trading

According to Article 10 of the Company's “Procedures for the Acquisition or Disposal of Assets,” the Company is prohibited from engaging in derivatives trading. Therefore, the Company does not engage in any derivatives transactions.

(III) Future R&D projects and estimated R&D expenses

The Company and its subsidiaries are engaged in the development and construction of residential buildings and related businesses. As there are no product development plans, no dedicated R&D department has been established, and no R&D expenditures have been allocated. Construction companies are not good at technological industry and manufacturing need to design and develop new products. Thus, the Company does not have the cost of development and the concrete result.

(IV) The impact of important domestic and overseas policy and regulation changes on the financial status of the Company and countermeasures

Through the relationship between housing market and increased and decreased interest by central in the history, there are six conclusions below:

1. The fluctuation of interest rates is directly related to currency, economic business and growth,

and financial emergency.

2. The housing market is directly related to the fluctuation of interest rates.
3. The rising rates do not represent the collapse of housing prices, The falling rates do not represent the soaring of housing prices.
4. The housing market will be affected directly if the fluctuation range of interest rate is too substantial.
5. The position of business cycle of housing market decide whether the increased and decreased interests are good to the housing market.
6. For developed countries, there are linked close relation among the slowdown of the economy, continuous low interest ratio, and stability of house price.

Since initiating its first interest rate hike cycle, the central bank has raised interest rates six times, reaching 2%. In 2022, the weight of risk for five types of cases that are newly contracted (including the rollover of existing cases upon the expiry or loan transfer) and under control, including “house mortgage for corporations,” “land acquisition loans,” “loans to construction companies with mortgages on unsold new housing,” “mortgage loans for idle land in the industrial areas,” and “loans for individual purchases of a third or more residential unit by a natural person,” was increased. In addition, amendments to the Equalization of Land Rights Act and the Real Estate Brokerage Management Act by the Ministry of the Interior have introduced sweeping restrictions on the assignment of pre-sale and newly completed homes and imposed severe penalties on speculative housing transactions. The sixth round of credit control measures was introduced in June 2024, followed by the seventh round of selective credit controls in September, both of which significantly influenced the overall real estate market and homebuyers’ expectations.

With the lack of land, rising costs of land, and the continuing increasing total construction index and total building index that symbolize wages, building materials, and other construction costs, the Company adopts co-building with landlords and participates in urban renewal by governmental agencies to minimize its operating risks and protect shareholders’ interest.

- (V) The impact of technological (including information and communication security risk) and industrial changes on the financial status of the Company and countermeasures

The Company had formulated data processing guideline (including information and communication security) to implement internal control systems and maintain information security policy. Via reviews and evaluation on the procedures for information processing from time to time, the Company seeks to ensure the applicability and effectiveness of the procedures. Furthermore, the Company has applied for the membership of Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) so as to acquire information security intelligence and deepen the understanding on corporate information security.

- (VI) The impact of corporate image change on the Company’s crisis management and countermeasures

The Company and its subsidiaries maintain stable and practical attitude, and a good company image. With these advantages, more talented persons have been appealed to work for the Company, strengthened the operation team, presented the business performance to shareholders, and done the best for social responsibility. Therefore, there is no corporate image change on the Company and no impact of the Company’s crisis management.

- (VII) Expected benefits and possible risks of M&A and countermeasures

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The Company and its subsidiaries hadn't had plant expansion as of the date of publication of the annual report.

### (VIII) Expected benefits and possible risks of plant expansion, and countermeasures

The Company and its subsidiaries hadn't had plant expansion as of the date of publication of the annual report.

### (IX) The impact of concentration of purchase or sales and countermeasures

1. The Company purchases mainly by obtaining lands and bidding price for every well-known Level A construction company. These transactions belong to construction industry, so there won't be any impact of concentration of purchase.
2. Real estate sales business is for general customers, so there's no concentration of sales. The Company and its subsidiaries' source of purchase and target audience of sales all have different industry characteristics and scheduled operations. The Company and its subsidiaries also have diversified analysis of sales target audience and its future industry growth trend, so the source of purchase and target audience of sales can be scattered, to reach the goal of keeping a balanced and stable operation. Therefore, there's no risk of concentration of sales.

### (X) The impact of mass share transfer or change of Directors, Supervisors or shareholders holding more than 10% of the Company's shares, the risks and countermeasures:

The Company hadn't had any mass share transfer or change of Directors, Supervisors or shareholders holding more than 10% of the Company's shares as of the publication of the annual report; therefore, there's no impact of mass share transfer or change on Company's operation.

### (XI) The impact of the change of management on the Company, the risks and countermeasures

The Company didn't have any impact of the change of management in the past few years and as of the date of publication of the annual report.

### (XII) Lawsuit and Non-contentious cases

1. Litigation, non-litigation or administrative litigation with its judgment already made or pending in the past two years and as of the publication of the annual report, which the result may have a significant impact on the shareholders' equity or the price of the Company's shares:

An industrial safety incident occurred at the "Wenshin Aiyue" construction project located in Nantun District, Taichung City, which was undertaken by the Company. On February 25, 2025, the Taichung District Court issued a first-instance ruling, and the case against the Company concluded with a non-prosecution decision.

2. Significant litigation, non-litigation or administrative litigation with its judgment already made or pending which is related to the Company's Directors, Supervisors, General Manager, actual person in charge, shareholders holding more than 10% of the Company's shares or affiliates for the past two years and as of the publication of the annual report, which result may have a significant impact on the shareholders' equity or the price of the Company's shares:

An industrial safety incident occurred at the "Wenshin Aiyue" construction project in Nantun District, Taichung City, undertaken by the Company's subsidiary, Chyi Yuh Construction Co., Ltd. On February 25, 2025, the Taichung District Court issued a first-instance ruling, and the case concluded with a non-prosecution decision.



3. Matters related with The Company's Directors, Supervisors, Manager, shareholders holding more than 10% of the Company's shares in the past two year and as of the date of publication of the annual report which have a substantial impact on the Art. 157 of the Securities Exchange Law and the handling of situation: Nil.

(XIII) Other important risks and countermeasures:

1. Effect of damage to information systems upon the Company's business affairs, as well as response measures being or to be taken:

The Company's information system is under construction, in hardware we set up server with high stability and in software we regularly back-up our information systems, software and system default parameter and the back-up mechanism of full information to ensure the service downtime is shortened.

With uninterrupted information service and information safety, the information department regularly sent back-up information for storage in other place and drill on the recovery measures regularly. To prevent interruption of information service and shortened the recovery time from natural disasters or human accident.

In order to get back on track and reduce our loss when the damage occurs, except the regular drill of recovering measure is needed, the Company shall plan, design and upgrade the hardware and software within time and build up higher protection mechanisms to reduce the risk to the system.

The analysis of recent information safety threats were mainly from external hackers and second were from the lack of awareness and the neglect of the employees. The event of information safety were due to the execution of unknown malwares. The information safety required the consensus of entire company and the participation of all. Only building up from the working habit and the corporate culture, establishing awareness of risk and protection of information safety to our staff may truly strengthen the information safety ability.

The information department of the Company as the information safety project unit, disseminating to our entire staff regularly, taking sampling inspection, assisting in checking the risk exposure of information safety and establish of related standard operation procedures. As of the date of publication of the 2024 Annual Report, the Company has not identified any major cybersecurity attacks or incidents that have caused or may cause significant adverse impact on its business or operations, nor has it been involved in any related legal proceedings or regulatory investigations.

2. Effect of damage to the climate change upon the Company's business affairs and the response measures being or to be taken:

To adopt the issues of global warming and climate change, which is getting serious over days and the government actively promoting energy saving and carbon reduction measures and use of green energy sources to reduce emission of carbon dioxide. For the comfort and health of our citizens, reducing the impact to the environment in manufacturing building materials and promoting upgrade of the traditional construction material industry. The company shall actively taking measures to the issue of climate change and put in effort for developing green building technics to improve the level of green building. In hope to build up energy saving and carbon emission reduction housing environment. Planning the construction cases with energy saving and carbon emission reduction products, such as building material , energy saving machinery, housing facilities and new energy systems that applied in the green building. To practice the policy of the government, spend our effort in environment protection and to practice our corporate social responsibility.

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VII. Other important matters: Nil

## Six.Special Disclosures

### I. Information about the Company's Affiliates

Please visit the Market Observation Post System (MOPS) at <https://mops.twse.com.tw>, select "Single Company," then click "Electronic Books" and access the "Affiliated Enterprises Information (Three Statements)" section to search.

### II. Status of Private Placement of Securities in the Most Recent Fiscal Year and up to the Date of the Annual Report: Nil.

### III. Other Necessary Supplementary Notes: Nil.

### IV. Events in the Most Recent Fiscal Year and up to the Publication of the Annual Report That May Have a Material Impact on Shareholders' Equity or the Price of Securities, as Specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: Nil.