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The logo is a circular emblem with a stylized 'F' and 'C' intertwined in a light green color.

**FOUNDING CONSTRUCTION
DEVELOPMENT CORP.**

2025 ANNUAL REPORT

Published on APRIL 30, 2026

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I. Letter to Shareholders

Dear shareholders,

below is a summary report on the operation performance of the Company in the past year.

1. Operating Performance in 2025

(1) Performance of Business Plans

According to the Cathay Real Estate Index, the housing market in the first half of 2024 exhibited a pattern of "surging prices and volumes." Driven by a massive influx of loans for new homes, residential mortgage balances skyrocketed. This led major banks to successively reach the 30% lending cap prescribed by Article 72-2 of the Banking Act. (a phenomenon known as the "mortgage liquidity crunch"). In response to financial overheating, the Central Bank implemented the "Seventh Wave of Selective Credit Controls" in September of the same year. The intensity of these measures was considered the most stringent in history, causing market sentiment to cool immediately. Consequently, the housing market in 2025 continued into a period of volume contraction and consolidation.

In addition to the tightening of financial policies, the construction industry at the end of 2025 was also plagued by the "Earthwork Crisis." Due to the saturation of waste soil disposal sites, coupled with stricter environmental regulations and enforcement, the unit cost for receiving surplus construction soil and gravel multiplied within a short period. This evolved from a pricing issue into an administrative crisis of "supply scarcity." When legal disposal sites reached full capacity, construction sites were forced to suspend excavation, leading to severe delays in earthwork schedules. Such delays not only increased interest expenses for the industry, but also threatened to trigger a chain reaction of handover disputes with homebuyers and the withdrawal of bank credit lines in times of distress.

The economic situation, fluctuation of stock markets and regulatory restrictions all have direct impacts on the overall operation of construction companies. Total consolidated revenue for 2025 was NT\$1,164,507 thousand, a decrease of NT\$1,071,286 thousand over NT\$2,235,793 thousand in 2024. Consolidated net profit was NT\$158,467 thousand in 2025, a decrease of NT\$264,496 thousand over NT\$422,963 thousand in 2024. Facing rigorous market challenges, we will still uphold a conscientious attitude and adjust countermoves at any time in order to create the greatest interests for our shareholders.

(2) Budget Implementation

According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to prepare financial forecasts for 2025.

(3) Financial Results and Profitability Analysis

Unit: NT\$ thousand

	2025	2024	+ / (-)	+ / (-) %
Operating Revenue	1,164,507	2,235,793	(1,071,286)	(47.92)
Operating Costs	815,383	1,536,030	(720,647)	(46.92)
Gross Profit	349,124	699,763	(350,639)	(50.11)
Operating Expenses	185,553	221,526	(35,973)	(16.24)
Net Operating Income	163,571	478,237	(314,666)	(65.80)
Net Profit	158,467	422,963	(264,496)	(62.53)
EPS	0.56	1.48	(0.92)	(62.16)

	2025 (consolidated)	2024 (consolidated)
Debt to asset ratio (%)	18.46	18.67
Long-term capital to property, plant and equipment (%)	281.58	234.49
Current ratio (%)	616.08	599.63
Quick ratio (%)	240.35	291.74
Interest Coverage Ratio (x)	72.91	66.49
Return on assets (%)	1.35	3.60
Return on shareholders' equity (%)	1.64	4.38
Ratio of income before tax to paid-in capital (%)	6.67	17.83
Profit margin (%)	13.60	18.91
Adjusted EPS (NT\$)	0.56	1.48

(4) Research and Development Status

(i) Architectural Design and Planning:

We make cautious assessment on location of products, characteristics of surroundings, life styles and budget of target consumers in order to produce designs that satisfy the needs of our customers.

(ii) Construction Project and Management:

For different cases, we devise the most suitable construction method and project management process in order to improve the quality of our products and reduce construction costs. We monitor construction schedule and cost control to strengthen the competitiveness of our products.

(iii) Market Research:

We make analysis and research on the real estate market and use such result as references for product positioning and formulation of marketing strategies to achieve sellout goals. Also, we focus on government construction rules and regulations, research of urban renewal and leisure industry with an eye to strengthening the foundation of our business with diverse approaches.

2. Business Plan in 2026

(1) Operating Philosophy

The Company upholds the values of honesty, quality and service. With an honest and responsible mind, we design safe, solid, personalized and technologized products under quality assurance requirements during the process, and provide the best customer service as our vocation. We will continue to strengthen our capacity in research and development, innovation, and comprehensive quality improvement with a goal to achieve business sustainability.

(2) Anticipated Volume of Sales and Basis

(i) Sales of Completed Projects: Cosmos Technology, Founding Li Yuan, Star Technology, Li Ren Condominium, Meditation Garden

(ii) Cases anticipated to finish in 2025 and 2026: Founding Forest Cottage

(3) Important Production and Marketing Policies

(i) Production Strategy

Beyond continuously developing high-potential land, the Company conducts precise assessments of government-designated urban renewal zones and actively participates in the selection process for public-led urban renewal projects to replenish its land reserve through diverse channels. Also, the Company captures market opportunities through in-depth analysis of urban development plans. Based on the regional characteristics of each development project and consumer needs, we provide comprehensive planning—from the careful selection of building materials to a focus on quality—dedicated to enhancing the added value of our products. Given that the real estate market is highly sensitive to government policies, we will closely monitor key policies and regulatory trends and adjust business development strategies to ensure operational resilience through robust response mechanisms.

We have extended business to hotel operation and management, and have hotel branches in New Taipei City, Taichung and Tainan. Domestic travel has continually created additional sources of stable income.

(ii) Sales Strategy

The Central Bank's seventh wave of the selective credit control has yielded visible results. In 2025, the transaction volume across the six major municipalities experienced a historic decline, signaling that the housing market has entered a contraction phase. Although some capital shifted from the stock market back to the housing market in early 2026, both transaction volumes and prices remained subdued.

Based on the recent trends in real estate transactions and pricing, the shift in buyer preferences regarding property types and size has become a core reference for our future development strategies. The Company will adapt to market changes by adjusting sales strategies while maintaining rigorous quality control to pursue steady growth in business profitability. Overall, price-volume trends are influenced by many factors; therefore, we will continuously observe market developments in order to grasp industry trends and potential opportunities.

3. Future development strategy, impact of external competitive environment, regulatory environment, and macroeconomic environment.

(1) Impact of External Competitive Environment

In addition to the global pressure of rising costs for both materials and labor, Taiwan started to implement a 'Construction Surplus Soil and Rock End-to-End Management' policy in 2026. Due to the saturation of legal disposal sites and increasingly stringent environmental inspections, the unit price for soil disposal skyrocketed several-fold within a short period at the end

of the year, becoming a critical variable that erodes profit margin and leads to work suspensions and handover delays.

Given the highly regional nature of the real estate industry, competition and price-comparison effects between projects are significant. To distinguish ourselves in the market, the Company strategically enhances product differentiation and master planning, leveraging digital marketing and increased added value. Coupled with a rigorous financial control system, we aim to strengthen our competitive advantage and ensure steady growth in profitability."

(2) Impact of Regulatory Environment

The government continually promote urban planning and reconstruction of old and unsafe buildings. According to the National Audit Office, the average age of national housing nationwide reaches 34.1 years as of Q2 2025. More than 5.54 million houses nationwide are over 30 years old, representing 59% of the total housing stock. Taipei City, in particular, has the highest density of aging homes, with 72.32% of its housing stock exceeding 30 years of age, and the average age of city houses is 39.1 years, the highest in the country. On the other hand, both Tainan City and Kaohsiung City exhibit high aging rates, with old houses accounting for approximately 60% of their total housing stock.

On July 29, 2025, the Taipei City Government approved the revised Taipei City Implementation Rules for Greenery in New Buildings, which took effect on January 1, 2026. This amendment introduces the concept of the Green Plot Ratio (GPR) to enhance shading and mitigate the Urban Heat Island (UHI) effect, using the 'Equivalent Green Cover Area' to calculate GPR based on plant shading coefficients.

Furthermore, the regulations specify that 'Three-dimensional Greening Facilities' must be installed on the outer edges of balconies or terraces with a depth not exceeding 2 meters, maintain a green coverage rate of at least 90%, and comply with structural safety standards. These requirements are expected to result in increased project planning complexity, higher construction costs, and rising maintenance expenses.

The central government intends to continue promoting 'Virtual Floor Area Reform.' And may align with the amendments to supporting regulations, such as the 'Condominium Management Act' and the 'Building Administration Regulations,' to foster a fair and reasonable housing market in the future. This reform focuses on three major pillars: reviewing floor area calculations, optimizing parking space allocation, and reclassifying general elevators as floor area exemptions in response to an aging society. Furthermore, reasonable standards and caps for the floor area of Management Committee offices will be established to guide the functional design of public facilities, ensuring basic community operational needs are met while avoiding impractical amenities. However, judging from previous reforms regarding 'rain shield' regulations, these measures are still expected to drive up housing prices.

Since changes of regulations have impact on the operation of the construction industry, the company will keep watching and conducting research on legislative changes and will seek countermeasures as soon as possible so that the Company can retain profits and safeguard the interests of our shareholders.

(3) Impact of Macroeconomic Environment

Global inflation is subsiding, yet the economy remains remarkably resilient. Driven by strategic policies and a surge in AI investment, the U.S. economy continues to show steady growth. In contrast, the Eurozone and the UK are experiencing weakened economic momentum due to tariffs, competition from China, and fiscal constraints. While Japan has boosted investments in key industries, its exports remain hampered by trade barriers. Meanwhile, China faces significant downward pressure from sluggish domestic demand and a property market downturn. Overall, the global economy is characterized by an increasingly divergent growth outlook.

According to TIER, Taiwan's economy is set for stable growth. Robust demand for AI, HPC, and cloud applications is fueling strong procurement momentum in the local manufacturing industry. Meanwhile, as the market adapts to the uncertainty of Trump's tariff policies and major tech firms remain optimistic about the AI outlook, the economic forecast is expected to trend upward. The local construction sector is facing challenges as new policies for construction waste soil take effect. Problems with disposal logistics and execution are gradually emerging, potentially delaying future works and causing firms to turn cautious and neutral regarding the business climate over the coming half-year. In the real estate sector, despite the concentrated handover of newly completed buildings and recent policy adjustments, the year-on-year (YoY) decline indicates that transaction volumes remain at a low ebb. Mortgage policies, ongoing credit controls, developers' unsold inventory, and the progress of soil disposal policy improvements will continue to dictate market performance. In the short term, the real estate sector remains in an adjustment phase.

The future development strategy of the Company will still mainly focus on Build to Order, supplemented by joint construction and urban redevelopment. The Company will primarily focus on the traditional downtown areas of six cities, especially in Taipei City, New Taipei City, and Tainan City, and secondarily on urban land readjustment areas within those cities. Also, the Company will pay more attention to the product design due to increasing construction costs, and accentuate product differentiation to keep competitiveness, profitability and sustainability with a sound financial and construction project control system.

We look forward to shareholders' support and advice, and wish everyone good health and all the best.

Sincerely,

LIU, HSIN-HSIUNG
Chairman

II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

April 25, 2026

Title	Nationality/ Registration of Place	Name	Gender Age	Date Elected	Term (yrs)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Sytain Corp		6/9/2023	3	6/9/2020	25,718,571	9.02%	22,918,571	8.03%							President	Liu, Hua-Hsing	Sibling	
		Representative: Liu, Hsin-Hsiung	M 71-80		3	12/14/1992			6,683,941	2.34%	5,446,997	1.91%			Bachelor's Degree President: Chi-Long Construction Co., Ltd.	Chairman: Founding Construction Corp. Director : Syntain Corp.	Vice Chairman	Liu, Min-Liang	Father-Daughter	
Vice Chairman	R.O.C	Sytain Corp.		6/9/2023	3	6/9/2020	25,718,571	9.02%	22,918,571	8.03%										
		Liu, Min-Liang	M 41-50			6/9/2011			7,997,932	2.80%	2,247,000	0.79%			Bachelor's Degree Executive VP of Founding Construction & Development Co., Ltd.	Vice Chairman: Founding Construction & Development Co., Ltd. Director: May-Hsiung Investment Co., Ltd. Owner: Syntain Corp. Supervisor: Fushin Hotel Co., Ltd.	Chairman	Liu, Hsin-Hsiung	Father-Son	
Director	R.O.C	Sytain Foundation		6/9/2023	3	6/9/2020	940,000	0.33%	940,000	0.33%										
		Representative: Liu, Fang-Wen	F 41-50			8/28/2008			8,398,837	2.94%					Bachelor's Degree Director of May-Hsiung Investment Co., Ltd.	Chairman: May-Hsiung Investment Co., Ltd Chairman: Syntain Foundation Supervisor: Syntain Co., Ltd, and Fulongchang Investment Co., Ltd.	Chairman	Liu, Hsin-Hsiung	Father-Daughter	
Director	R.O.C	Wenrui Investment Ltd		6/9/2023	3	6/6/2014	549,209	0.19%	549,209	0.19%										
		Representative: Chiang, Guang-Hui	M 61-70			6/6/2014			675,985	0.24%	215,652	0.08%			College Degree Director: Wen-Rui Investment Ltd.	Chief of Ruiyang Sub-District, Neihu Representative: Wen-De Elderly Long-term Care Center				
Director	R.O.C	Liu, Hua-Hsing	M 61-70	6/9/2023		6/9/2011	4,835,089	1.70%	4,005,089	1.40%	364,028	0.13%			Bachelor's Degree President: Foundation Construction & Development Co.Ltd.	Consultant: Founding Construction & Development Co., Ltd.	Chairman	Liu, Hsin-Hsiung	Sibling	
Director	R.O.C	Ho, Ming-Hui	M 51-60	6/9/2023	3	4/30/2002	41,855	0.01%	41,855	0.01%	-	-			Master's Degree GM in Taihsin Management and Technology Consultant Co., Ltd.	Representative of Fushin Hotel Co., Ltd.				
Independent Director	R.O.C	Lee, Shu-Lan	F 41-50	6/9/2023	3	4/7/2008	13,680	0.00%	13,680	0.00%	721	0.00%			Bachelor's Degree Sales Assistant Manager: Taiwan Securities Co., Ltd.	CFO: EBM Technologies				-
Independent Director	R.O.C	Hung, Lung-Ping	M 61-70	6/9/2023	3	6/9/2020	196,760	0.07%	200,760	0.07%	721	0.00%			Bachelor's Degree Manager: Pei-Sheng United Accounting Firm Director: Shan-Hsin Consulting Ltd.	Manager: Chuan-Hsin Accounting Firm Director: Shan-Hsin Consulting Ltd.				Supervisor (Newly Appointed) on 4/30/2008
Independent Director	R.O.C	Lan, You-Liang	M 81-90	6/9/2023	3	6/9/2023-	-	-	-	-	-	-			Bachelor's Degree Manager: Central Trust of China	-				Supervisor (Newly Appointed) on 6/9/2011

Major shareholders of the institutional shareholders

April 25, 2026

Name of Institutional Shareholders	Major Shareholders
Syntain Corporation	Liu, Shu-Hung (30.83%), Liu, Fang-Wen (25.27%), Liu, Min-Liang (24.57%), Liu, Zi-Yan (7.60%), Liao, Shu-Mei (4.87%), Liu, Hsin-Hsiung (3.90%), Liu, En-Fei (1.86%), Huang, Dai-Xuan (0.60%), Liu, Xin-Cheng (0.50%)
Syntain Foundation	Liu, Hsin-Hsiung (30.00%), Liu, Fang-Wen (16.67%), Liu, Min-Liang (16.67%), Liu, Shu-Hung (16.66%) Liu, Hua-Hsing (10.00%), Liu, Hsin-Yi (10.00%)
Wenrui Investment Ltd	Chiang, Guang-Hui (46%), Chiang, Jei (24%), Lin, Shu-Mei (10%), Chiang, Pei (10%), Chiang, Hsin (10%)

Major institutional shareholders of institutional shareholders: None

Directors

(1) Professional qualifications and independence analysis of directors

Criteria Name	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Liu, Hsin-Hsiung (Representative of Syntain Corp.)	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: President of Chi-Long Construction Co., Ltd., and Director of Syntain Crop. Not been a person of any conditions defined in Article 30 of the Company Law.	N/A	x
Liu, Min-Liang (Representative of Syntain Corp.)	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: Director of May-Hsiung Investment Co., Ltd., Owner of Syntain Corp., Director of Hsin-Long-Hsing Investment Co., Ltd., and Supervisor of Fushin Hotel Co., Ltd. Not been a person of any conditions defined in Article 30 of the Company Law.	N/A	x
Liu, Fang-Wen (Representative of Syntain Foundation)	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: Chairman of May-Hsiung Investment Co., Ltd., Chairman of Syntain Foundation, Supervisor of Syntain Corp., and Fulongchang Investment Co., Ltd. Not been a person of any conditions defined in Article 30 of the Company Law.	N/A	x
Chiang, Guang-Hui (Representative of Wenrui Investment)	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: Director of Wenrui Investment, Chief of Ruiyang Sub-District, Neihu, and Representative of Wen-De Elderly Long-term Care Center. Not been a person of any conditions defined in Article 30 of the Company Law.	N/A	x
Liu, Hua-Hsing	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Position: Specialist at Central Trust of China, President of Founding Construction and Development Co., Ltd. Not been a person of any conditions defined in Article 30 of the Company Law.	N/A	x
Ho, Ming-Hui	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: GM in Taihsin Management and Technology Consultant Co., Ltd., and Representative of Fushin Hotel Co., Ltd. Not been a person of any conditions defined in Article 30 of the Company Law.	N/A	x
Lee, Shu-Lan	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Current Position: CFO of EBM Technologies. Not been a person of any conditions defined in Article 30 of the Company Law.	An independent Director who has met the independence criteria: including but not int limited to whether they, spouses, relatives within the second degree of kinship serve as a director, supervisor or employer of the Company or affiliates; did not serve as a director, supervisor or employer of a Company with which the Company has a specific relationship; the person herself and spouse hold 14,401 shares (0.01%) of the Company. No remuneration for commercial, legal, financial and accounting services provided to the Company or affiliates in the past two years.	x
Hung, Lung-Ping	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: Manager of Pei-Sheng United Accounting Firm, Manager of Chuan-Hsin Accounting Firm, and Director of Shan-Hsin Consulting Ltd. Not been a person of any conditions defined in Article 30 of the Company Law.	An independent Director who has met the independence criteria: including but not int limited to whether they, spouses, relatives within the second degree of kinship serve as a director, supervisor or employer of the Company or affiliates; did not serve as a director, supervisor or employer of a Company with which the Company has a specific relationship; the person himself and spouse hold 204,792 shares (0.07%) of the Company; No remuneration for commercial, legal, financial and accounting services provided to the Company or affiliates in the past two years.	x
Lan, You-Liang	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: Manager of Pei-Sheng United Accounting Firm, Manager of Central Trust of China. Not been a person of any conditions defined in Article 30 of the Company Law.	An independent Director who has met the independence criteria: including but not int limited to whether they, spouses, relatives within the second degree of kinship serve as a director, supervisor or employer of the Company or affiliates; did not serve as a director, supervisor or employer of a Company with which the Company has a specific relationship; the person himself and spouse hold 0 shares of the Company; No remuneration for commercial, legal, financial and accounting services provided to the Company or affiliates in the past two years.	x

Note 1: Professional Qualifications and Experiences: Specify the professional qualifications and experiences of individual director and supervisor. If the person is a member of the Audit Committee with accounting or financial expertise, their accounting or financial background and work experience shall be specified. Also state whether he/she has been a person of any conditions defined in Article 30 of the Company Law.

Note 2: For independent directors, the independence criteria must be specified, including but not int limited to whether they, spouses, relatives within the second degree of kinship serve as a director, supervisor or employer of the Company or affiliates; the proportion of shares held by the independent director, spouses, relatives within the second degree of kinship (or in the name of others); whether the independent director

serves as a director, supervisor or employer of a Company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Companies); and the amount of remuneration received for commercial, legal, financial and accounting services provided to the Company or affiliates in the past two years.

(2) Diversity and independence of the board of directors

A. Diversity

The Company advocates and respects the board diversity policy, accepting personnel with different ages, gender, background and experiences. To strengthen corporate governance and promote the robust development of the board composition and structure, we believe that the diversity policy will help enhance the overall performance of the Company. Currently the Company is made up of 9 directors, and the board diversity is shown as below:

- Female Directors: 22% ; Male Directors: 78%
- Employee Directors: 11% ; Independent Directors: 33%
- Age Range and the Number of Directors: over 70-2 ; 61~70-4 ; 51~60-1 ; 41~50-2
- Term of Office and the Number of Directors: over 9 years-1 ; 3~9 years-1 ; less than 3 years-1
- The diversity of the board of directors is shown as below:

Name	Nationality	Gender	Employee Directors	Age					Term of Office			Core Competence						
				31 ~ 40	41 ~ 50	51 ~ 60	61 ~ 70	70 +	≤3 years	3~9 years	≥9 years	Management	Leadership	Industry Knowledge	Finance & Accounting	Legal	Crisis Management	Risk Management
Liu, Hsin-Hsiung (Representative of Syntain Corp.)	R.O.C	M						V				V	V	V		V	V	V
Liu, Min-Liang (Representative of Syntain Corp.)	R.O.C	M			V							V	V	V			V	V
Liu, Fang-Wen (Representative of Syntain Foundation)	R.O.C	F			V							V	V	V	V			
Chiang, Guang-Hui (Representative of Wenrui Investment)	R.O.C	M						V				V	V		V	V		V
Liu, Hua-Hsing	R.O.C	M						V				V	V	V	V		V	V
Ho, Ming-Hui	R.O.C	M	V					V				V	V				V	V
Lee, Shu-Lan	R.O.C	F				V					V				V			
Hung, Lung-Ping	R.O.C	M						V		V		V	V		V		V	V
Lan, You-Liang	R.O.C	M							V	V			V	V		V		V

The Company cares about the composition of the board of directors, and aims to lower the age of directors. Now we have 6 directors over 60 and 3 directors under 60. To bring innovation into the board of directors, we will strive to reduce the average board age. Currently less than 1/3 of board directors are female and the Company will consult female board members.

B. Independence

The Company is composed of 9 directors, and 3 of whom are independent directors (1/3 of the board of directors). 1 director is an employee director. The number of directors who have a marital relationship, or who are a relative within the second degree of kinship to any other director of the Company shall not exceed 1/2 of the total number of board of directors. At present, 4 directors of the Company are relatives within the second-degree of kinship to other directors; therefore, the board of directors satisfied the independence requirement.

2.1.2 Management Team

April 25, 2026

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C	Tsao, Lo-Fang	M	1/1/2021	822,307	0.03%	-	-			National Taiwan University Executive VP,					
VP. Sales& Marketing Dept.	R.O.C	Cheng, Jing-Hung	M	10/1/2005	261,661	0.09%	18,637	0.01%			High School Diploma Assistant VP, Sales & Marketing Dept.					
VP. Sales& Marketing Dept.	R.O.C	Mo, Jung-Fa	M	1/1/2007	183,540	0.06%					High School Diploma Assistant VP, Sales & Marketing Dept.					
VP. Development Dept.	R.O.C	Huang, Wen-Chu	F	7/1/2023	100,175	0.04%					College Degree Assistant VP, Department Dept					
Assistant VP Administration Dept.	R.O.C	Liu, Yen-Hui	F	3/1/2004	216,162	0.08%					High School Diploma Assistant VP, Administration Dept.					
Assistant VP Audit Office	R.O.C	Liao, Wan-Ching	F	7/1/2010	145,498	0.05%					Bachelor's Degree Manager, Audit Office					
Assistant VP Finance Dept.	R.O.C	Cheng, Yen-Fen	F	1/5/2013	162,568	0.06%					Bachelor's Degree Manager, Finance Dept.					
Assistant VP Sales & Marketing Dept.	R.O.C	Hsu, Yang-Ting	M	1/5/2013	82,000	0.03%					National Open University Manager, Sales & Marketing Dept.					
Assistant VP. Engineering Dept.	R.O.C	Liu, Wei-Chih	M	4/1/2025	40,900	0.01%					College Degree Manager, Engineering Dept					
Corporate Governance Officer	R.O.C	Hsu, Wei-Lun	F	3/17/2021	87,700	0.03%					Bachelor's Degree Manager, Finance Dept.					

2.1.3 Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed: None

2.2 Remuneration of Directors and Management Team

2.2.1 Remuneration of Directors and Independent Directors

Dec 31, 2025 / Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Remuneration from ventures other than subsidiaries of the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Syntain Corp. Representative: Liu, Hsin-Hsiung	1,150	1,150	12	12	360	360	12	12	1,534 0.97	1,534 0.97	-	-	-	-	-	-	-	-	1,534 0.97	1,534 0.97	None
Vice Chairman	Syntain Corp. Representative: Liu, Min-Liang	2,635	2,635	40	40	360	360	12	12	3,047 1.92	3,047 1.92	-	-	-	-	-	-	-	-	3,047 1.92	3,047 1.92	None
Director	Syntain Foundation Representative: Liu, Fang-Wen	-	-	-	-	360	360	15	15	375 0.24	375 0.24	-	-	-	-	-	-	-	-	375 0.24	375 0.24	None
Director	Wenrui Investment Representative: Chiang, Guang-Hui	-	-	-	-	360	360	12	12	372 0.23	372 0.23	-	-	-	-	-	-	-	-	372 0.23	372 0.23	None
Director	Liu, Hua-Hsing	-	-	-	-	360	360	15	15	375 0.24	375 0.24	-	-	-	-	-	-	-	-	375 0.24	375 0.24	1,500
Director	Ho, Ming-Hui	-	-	-	-	360	360	15	15	375 0.24	375 0.24	-	1,880	-	-	-	-	-	-	375 0.24	2,255 1.42	None
Independent Director	Lee, Shu-Lan	-	-	-	-	360	360	122	122	482 0.30	482 0.30	-	-	-	-	-	-	-	-	482 0.30	482 0.30	None
Independent Director	Hung, Lung-Ping	-	-	-	-	360	360	122	122	482 0.30	482 0.30	-	-	-	-	-	-	-	-	482 0.30	482 0.30	None
Independent Director	Lan, You-Liang	-	-	-	-	360	360	16	16	376 0.24	376 0.24	-	-	-	-	-	-	-	-	376 0.24	376 0.24	None

- Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Company evaluates the performance of directors, the level of participation and contribution in the operation of the Company, and references the operational performance of the Company and standards adopted by enterprises of the same industry. The remuneration proposal is discussed and advised by the Remuneration Committee, and later submitted to the Board of Directors for resolutions.
- In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being non-employee consultant: None

2.2.2 Remuneration of the President and Vice Presidents

Dec 31, 2025 / Unit: NT\$ thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonus and Allowance ©		Employee Compensation (D)				Ratio of Total Compensation (A+B+C+D) to Net Income		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Tsao, Lo-Fang	1,581	1,581	127	127	660	660	108	-	108	-	2,476 1.56	2,476 1.56	None
VP. Sales& Marketing Dept.	Cheng, Jing-Hung	924	924	101	101	468	468	100	-	100	-	1,593 1.01	1,593 1.01	None
VP. Sales& Marketing Dept.	Mo, Jung-Fa	924	924	79	79	1,648	1,648	100	-	100	-	2,751 1.74	2,751 1.74	None
VP. Development Dept.	Huang, Wen-Chu	878	878	83	83	314	314	90	-	90	-	1,365 0.86	1,365 0.86	None

2.2.3 Managerial officers with the top five highest remuneration amounts

Dec 31, 2025 / Unit: NT\$ thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonus and Allowance (C)		Employee Compensation (D)				Ratio of Total Compensation (A+B+C+D) to Net Income		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
VP. Sales& Marketing Dept.	Mo, Jung-Fa	924	924	79	79	1,648	1,648	100	-	100	-	2,751 1.74	2,751 1.74	None
President	Tsao, Lo-Fang	1,581	1,581	127	127	660	660	108	-	108	-	2,476 1.56	2,476 1.56	None
VP. Sales& Marketing Dept.	Cheng, Jing-Hung	924	924	101	101	468	468	100	-	100	-	1,593 1.01	1,593 1.01	None
Assistant VP Finance Dept.	Cheng, Yen-Fen	942	942	86	86	420	420	107	-	107	-	1,555 0.98	1,555 0.98	None
Assistant VP Administration Dept.	Liu, Yen-Hui	993	993	20	20	428	428	107	-	107	-	1,548 0.98	1,548 0.98	None

2.2.4 Distribution of Employee Compensation

Dec 31, 2025 / Unit: NT\$ thousands

	Title	Name	Employee Compensation		Total	Ratio of Total Amount to Net Income (%)
			Stock	Cash		
Manager	President	Tsao, Lo-Fang	-	950	950	0.60
	VP, Sales& Marketing Dept.	Cheng, Jing-Hung				
	VP, Sales& Marketing Dept.	Mo, Jung-Fa				
	VP, Development Dept.	Huang, Wen-Chu				
	Assistant VP, Engineering Dept.	Liu, Wei-Chih				
	Assistant VP, Administration Dept.	Liu, Yen-Hui				
	Assistant VP, Audit Office	Liao, Wan-Ching				
	Assistant VP, Finance Dept.	Cheng, Yen-Fen				
	Assistant VP, Sales & Marketing Dept.	Hsu, Yang-Ting				
	Officer, Corporate Governance	Hsu, Wei-Lun				

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

The ratios of remuneration paid to directors, president and vice presidents of the Company and the companies in the consolidated financial statements in the last two years, to net income were 11.03% and 4.41%, respectively, in 2025 and 2024.

The directors' travel expenses are paid according to the number of meetings attended by the directors, and the remuneration is set at not more than 2% of the directors' remuneration if there is any profit for the year. Remuneration of directors, president and vice presidents include salary, allowance, bonus, employee compensation and so on. The Company determines the remuneration based on the position held, education, experience, job tenure and responsibility, and references the standards adopted by enterprises of the same industry. Bonuses awarded to the president, vice president and employees are subject to the results of the company operations, but not to future risks.

2.3 Implementation of Corporate Governance

2.3.1 Operations of the Board of Directors

2.3.1.1 A total of 4 (A) meetings of the Board of Directors were held in the previous period. The attendance record of director was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman Representative	Syntain Co., Ltd. Liu, Hsin-Hsiung	4	0	100	
Vice Chairman Representative	Syntain Co., Ltd. Liu, Min-Liang	3	1	75	
Director Representative	Syntain Foundation Liu, Fang-Wen	4	0	100	
Director Representative	Wenrui Investment Chiang, Guang-Hui	3	1	75	
Director	Liu, Hua-Hsing	4	0	100	
Director	Ho, Ming-Hui	4	0	100	
Independent Director	Li, Shu-Lan	4	0	100	
Independent Director	Hung, Lung-Ping	4	0	100	
Independent Director	Lan, You-Liang	4	0	100	

Other mentionable items:

- If any of the following circumstances occurs, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified: None
 - Matters referred to in Article 14-3 of the Securities and Exchange Act.
 - Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.
- If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: For the Manager and Employee Compensation Distribution Proposal discussed on March 14, 2024, director Liu, Min-Liang, then was a principal of the Company, and thus recused from the proposal discussion and voting. For the Manager Performance Bonus and Annual Bonus Distribution Proposal discussed on Nov 11, director Liu, Min-Liang, then was a principal, and thus recused from the proposal discussion and voting.
- TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations." : Please refer to the table on the next page.
- Measures taken to strengthen the functionality of the board: The Company has established independent director positions, an Audit Committee, and a Remuneration Committee to assist the board in carrying out its monitoring duties. Both committees, with professional teamwork and detachment, periodically report their activities and resolutions to the Board of Directors to help with business decisions.

2.3.1.2 Implementation Status of Board Evaluation

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items
Annual	2025.1.1~ 2025.12.31	Board of Directors	Self-Evaluation of Board of Directors	The degree of participation in the Company's operations; improvement in the quality of decision making by the Board of Directors; composition and structure of directors; election and continuous training of directors; internal control
Annual	2025.1.1~ 2025.12.31	Individual Board Members	Self-Evaluation of Directors	Grasp of the Company's goals and missions; recognitions of directors' duties; the degree of participation in the Company's operations; management of internal relationships and communications; professions and continuous training of directors; internal control
Annual	2025.1.1~ 2025.12.31	Functional Committee	Self-Evaluation of Directors	The degree of participation in the Company's operations; recognitions of the functional committee's duties; improvement in the quality of decision making by the functional committee; composition and election of the functional committee; internal control

The Company conducted the self-performance of Board of Directors, that of Directors, and that of Functional Committee in 2026, and submitted the elevation report to the Board meeting on March 11, 2025.

The Performance Evaluation Result of Board of Directors in 2024 is as follows:

1. Average score of self-performance evaluation of Board of Directors: 4.865 (out of 5)
2. Average score of self-evaluation of Directors: 4.821 (out of 5)
3. Average score of self-performance evaluation of Audit Committee: 4.955 (out of 5)
4. Average score of self-performance evaluation of Remuneration Committee: 4.947 (out of 5)

2.3.2 Operations of the Audit Committee

A total of 4 (A) meetings of the Audit Committee were held in the previous period. The attendance record of independent director was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director	Lee, Shu-Lan	4	0	100	
Independent Director	Hung, Lung-Ping	4	0	100	
Independent Director	Lan, You-Liang	4	0	100	

Other mentionable items:

1. If any of the following circumstances occurs, the dates of the Audit Committee meetings, sessions, contents of motion, all independent directors' opinions, dissenting opinions, qualified opinions and significant advice of independent directors, resolution of the Audit Committee meetings, and the company's response should be specified: None

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.):

(1) Communications between the independent directors and the Company's chief internal auditor:

A. The independent directors review internal audit reports and audit trail reports on a monthly basis.

B. For every attendance at the meetings of the Audit Committee, the Company's chief internal auditor reports to the independent directors, communicates the execution conditions and results, and answers impromptu questions raised by independent directors.

(2) Communications between the independent directors and CPAs:

A. The Company's CPAs review quarterly corporate financial reports and communicate to the Audit Committee major transactions and other matters required by law and regulations after the review.

B. The Company's CPAs execute audit operations on corporate financial reports, and communicate respectively to the Audit Committee the audit plans, risks, key audit matters, execution conditions and results at and after the audit planning stage.

(3) The independent directors express no opinions on the matters communicated between themselves, the Company's chief internal auditor and CPAs.

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.	None
2. Shareholding structure & shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Company has designated a spokesperson and a deputy spokesperson to handle shareholders’ suggestions and litigation and the like.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company possesses the list of its major shareholders based on the Register of Shareholders provided by the stock transfer agent.	None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The Company has established relevant management operations with its affiliates.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(4) The Company has established “Operating Procedures for Handling Internal Material Information and Preventing Insider Trading” to forbid insiders trading on undisclosed information.	None
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified <u>policy and specific managerial goal</u> for the composition of its members?	V		(1) The composition of the board of directors shall be determined by taking diversity into consideration. Board members shall have the necessary knowledge, skill, and experience to perform his/her duties.	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		V	(2) The company does not establish other functional committees and will conduct a needs assessment when necessary.	Future actions will be carried out in accordance with the company's development needs and legal regulations.
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V		(3) The company has formulated rules and procedures for evaluating the Board’s performance and conducted the evaluation in 2025. The Performance Evaluation Results are as follows (out of 5): Directors (4.865), Board of Directors (4.821), Audit Committee (4.955), and Remuneration Committee (4.947), and the elevation results were submitted to the Board meeting on March 11, 2025.	None
(4) Does the company regularly evaluate the independence of CPAs?	V		(4) The Company self-evaluates the independence and eligibility of CPAs annually and assesses the CPA’s audit experiences, and training hours based on AQI. The Company’s CPAs comply with the independence evaluation standards, and the evaluation results were submitted to the Board of Directors for deliberation and passed on March 11, 2026.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Does the company appoint a suitable number of competent personnel and a manager responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to the board meetings and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		The Company has appointed a managerial officer for corporate governance matters, and the officer has completed studies in conformity with rules last year.	None
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has a designated section on its website for stakeholders.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has designated Taishin Securities Co. Ltd. Stock Affairs to deal with shareholder affairs.	None
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1) The Company has set up a corporate website to disclose information regarding the Company’s financial standings.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(2) The Company has assigned a dedicated unit to handle information collection and disclosure, and has established a spokesman system according to relevant regulations.	None
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		(3) The Company has reported, announced, and filed both financial statements and monthly operating status according to relevant regulations.	None
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the execution of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(1) The Company has established intact benefits system and compliance procedures for employee rights and wellness, and sustained long-term relationships with investors by spokesperson and those with suppliers. The Company has smooth communication channels with financial institutions, creditors, employees, customers, and suppliers, and discloses sufficient information (e.g., acquisition/disposals of assets, endorsement/guarantee matters) on MOPS for stakeholders’ interests. (2) The Company has arranged training programs for directors. (3) Directors’ attendance rates are high.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			(4) The Company has purchased liability insurance for directors and managers.	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures: Improved the company website to offer more information on corporate governance.				

Note : Evaluation of Auditor Independence

Evaluation Standards	Evaluation Result	
	Yes	No
Direct or indirect substantial financial interest between the CPA and the Company		V
Borrowing/lending of fund or guarantees between the CPA and the Company		V
Substantially close business relationship and potential employment relationship between the CPA and the Company		V
Whether the CPA and audit team members have held the position as director, managerial officer, or any position materially critical to the audited case in the most recent 2 years		V
Whether the CPA has offered non-audit services that may possibly influence the audited case		V
Whether the CPA has served as a broker who buys/sells the Company’s stocks or other securities		V
Whether the CPA has served as the Company’s defender or coordinated conflicts between the Company and the third party		V
Whether the CPA has kinships with the Company’s directors, managerial officers, or any position materially critical to the audited case		V
Whether the CPA has completed finance and tax compliance audit reports on time for the Company and the investees	V	
Whether the CPA has timely offered finance and tax consulting services to the Company	V	
Whether the CPA has provided Audit Quality Index (AQI)	V	

Evaluation result: The Company has appointed Ming-Chong, Hsieh and I-Chen, Lu of Deloitte Touche Tohmatsu Limited for attestations of financial statements, and confirmed that both CPAs have met independence and eligibility standards.

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

The Remuneration Committee of the Company is composed of three members, including Lee Shu-Lan, Hung, Lung-Ping, and Liu, Chia-Yuan. The Committee assists the Board in discharging its responsibilities relating to the Company's compensation and benefits policies, and the evaluation of the directors' and executives' compensation.

2.3.4.1 Information of Remuneration Committee Members

December 31 2025

Criteria Name (Note 1)	Professional Qualification and Experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Lee, Shu-Lan	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Current Position: CFO of EBM Technologies. Not been a person of any conditions defined in Article 30 of the Company Law.	An independent Director who has met the independence criteria: including but not int limited to whether they, spouses, relatives within the second degree of kinship serve as a director, supervisor or employer of the Company or affiliates; did not serve as a director, supervisor or employer of a Company with which the Company has a specific relationship; the person herself and spouse hold 14,401 shares (0.01%) of the Company. No remuneration for commercial, legal, financial and accounting services provided to the Company or affiliates in the past two years.	x
Independent Director Hung, Lung-Ping	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: Manager of Pei-Sheng United Accounting Firm, Manager of Chuan-Hsin Accounting Firm, and Director of Shan-Hsin Consulting Ltd. Not been a person of any conditions defined in Article 30 of the Company Law.	An independent Director who has met the independence criteria: including but not int limited to whether they, spouses, relatives within the second degree of kinship serve as a director, supervisor or employer of the Company or affiliates; did not serve as a director, supervisor or employer of a Company with which the Company has a specific relationship; the person himself and spouse hold 204,792 shares (0.07%) of the Company; No remuneration for commercial, legal, financial and accounting services provided to the Company or affiliates in the past two years.	x
Other Liu, Chia-Yuan	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the Business of the Company. Positions: CTO of Yang-Ming Marine Transport Corp., and President of All Ocean Transportation Inc. Not been a person of any conditions defined in Article 30 of the Company Law.	Has met the independence criteria: including but not int limited to whether they, spouses, relatives within the second degree of kinship serve as a director, supervisor or employer of the Company or affiliates; did not serve as a director, supervisor or employer of a Company with which the Company has a specific relationship; the person himself and spouse hold 1,867 shares (0%) of the Company; No remuneration for commercial, legal, financial and accounting services provided to the Company or affiliates in the past two years.	

Note 1: Please specify the relevant work experiences, professional qualifications and the state of independence of each individual member of the remuneration committee.

Note 2: Professional Qualifications and Experiences: Specify the professional qualifications and experiences of each individual member of the remuneration committee.

Note 3: Independence Criteria: Specify the independent criteria that the remuneration commit members have met, including but not int limited to whether they, spouses, relatives within the second degree of kinship serve as a director, supervisor or employer of the Company or affiliates; the proportion of shares held by the independent director, spouses, relatives within the second degree of kinship (or in the name of others); whether the independent director serves as a director, supervisor or employer of a Company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Companies); and the amount of remuneration received for commercial, legal, financial and accounting services provided to the Company or affiliates in the past two years.

2.3.4.2 Attendance of Members at Remuneration Committee Meetings

There are three members in the Remuneration Committee.

Term of Office: from August 11, 2023 to June 8, 2026. A total of two (A) Remuneration Committee meetings were held in the previous period.

The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener	Lee, Shu-Lan	2	0	100	Independent Director
Committee Member	Hung, Lung-Ping	2	0	100	Independent Director
Committee Member	Liu, Chia-Yuan	1	1	50	
Other mentionable items:					
1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.					
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.					

2.3.4.3 Responsibilities of Remuneration Committee

1. Set and review periodically the performance evaluation of the directors and managers, and the policy, system, standards and structure of salary and remuneration.
2. Periodically evaluate and set salary and remuneration of the board directors and managers.

2.3.4.4 Remuneration Committee Meetings

Date	Major Resolutions	Resolution Result	Follow-up Actions
Mar. 10, 2025	1. Proposal of Distribution of 2024 director and employee compensation 2. Proposal of Distribution of 2024 manager compensation	Unanimous consent of the Committee	Proposed to the board meeting and got unanimous consent by directors
Nov. 11, 2025	1. Distribution of 2025 manager performance bonus 2. Distribution of 2025 manager annual bonus	Unanimous consent of the Committee	Proposed to the board meeting and got unanimous consent by directors

2.3.5 Proposition of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons									
	Yes	No	Abstract Explanation ²										
1. Does the company establish the governance structure of sustainable development and exclusively (or concurrently) dedicated first-line managers authorized and supervised by the board to be in charge of proposing such development?	V		The Company established the sustainability development team and instituted “Sustainable Development Best Practice Principles”. The general manager is responsible for coordinated management and execution of the sustainable plans. The board of directors is the highest level unit of sustainability development and is responsible for review and supervision of the management policy and strategy, and institution and post-mortem of goals.	None									
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		The Company established “Risk Management Policies and Procedures”. The audit committee is in charge of reviewing the risk management and the general manager is served as a convener, responsible for risk management coordination and annual report to the board of directors. The execution is as follows:<table><tr><th>Date</th><th>Meeting</th><th>Purpose</th></tr><tr><td>Aug 12, 2025</td><td>Board Meeting</td><td>Management of Climate-Related Risks and Opportunities</td></tr><tr><td>Nov 11, 2025</td><td>Board Meeting</td><td>Report of Risk Management and Execution.</td></tr></table>	Date	Meeting	Purpose	Aug 12, 2025	Board Meeting	Management of Climate-Related Risks and Opportunities	Nov 11, 2025	Board Meeting	Report of Risk Management and Execution.	None
Date	Meeting	Purpose											
Aug 12, 2025	Board Meeting	Management of Climate-Related Risks and Opportunities											
Nov 11, 2025	Board Meeting	Report of Risk Management and Execution.											
3. Environmental issues													
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(1) The Engineering Department monitors contractors for the following pollution preventions: air pollution, noise pollution, waste pollution and sewage pollution. The Company endeavors to build a “zero-pollution, zero-accident” workplace.	None									
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) The Company implements environmental protection policies, and classifies, recycles and reuses waste by the nature in accordance with the waste control regulations of the Environmental Protection Administration. The Company also introduces concepts of green buildings and green building materials to each construction project.	None									
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		(3) The Company complies with the air-conditioning temperature limit regulations of the Taipei City Government for office buildings, and at the same time implements smoke-free public places policy in accordance with the Tobacco Hazards Prevention Act.	None									
(4) Does the company take inventory of its greenhouse gas	V		(4) The Company implements energy-saving and waste control policies, and	Future actions will be carried out in									

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation ²	
emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			records the energy and resource efficiency, water consumption, and non-harmful waste caused by individual projects in the last two years.	accordance with the company's development needs and legal regulations.
4. Social issues				
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(1) The Company is committed to upholding the basic human rights of employees and creating a workplace that fully protects human rights. The Company supports and complies with “Universal Declaration of Human Rights”, “ILO Declaration on Fundamental Principles and Rights at Work”, and obeys the labor-related regulations of our country to deter any human rights violations and abuses and to ensure all employees are treated fairly and with dignity. The Company enacts work rules and relevant human resources management rules in accordance with the Labor Standards Act to protect the rights and interests of its employees, and convenes labor-management conferences for the purpose of enhancing harmony in labor-management relations and creating a win-win vision for both sides.	None
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		(2) The Company establishes various employee benefits measures in accordance with the Labor Standards Act and other relevant regulations, provides market-competitive benefits as incentives to employees, and issues performance bonuses on a periodic basis to share business profits with its employees.	None
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(3) The Company implements occupational safety and health measures and provides a safer working environment to our employees through occupational safety and health training. The Company also organizes family trips and various activities for employees from time to time to relieve work pressure and strengthen solidarity among the employees. No occupational or fire accidents occurred during the current year.	None
(4) Does the company provide its employees with career development and training sessions?	V		(4) The Company non-periodically conducts internal and external training programs that match employees’ career development objectives.	
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		(5) For the marketing and labelling of products and services, the Company has complied with relevant regulations and international principles. The company has set up a toll-free number: 0800-007819 for questions or advice on products or services raised by consumers, and has accepted complaints through email, fax and phone anytime for consumer rights protection.	None None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation ²	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		(6) Before dealing with suppliers, the Company adequately evaluates suppliers based on past history of whether suppliers have influenced the environment and society as one of the evaluation standards. The Company requests no prohibited and restricted substance in products and during production processes and take note of agreements related to compensation for breach of contract and cancellation of contract.	None
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?		V	The Company has prepared sustainability reports in accordance with regulations, but has not yet obtained the third-party validation.	The Company will conduct third-party validation depending on the company’s development needs and laws and regulations.
6. Describe the difference, if any, between actual practice and the sustainable development principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: No substantial difference.				
7. Other useful information for explaining the status of sustainable development practices: None				

Climate-related information of listed and OTC companies

Issues	Implementation Status		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The General Manager serves as the convener of the Sustainability Development Committee and is responsible for overseeing the identification, assessment, and response strategies related to climate risks and opportunities. The Sustainability Committee reports annually to the Board of Directors on the implementation status of management actions and the Sustainability Report, while the Board provides supervision and guidance on performance effectiveness. The management results for the latest year are scheduled to be reported to the Board of Directors in August 2026.		
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Risks and Opportunities	Financial Impact	
	Rising costs of raw materials	Global raw material and logistics costs continue to rise, which has already impacted business operations. It is expected that procurement expenses will increase in the short term, and close attention should be paid to fluctuations in supply chain costs.	
	Increasing severity of extreme weathers such as typhoons and flood	With the increasing frequency of extreme weather events worldwide, typhoons and heavy rainfall have become significantly more frequent, posing physical risks to businesses. If office buildings or construction sites are affected by flooding, it would directly impact operational efficiency and result in asset losses, thereby challenging the company’s financial stability.	
	Adoption of incentive policies	In response to the government’s greenhouse gas reduction targets, enterprises should take proactive action. By participating in climate-related incentive programs, companies can not only effectively reduce their environmental footprint but also benefit from policy incentives, achieving a win-win outcome of environmental sustainability and operational gains.	
3. Describe the financial impact of extreme weather events and transformative actions.	Leverage of incentives in public sector		

Issues	Implementation Status	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Based on the risk management policy, we conduct the followings: 1. The Sustainability Promotion Group evaluates ESG topics and climate risks at the same time. 2. The Sustainability Promotion Group meeting resolves critical ESG and climate risk issues. 3. Set execution strategies and goals according to the approved ESG risks and climate risks. 4. Report the ESG issues and the execution status of climate risk on the board meeting in August, 2026.	
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.	Regarding climate-related physical risks, the Company has conducted scenario analysis on flooding caused by typhoons and heavy rainfall. The assessment indicates that although the office premises are not directly located within a flood-prone area defined by “12-hour cumulative rainfall of 400 mm,” there remains a risk of impact within a 500-meter radius. Considering the potential indirect effects on employee commuting safety and overall operational resilience, this risk has been included as a key climate risk item, and relevant contingency and mitigation measures are being developed.  	
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.	Risks and Opportunities	Countermeasures
	Rising costs of raw materials	1. Local sourcing: Strengthen the local supply chain to reduce transportation costs and logistics risks. 2. Cost stability: Enter into long-term supply agreements to lock in raw material costs in response to market fluctuations. 3. Efficiency optimization: Improve construction techniques to reduce material waste and labor costs, achieving high efficiency operational objectives.
	Increasing severity of extreme weathers such as typhoons and flood	1. Establish emergency response plans for typhoons and rainstorm to reduce instant risks. 2. Implement flood control on construction sites, procure and install waterproof gate, and periodically maintain underground pumping and drainage facilities.
	Adoption of incentive policies	1. Carbon asset management: Complete compliance emissions inventory and monitor carbon market trends to proactively plan carbon cost management.
	Leverage of incentives in public sector	2. Local sourcing: Expand cooperation with local suppliers to reduce transportation-related carbon emissions. 3. Green building development: Adopt green building certification standards to secure policy incentives and enhance the company's positive brand image.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet conducted internal carbon pricing.	

Issues	Implementation Status
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.	In 2025, the Company has completed greenhouse gas inventories for Scope 1 and Scope 2, and will subsequently carry out assurance procedures in accordance with regulatory requirements. Going forward, the Company plans to reduce carbon emissions through measures such as the use of energy-efficient equipment and intends to introduce third-party assurance for greenhouse gas reporting, using Scope 1 and Scope 2 as the basis for its carbon reduction targets.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	In 2025, the Company has completed greenhouse gas inventories for Scope 1 and Scope 2, and will subsequently carry out assurance procedures in accordance with regulatory requirements.

2.3.5.1.1 Greenhouse Gas Inventory Information:

Describe the greenhouse gas emissions for the most recent two years (in metric tons of CO ₂ e), the emission intensity (metric tons of CO ₂ e per million), and the scope of the data coverage.
Total emissions in 2025: 62.0903 metric tons of CO₂ e Emissions intensity in 2025: 0.075216 metric tons of CO₂ e per million Data coverage: Scope 1 and Scope 2

2.3.5.1.1.2 Greenhouse Gas Assurance Information: The Company currently has no greenhouse gas assurance data available.

2.3.5-2 Reduction goal, strategy and action plan on greenhouse gas inventory:

Reduction Goal	Strategy and Action Plan
As this is the initial inventory, no emission reduction targets have been established.	The 2025 greenhouse gas emissions inventory was completed for the first time in early 2026. The Company will formulate emission reduction targets based on the magnitude of emissions across each category in the inventory report and the feasibility of reducing such emissions.

2.3.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) The Company conducts business activities in a fair and transparent manner to avoid making deals with unethical clients.	None
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(2) The Company formulates work rules for employee trainings sessions, promotes corporate ethical philosophies, and accepts operations of reports and complaints at anytime.	None
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) The company enhances management system and execution against unethical conduct, and penalizes employees that violate rules and regulations according to the seriousness of the violation.	None
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) The Company conducts business activities in a fair and transparent manner to avoid making deals with unethical clients, and pays special attention to whether suppliers have unethical records.	None
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?		V	(2) The Company has not yet established such unit on a full-time or part-time basis. The Audit Office is responsible for executing assessment operations periodically and non-periodically, and reporting to the Board of Directors.	The company will establish a full-time or part-time unit for future corporate development needs.
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and	V		(3) The company enhances management system and execution against unethical conduct, and penalizes employees that violate rules and	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
implement it?				
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4) The company has set up an audit office to periodically and non-periodically execute assessment operations.	None
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(5) The Company advocates the ethical corporate philosophies and regulations at monthly meetings.	None
3. Operation of the integrity channel				
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The Company has established reporting and punishment systems, and appointed appropriate persons for follow-up.	None
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(2) The Company has set up employee reporting procedures, including SOPs for investigations, and relevant post-investigation confidentiality measures.	None
(3) Does the company provide proper whistleblower protection?	V		(3) The Company is responsible for maintaining the confidentiality of whistleblowers, and never takes retaliation actions against them.	None
4. Strengthening information disclosure				
(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		(1) The Company has built a corporate website and disclosed ethical corporate management policies on the website.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established “Ethical Corporate Principles”; the practice of which is not significantly different from that of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies): None				

2.3.7 Other Important Information Regarding Corporate Governance: None.

2.3.8 Internal Control Systems

2.3.8.1 Statement of Internal Control System

Founding Construction Development Corp. Statement of Internal Control System

Date: March 11, 2026

Founding Construction Development Corp. (the “Company”) states the following with regard to its internal control system of year 2025 based on the findings of its self-assessment:

1. The Company acknowledges that its Board of Directors and management are responsible for establishing, implementing, and maintaining an internal control system. The internal control system has been established and is a process designed to provide reasonable assurance of the effectiveness and efficiency of the Company’s operations (including profitability, performance and safeguarding of assets); the reliability, timeliness, and transparency of the Company’s reports and statements; and the compliance with applicable laws and regulations.
2. Any internal control system has inherent limitations. No matter how thoroughly designed, an effective internal control system can provide only reasonable assurance of accomplishing of the foregoing objectives. Moreover, the effectiveness of the internal control system may be subject to any change of environment or circumstance. Nevertheless, the Company’s internal control system contains self-monitoring mechanisms which would enable the Company to take immediate remedial actions in response to any identified deficiency.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (the “Regulations”). The Regulations identify five key components of internal control during the management control process: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each such component includes several other elements. Please see details in the Regulations.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the result of such evaluation, the Company believes that, on December 31, 2025, it has maintained an effective internal control system (which includes the supervision and management of the Company’s subsidiaries) that can assure achievement in the foregoing objectives such as operational effectiveness and efficiency, reliability, timeliness, and transparency of reports and statements, and compliance with applicable laws and regulations.
6. This statement is an integral part of the annual report and prospectus of the Company and will be made public. Any falsehood, concealment, or other illegality in the content thereof will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Board of Directors on March 11, 2026, with a unanimous consent of all 9 Directors attending the meeting.

Founding Construction Development Corp.

Chairman: LIU HSIN-HSIUNG

President: TSAO, LO-FANG

2.3.8.2 The Company auditing its internal control system by a CPA shall disclose the CPA audit report: None

2.3.9 Major Resolutions of Shareholders' Meeting and Board Meetings

Item	Date	Major resolutions
Shareholders' Meeting		
Shareholders' meeting	June 10 2025	1. Adoption of the 2024 business report and financial statements. 2. Adoption of the 2024 Profit Distribution Statement
Board Meeting		
Board meeting	March 10 2025	1. Proposal of the 2024 distribution of director and employee compensation. 2. Proposal of the 2024 distribution of managerial officer's compensation. 3. Proposal for Personnel Promotion and Salary Adjustments 4. Approval of the 2024 business reports. 5. Approval of the 2024 profit distribution. 6. Approval of the 2024 distribution of cash dividend. 7. Proposed Amendments to the Articles of Incorporation. 8. Proposed Amendments to the Audit Committee Charter and the Rules of Procedure for Board of Directors Meetings. 9. Issues on the convention of the Shareholders' Meeting. 10. Proposal of the 2025 distribution ratio of the director and employee compensation. 11. Bank financing 12. Submission of the Statement of Internal Control. 13. Evaluation of CPA independence and competence. 14. Review of the 2025 Audit Fee
Board meeting	May 12 2025	1. Approval of the 2025 Q1 Consolidated Financial Statements 2. Bank financing 3. Amendments to the procedures and departmental forms for the Internal Control System and Internal Audit System.
Board meeting	Aug 12 2025	1. Approval of the 2024 Q2 Consolidated Financial Statements 2. Bank financing 3. Approval of the 2024 Sustainability Report
Board meeting	Nov 11 2025	1. Approval of the 2025 Q3 Consolidated Financial Statements 2. Proposal of the 2025 Manager Performance Bonus and Annual Bonus Distribution 3. Proposal of the 2026 budget and business plans 4. Bank financing 5. Proposal of Audit plans of second half of the year
Board meeting	March 11 2025	1. Definition of Non-Manual Employees 2. Proposal of the 2025 distribution of director and employee compensation. 3. Proposal of the 2025 distribution of managerial officer's compensation. 4. Approval of the 2025 business reports. 5. Approval of the 2025 profit distribution. 6. Approval of the 2025 distribution of cash dividend. 7. Proposal for the Re-election of Directors 8. Proposal for the Nomination of Director and Independent Director Candidates 9. Issues on the convention of the Shareholders' Meeting. 10. Proposal of the 2026 distribution ratio of the director and employee compensation. 11. Amendments to the Internal Control System and Internal Audit System. 12. Submission of the Statement of Internal Control. 13. Rotation of CPA 14. Evaluation of CPA independence and competence. 15. Review of the 2024 Audit Fee
Board meeting	March 31 2025	1. Proposal for the Sale of Real Property

Major resolutions at the 2025 Shareholders' Meeting and executions:

- (1) Adoption of the 2024 business report and financial statements.
Execution: public announcement and registration were made in accordance with regulations.
- (2) Adoption of the 2024 profit distribution.
Execution: The record date of ex-dividend was set to July 2 , 2025 and the distribution day was set to July 23rd, 2025. (cash dividend

NT\$1 per share)

2.3.10 Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None

2.4 Information Regarding the Company's Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte Touche Tohmatsu Limited	I-Chen Lu	2025.1.1~2025.12.31	2,770	25	2,795	Business Registration
	Ming-Chong Hsieh	2025.1.1~2025.12.31				

2.4.1 Replaced the CPA firm for auditing and the audit fee paid in the replacing year is less than the audit fee paid in the previous year: None

2.4.2 The audit fee of the current year is less than the year before by more than 10%: None

2.5 Replacement of CPA: None

2.5.1 Regarding the former CPA: N/A

2.5.2 Regarding the successor CPA: N/A

3.5.3 Reply of the former CPA to Article 10-6-1, and 10-6-2-3: N/A

2.6 Audit Independence

The Company's Chairman, President, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates within the year.

2.7. Changes in Shareholding of Directors, Managers and Major Shareholders

2.7.1 Changes in Shareholding

Title	Name	2025		As of April 25, 2025	
		Holding + / (-)	Pledged Holding + / (-)	Holding + / (-)	Pledged Holding + / (-)
Chairman	Syntain Corp.	-	-	-	-
Representative of Chairman	Liu, Hsin-Hsiung	-	-	-	-
Vice Chairman	Syntain Corp.	-	-	-	-
Representative of Vice Chairman	Liu, Min-Liang	-	-	-	-
Director	Syntain Foundation	-	-	-	-
Representative of Institutional Director	Liu, Fang-Wen	-	-	-	-
Director	Wenrui Investment	-	-	-	-
Representative of Institutional Director	Chiang, Guang-Hui	-	-	-	-
Director	Liu, Hua-Hsing	-	-	-	-
Director	Ho, Ming-Hui	-	-	-	-
Independent Director	Lee, Shu-Lan	-	-	-	-

Title	Name	2025		As of April 25, 2025	
		Holding +/(-)	Pledged Holding +/(-)	Holding +/(-)	Pledged Holding +/(-)
Independent Director	Chen, Bo-Yung	-	-	-	-
Independent Director	Hung, Lung-Ping	-	-	-	-
Major Shareholder	May-Hsiung Investment	-	-	-	-
President	Tsao, Lo-Fang	18,000	-	9,000	-
Vice President	Cheng, Jing-Hung	-	-	-	-
Vice President	Mo, Rong-Fa	-	-	-	-
Vice President	Huang, Wen-Chu	-	-	-	-
Assistant Vice President	Liu, Yen-Hui	-	-	-	-
Assistant Vice President	Liao, Wan-Jing	-	-	-	-
Assistant Vice President	Cheng, Yen-Fen	-	-	-	-
Assistant Vice President	Hsu, Yang-Ting	(38,000)	-	-	-
Assistant Vice President	Liu, Wei-Chih	-	-	-	-
Corporate Governance Officer	Hsu, Wei-Lun	-	-	-	-

2.7.2 Transfer of Shares: None

2.7.3 Shares Pledge with Related Parties: None

2.8 Relationship among the Top Ten Shareholders

April 25, 2025

Name (Note1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Mei-Hsiung Investment Co. Ltd	53,813,212	18.87	-	-	-	-	-	-	
Representative: Liu, Fang-Wen							Liu, Hsin-Hsiung	Father-Daughter	
Syntain Corp.	22,918,571	8.03	-	-	-	-	-	-	
Representative: Liu, Min-Liang							Liu, Hsin-Hsiung	Father-Son	
Fu-Hsiung Investment	16,187,416	5.67	-	-	-	-	-	-	
Representative: Liu, Shu-Hung							Liu, Hsin-Hsiung	Father-Son	
Fu-Long-Chang Investment	11,272,000	3.95	-	-	-	-	-	-	
Representative: Liu, Shu-Hung							Liu, Hsin-Hsiung	Father-Son	
Fu-Bang Investment	8,768,000	3.07	-	-	-	-	-	-	
Representative: Liu, Yen-Ling									
Liu, Fang-Wen	8,398,837	2.94	-	-	-	-	Liu, Hsin-Hsiung	Father-Daughter	
Liu, Shu-Hung	8,090,318	2.84	-	-	-	-	Liu, Hsin-Hsiung	Father-Son	
Liu, Min-Liang	7,997,932	2.80	2,247,000	0.79			Liu, Hsin-Hsiung	Father-Son	
Liu, Hsin-Hsiung	6,683,941	2.34	5,446,997	1.91	-	-	Liu, Min-Liang	Father-Son	
Chang-Fu Investment	6,429,555	2.25	-	-	-	-	-	-	
Representative: Lin, Hsiang-Min							-	-	

2.9 Ownership of Shares in Affiliated Enterprises

Unit: shares/ %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Chien Chiao Construction	15,000,000	100%	-	-	15,000,000	100%
FUSHIN Hotel	15,100,000	94%	900,000	6%	16,000,000	100%
Hsin-Long-Hsing Investment	30,000,000	100%	-	-	30,000,000	100%

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

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

Month /Year	Par Value (NT\$)	Authorized Capital		Paid-In Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	other
April, 1991	10	6,000,000	60,000,000	6,000,000	60,000,000	Initial Capital	None	-
Sept. 1994	10	12,000,000	120,000,000	12,000,000	120,000,000	Capital increase: NT\$60 million by cash	None	-
July, 1997	10	90,000,000	900,000,000	33,200,000	332,000,000	Capital Increase: NT\$200 million by cash and NT\$12 million by earnings MOF, Tai-Tsai-Cheng(1) - No.53242 (July 3, 1997)	None	-
June, 1998	By cash: 12 By Earnings 10	90,000,000	900,000,000	61,600,000	616,000,000	Capital Increase: NT\$200 million by cash and NT\$84 million by earnings and employee bonus MOF, Tai-Tsai-Cheng(1) - No.45729 (May 25, 1998)	None	-
July 1999	10	90,000,000	900,000,000	80,360,000	803,600,000	Capital Increase: NT\$187.6 million by earnings and employee bonus MOF, Tai-Tsai-Cheng(1) - No.54826 (June 3, 1999)	None	-
June 2000	10	160,000,000	1,600,000,000	108,888,000	1,088,880,000	Capital Increase: NT\$285.28 million by earnings and employee bonus MOF, Tai-Tsai-Cheng(1) - No.43092 (May 18, 2000)	None	-
Sep 2001	10	160,000,000	1,600,000,000	125,800,000	1,258,000,000	Capital Increase: NT\$169.12 million by earnings and employee bonus MOF, Tai-Tsai-Cheng(1) - No.142195 (July 2, 2001)	None	-
Nov 2002	10	160,000,000	1,600,000,000	115,800,000	1,158,000,000	Capital Reduction: NT\$100 million by repurchase and cancellation of treasury shares. MOF, Tai-Tsai-Cheng(3) –No. 0910149111 (Sep 2, 2002) and No.0910156253 (Oct 16, 2002)	None	-
Dec 2003	10	160,000,000	1,600,000,000	115,000,000	1,150,000,000	Capital Reduction: NT\$8 million by repurchase and cancellation of treasury shares. MOF, Tai-Tsai-Cheng(3) –No. 0920155800 (Nov 21, 2003)	None	-
August 2005	10	160,000,000	1,600,000,000	118,450,000	1,184,500,000	Capital Increase: NT\$34.5 million by capital surplus FSC, Jin-Kuan-Cheng(1) - No.0940125009 (June 28, 2005)	None	-
August 2006	10	160,000,000	1,600,000,000	125,000,000	1,250,000,000	Capital Increase: NT\$65.5 million by earnings and capital surplus FSC, Jin-Kuan-Cheng (1) - No.0950126365 (June 26, 2006)	None	-
August 2007	10	160,000,000	1,600,000,000	144,200,000	1,442,000,000	Capital Increase: NT\$192 million by earnings and employee bonus FSC, Jin-Kuan-Cheng (1) - No.0960032882 (June 28, 2007)	None	-
June 2008	10	250,000,000	2,500,000,000	166,300,000	1,663,000,000	Capital Increase: NT\$221 million by earnings and employee bonus	None	-

						FSC, Jin-Kuan-Cheng (1) -No. 0970017707 (April 25, 2008)		
March 2009	10	250,000,000	2,500,000,000	165,928,000	1,659,280,000	Capital Reduction: NT\$3.72 million by repurchase and cancellation of treasury shares. FSC, Jin-Kuan-Cheng (3) -No. 0970070058 (Dec 22, 2009)	None	-
August 2009	10	250,000,000	2,500,000,000	177,775,293	1,777,752,930	Capital Increase: NT\$118,472,930 by earnings and employee bonus FSC, Jin-Kuan-Cheng (FA)-No. 0980033683 (July 7, 2009)	None	-
August 2010	10	250,000,000	2,500,000,000	194,029,781	1,940,297,810	Capital Increase: NT\$162,544,880 by earnings and employee bonus FSC, Jin-Kuan-Cheng (FA)-No. 0990033713 (June 30, 2010)	None	-
August 2011	10	250,000,000	2,500,000,000	211,770,994	2,117,709,940	Capital Increase: NT\$177,412,130 by earnings and employee bonus FSC, Jin-Kuan-Cheng (FA)-No. 1000030070 (June 29, 2011)	None	-
July 2012	10	250,000,000	2,500,000,000	226,982,797	2,269,827,970	Capital Increase: NT\$152,118,030 by earnings and employee bonus FSC, Jin-Kuan-Cheng (FA)-No. 1010028294 (June 26, 2012)	None	-
August 2013	10	250,000,000	2,500,000,000	243,169,643	2,431,696,430	Capital Increase: NT\$161,868,460 by earnings and employee bonus FSC, Jin-Kuan-Cheng (FA)-No. 1020024518 (June 25, 2013)	None	-
August 2014	10	360,000,000	3,600,000,000	255,664,714	2,556,647,140	Capital Increase: NT\$124,950,710 by earnings and employee bonus FSC, Jin-Kuan-Cheng (FA)-No. 1030023894 (June 24, 2014)	None	-
August 2015	10	360,000,000	3,600,000,000	271,335,579	2,713,355,790	Capital Increase: NT\$156,708,650 by earnings and employee bonus FSC, Jin-Kuan-Cheng (FA)-No. 1040024163 (June 26, 2015)	None	-
August 2016	10	360,000,000	3,600,000,000	285,244,944	2,852,449,440	Capital Increase: NT\$141,628,790 by earnings and employee bonus	None	-

Share Type	Authorized Capital			Remarks
	Issued Shares (Remarks)	Un-issued Shares	Total Shares	
Common Stocks	285,244,944	74,755,056	360,000,000	Listed Stocks

Information Related to Consolidated Tax Filing System: N/A

3.1.2 List of Major Shareholders

April 25, 2025

Shareholder's Name	Shareholding	
	Shares	Percentage
Mei-Hsiung Investment	53,813,212	18.87
Syntain Corp.	22,918,571	8.03
Fu-Hsiung Investment	16,187,416	5.67
Fu-Long-Chang Investment	11,272,000	3.95
Fu-Bang Investment	8,768,000	3.07
Liu, Fang-Wen	8,398,837	2.94
Liu, Shu-Hung	8,090,318	2.84
Liu, Min-Liang	7,997,932	2.80
Liu, Hsin-Hsiung	6,683,941	2.34
Chang-Fu Investment	6,429,555	2.25

Note: List all shareholders with a stake of 5 percent or greater, or those who rank in the top 10 in shareholding percentage.

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend Policy

Where the Company has a profit after tax at the end of each fiscal year, the Company shall offset the accumulative losses (including adjustment of retained profits) and set aside a legal capital reserve at 10% of the remaining profits first provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Company, and then set aside or reverse the remains as special reserve in accordance with relevant laws, rules and regulations. With the balance after deductions in the preceding paragraphs together with retained profits from preceding years (including adjustment of retained profits), the Board of Directors are authorized to prepare proposal for profits earnings distribution and adopt a resolution by a majority vote at a meeting of the Board of Directors attended by two-thirds or more of all the Directors to distribute dividends and bonuses in whole or in part in cash, and then report such distribution to the shareholders' meeting. Where distributing surplus profits by issuing new shares in accordance with the preceding paragraph, it shall be adopted by the resolution of the shareholders' meeting in accordance with Article 240 of the Company Act. About the distribution of dividends of the Company, the ratio for dividend in cash shall not be lower than 30% of total distribution.

3.1.3.2 Proposed Distribution of Dividend

The proposal for a cash dividend of NT\$0.6 per share will be discussed and approved at the annual general shareholders meeting on June 23, 2026.

3.1.4 The impact of the stock dividends proposed in the current Shareholders Meeting on the Company's operating performance and earnings per share: N/A

3.1.5 Compensation of Employees and Directors

A. Information Related to Compensation of Employees and Directors in the Articles of Incorporation

The Company shall set aside 0.6% to 3% of the profits (before tax and before compensation distribution to the employees and Directors in any fiscal year) as employee compensation (of which not less than 0.2% shall be appropriated for distribution to non-managerial employees). The Board of Directors may resolve to distribute employee compensation in shares or cash. Employees of parents or subsidiaries of the Company meeting certain specific qualifications may be entitled to receive employee compensation. The Board of Directors may resolve to set aside not more than 2% of such profits for compensation for Directors.

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

① The amount of employee and Director compensation is calculated respectively as 1.66% and 1.68% of the amount of annual profits that might be distributed based on past experience of the Company.

② The calculation of the number of shares as employee compensation is determined based on the closing price of the day immediately before the date of the resolutions of the Board of Directors to issue new shares. The amount which is less than the value of one share should be distributed in cash.

③ If there is any difference between the actual distributed amount and the assessed figure, it shall be dealt with the rules of changes in accounting estimates and be carried into account for the year in which the resolutions of shareholders' meeting are made.

C. Distribution of Remuneration Resolved by the Board of Directors

① Remuneration to employees and directors paid in cash or with stock dividends. If it is different from the estimated amount of the expense recognition year, the difference amount, cause, and treatment should be disclosed: Proposed remunerations to employees and directors are NT\$3.20 million and NT\$3.24 million respectively, which are not different from the estimated amount of expense recognition year.

② The amount of stock dividends distributed to employees and their ratio to the net income and total remuneration to employees on the only and Individual Financial Report: None

D. Information of 2023 Distribution of Compensation of Employees, and Directors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee, or director compensation, additionally the discrepancy, cause, and how it is treated: The actual employee bonus and remuneration of directors, both paid by cash, were NT\$3.10 million and NT\$3.24 million respectively, and there was no discrepancy between the actual distribution and the recognized amount.

3.1.6 Buy-back of Treasury Stock: None

3.2 Bonds: None

3.3 Preferred Stocks: None

3.4 Global Depository Receipts: None

3.5 Employee Stock Options, New Restricted Stock Award Shares Issued to Employees: None

3.6 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

3.7 Financing Plans and Implementation: None

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

A. Main Business and its Weight

- ① Contracted construction of residential properties, hotels, industrial factories, and commercial buildings for rent, sale, etc.
- ② Interior design and construction.
- ③ Introduction of house rental and sale, and agent service for sales of overseas real estate.
- ④ Operation and management of hotels and catering services.

The Company is mainly engaged in rental and sales of residential properties, hotels, commercial buildings and industrial factories built by construction companies contracted by the Company. The Company has actively participated in hotel operations in recent years, though construction revenue is still the main source of revenue of the Company.

B. Current Products (Services)

The main products of the Company are industrial office buildings, residential and commercial buildings, hotels and multi-dwelling units. The Company has also recently undertaken a couple of hotel operations.

C. New Products (Services) Planned to be Developed

- ① Reconstruction of old communities: To take active participation in urban renewal programs to accelerate the reconstruction of old communities in prime downtown areas.
- ② Multifunctional business hotels: Mixed-use hotels satisfying the diversified demands of worldwide businesspersons and providing cost-effective options for accommodation and catering services.
- ③ Construction, operation, and management of service apartments.
- ④ Construction of residences and suites near every major science park in Taiwan.

4.1.2 Industry Overview

A. Current Status and Future Development

In 2025, real estate transaction volumes plummeted, with the market characterized by “declining transaction volume and stable prices.” Although the “New Youth Housing Loan” program has been exempted from the restrictions of Article 72-2 of the Banking Act and continues to offer preferential interest rates for first-time homebuyers, various policy measures—including tax reforms, transaction controls, and credit restrictions—have been introduced to curb speculation and steer the housing market back toward owner-occupier demand. It is expected that the government will maintain these measures in the short term. Meanwhile, constraints on construction financing have severely affected developers’ operations, creating an increasingly unfavorable environment for the real estate sector.

The National Land Planning Act restricts land development and is expected to drive up prices for certain categories of land. At the same time, new regulations governing the disposal of surplus construction soil and earth materials have raised concerns about potential project delays or work stoppages. Over the long term, the implementation of carbon fees is also expected to increase construction costs. Taken together, these stringent regulations are intended to promote housing justice and environmental sustainability. In the short term, however, they have significantly increased the difficulty and cost of real estate development, reducing market liquidity and pushing the market into a cooling phase.

The real estate market is highly volatile, with global geopolitical shifts and economic policy directions both playing critical roles in shaping housing demand. While private sector liquidity remains ample, the intensity of government policy intervention directly impacts the balance between market supply and demand. Demographic shifts, such as a declining birthrate and an aging population, may lead to a long-term reduction in residential demand. Consequently, the market is likely to enter a period of adjustment, characterized by decelerating price growth and modest price corrections.

Supported by resilient domestic tourism demand, Taiwan's hospitality market maintains its fundamental momentum. While international arrivals continue to rebound, they have yet to fully return to pre-pandemic peaks. Consequently, the overall market remains volatile and faces significant growth pressures.

B. Relevance of Upstream, Midstream and Downstream

Starting 2024, Ministry of the Interior, Water Resources Agency and Public Construction Commission, respectively launched low-carbon building certification programs to promote carbon reduction policies and requirements for the construction industry. Buildings and public construction with high emissions will bear the brunt of the aforementioned programs. The recent development of smart technology has been reflected in applications of construction materials and facilities; the use of environmentally friendly and energy-saving construction materials, and the procurement of green power and charging station of electric vehicles have greatly improved the quality of architectural buildings to help provide customers with more complete and convenient services to meet the needs of modern life.

The hospitality industry maintains a highly integrated supply chain. The upstream sector encompasses supply systems for food and beverage ingredients, guest room amenities, cleaning supplies, and both hardware and software equipment. The midstream consists of core hotel operations and service management. The downstream segment includes online travel agencies (OTAs), travel agencies, corporate clients, and independent travelers (FITs).

C. Product Trends and Competition

Actively-traded products in the market are mostly small size, low total price and high unit price ones and characterized by low total price, low cost and good liquidity, attracting first-time buyers and investors.

Taiwan's real estate market showed a trend toward diversified product development and fierce industry competition. We will substantially observe the change of the market demand and adjust product strategy to keep competitive edge.

The hotel and food & beverage markets remain highly competitive. Major hotels are actively expanding their operations and service offerings to meet growing market demand. Simultaneously, the industry faces challenges such as a tightening labor market and rising operating costs. In addition to continuously optimizing service workflows and guest experiences, our company is proactively implementing digital management systems and smart equipment to enhance operational efficiency and reduce labor dependency. Furthermore, through comprehensive talent training and retention programs, we aim to build a stable foundation for operations with strong growth potential.

4.1.3 Research and Development: None

4.1.4 Long-term and Short-term Business Development Plans

A. Short-term Business Development Plan

Given that pressure from land and construction material costs remains high, and there are no signs of the government easing its anti-speculation measures in the short term—particularly with banks significantly tightening land and construction loans for developers—the market structure has undergone a major shift. Since the amendments to the Equalization of Land Rights Act took effect, the permit system for private legal entities purchasing residential property has caused transaction volumes in the luxury housing market to shrink. Simultaneously, restrictions on reassignment of pre-sale contracts have led the pre-sale market to be dominated by end-users. The most significant impact on housing prices and volume, however, has been the New Youth Home Loan program. By being exempted from Article 72-2 of the Banking Act, it has effectively stabilized inelastic demand among self-occupiers. In response, developers are adjusting their sales strategies by adopting the "Two-Low, One-High" model—focusing on low total prices, low down payments, and high cost-performance (CP) ratios. This has become a key new tool to attract buyers as the nationwide trend toward compact housing (downsizing) continues.

To capitalize on the sustained market recovery, our short-term operational focus is on increasing occupancy rates and optimizing revenue structures. Key strategies include:

1. Strengthening marketing and promotion on online booking platforms to improve reservation conversion rates.
2. Deepening partnerships with corporate clients and business travelers to enhance weekday occupancy stability.
3. Flexibly adjusting pricing strategies based on market demand to increase the Average Daily Rate (ADR).
4. Continuously optimizing service workflows and accommodation quality to boost customer satisfaction and retention rates.

B. Long-term Business Development Plan

The Company actively searches and develops metropolitan districts with development potentials to build commercial buildings, high-grade residences, business suites and high-quality industrial office buildings in order to offer a diversified portfolio of professional fields and enhance the competitive advantage of the Company.

Focusing on steady growth and operational efficiency, we continue to strengthen our brand positioning and market competitiveness. By continuously refining our business model and resource allocation, we aim to enhance overall management effectiveness, creating long-term stable growth momentum for the company while safeguarding shareholder interests.

4.2 Market and Sales Overview

4.2.1 Market Analysis

A. Sales (Service) Region

Projects are mainly located in Greater Taipei Area and Tainan. Major projects in the last three years are listed as follows:

Year	Project	Sales Region	Household numbers	Year of Completion	Building Type
2025	Founding Heartland	Hsin Chuang, New Taipei City	88	2030	Condominium
2024	Asia Pacific Center	Tu-Cheng, New Taipei City	22	2029	Factory and office building
2024	Tai Tung Smart Tech Park	Hsin Chuang, New Taipei City	44(20)	2029	Factory and office building
2023	Founding Forest Cottage	East District, Tainan City	30	2027	Condominium
2021	Meditation Garden	Wen Shan District, Taipei City	42	2025	Condominium
2020	Li Ren Condominium	North District, Tainan City	28	2024	Condominium
2020	Star Technology Plaza	Neihu, Taipei City	24(18)	2024	Factory and office building
2020	Founding Li-Yuan	Sang-Chong, New Taipei City	98	2023	Condominium

B. Market Share

In 2025, impacted by government anti-speculation measures and bank credit tightening, developers significantly scaled back new project launches. According to statistics from 591 Real Estate, the total sales value of new projects across Taiwan's six major cities reached NT\$2.14 trillion this year, with our company accounting for 0.023% of the total sales volume.

C. Future Demand & Supply and Growth of Market

① Supply: In 2025, Taiwan's real estate supply is characterized by a short-term peak in housing supply due to a wave of scheduled handovers; however, new project launches have slowed down, and transaction volumes have significantly contracted. In 2026, the overall supply is expected to trend upward, driven by the surge in handovers and completion volumes. Nevertheless, due to cautious project launches, a stringent credit environment, and the gradual accumulation of unsold inventory, market supply will show divergence across different regions and product types. Additionally, in 2025, numerous new hotels and B&Bs have opened, increasing the overall supply in the accommodation market.

② Demand: On the demand side, the market remains grounded in inelastic and self-use demand. Transaction volumes have not shown a significant recovery as the market maintains a wait-and-see attitude. The release of demand has been slow, and price expectations remain conservative. Furthermore, domestic inflation and the continuous depreciation of the Japanese Yen have triggered a surge in Taiwanese tourists traveling to Japan. This shift has led to a sharp decline in demand for domestic hotel accommodations, with the impact being particularly severe in the Hualien and Taitung regions.

③ Growth: The economic situation is unclear and anti-flipping rules continue, both generating unfavorable impacts on the market. Even though the market is deserted, the rigid demand of self-use, low price small units is still strong. The housing price keeps high; while the total price is difficult to soar and the unit price remains unchanged, the saleable area will tend to be reduced. The market of office buildings remains the same mainly because of the business expansion and old building obsolescence.

As the demand of international business travels and domestic tourism was back to the original level, the hotel industry expects a steady growth in the future.

D. Competitive Niches

The competitive niches of the Company are as follows:

- ① Development of Lands at Advantageous Locations: The sound land development strategies lay the groundwork for the stable growth of the Company.
- ② Attribute-Based Product Planning: Starting from a human centered approach, the Company designs appropriate, reasonable, convenient and comfortable space for use in response to the trend of aging population and lower birth rate.
- ③ Intelligent Architectural Design: The combination of intelligent building and IoT has become a modern architectural trend. The location, planning, hardware and software facilities, and energy-saving building materials are all the keys to success.
- ④ Strict Management of Construction: The Company strictly monitors the quality of each construction project, effectively controls the construction period, and continues to research and develop new construction techniques and new technologies.
- ⑤ Thorough After-Sales Services: The Company proactively maintains good interactions with our customers and provides satisfactory after-sales service at any time.
- ⑥ Sound Financial Management: The Company relies on a stable financial structure, flexible capital deployment and a steady corporate structure for each construction project. With a full grasp of the market trend, the Company is able to devise a large-scale development strategy to take the preemptive opportunities.
- ⑦ In addition to strengthening the location advantage of the hotels, the Company will also enhance the maintenance and renewal of hotel facilities, improve the overall service quality, and provide guests with an excellent stay experience.

E. Favorable and Unfavorable Factors of Development Prospect and Countermeasures

① Favorable Factors

The government has launched many discounted mortgage programs and subsidy policies which encourage self-use group, especially first-time buyers, helping to stabilize the demand of the housing market. Urban renewal projects and infrastructure such as MRT extension line, elevate the potential of the area development and grab buyers' attention.

The location of the hotel is close to the city center or exhibition center, providing accommodation convenience and comfort for tourists and business travelers.

② Unfavorable Factors

That house prices keep rising becomes a burden for buyers, especially youngers and mid-income group, and might deter the willingness to purchase. The trend of declining birthrate and growing elderly population might decrease the long-term housing demand, affecting the stability of the real estate market. To curb speculation, the government implements stricter market control policy. The banks' tightened lending policy also reduces home buyers' financing ability.

High inflation and surging costs for labor, food, and Taipower electricity are leading to a substantial increase in overall hotel operating costs. Labor shortage crisis also disfavors hotel business operation.

③ Countermeasures of the Company

In the face of the above-mentioned disadvantages, the Company will take relevant countermeasures to strengthen its competitiveness as follows:

- a. Prudently choosing districts for project development;
- b. Emphasizing the quality of construction and shortening the work schedule of construction;
- c. Improving the competitiveness of products;
- d. Designing small-sized and low total priced products;
- e. Maintaining a safety stock of land;
- f. Increasing the brand value of the Company;
- g. Providing comprehensive customer services;
- h. Enhancing employee benefits to reduce staff turnover rates
- i. Elevate hospitality service quality and competitiveness.
- j. Implement energy-saving and carbon reduction and sustainability development strategies.

4.2.2 Important Uses and Production Processes of Main Products

The Company is mainly engaged in the construction of public housing, industrial and commercial buildings, business hotels, tourist hotels and their rental or sales business, and the development of urban renewal projects. The important uses and production

processes of main products are as follows:

A. Important Uses of Main Products

- ① Industrial and Commercial Buildings: office spaces and buildings;
- ② Housing: residences, shops and business suites;
- ③ Hotels: business hotels and tourist hotels.

B. Production Processes of Main Products

- ① Market Survey: Conducting routine survey on each factory, residential, built house, and pre-sale house case, and price inquiry of lands and houses.
- ② Land Development: Searching for lands with development value according to the result of market surveys.
- ③ Planning and Design: Positioning new products and designing products based on market surveys;
- ④ Sales Marketing: Pricing products and conducting commission sales or self-sales;
- ⑤ Construction: Strictly supervising the contractors' construction in accordance with permit drawings in order to ensure construction quality;
- ⑥ Completion and Handover: After obtaining user licenses, assisting customers to complete the procedures of acceptance and transfer of property rights, and ensuring the rights and interests of customers;
- ⑦ After-Sales services: Establishing a customer-oriented professional service and assisting customers in forming administration committees.

4.2.3 Supply Status of Main Materials

- A. Acquisition of Lands: The Company undertakes land development through brokerage relationships, bids of state-owned and private lands, or self-development. Based on the analysis of market surveys, we look for reasonably priced, well-located lands with appreciation potential. Projects will be carried out mainly as Build to Order, combined with joint construction and urban renewal.
- B. Construction Projects: Construction projects are undertaken by our re-invested subsidiary, Chien-Chiao Construction Co., Ltd, so that we can effectively control the schedule and quality of the projects.
- C. Construction materials: All construction materials are carefully selected from good domestic and foreign suppliers, and the main bulk of construction materials is mostly supplied by listed companies to ensure the source of supply and the stability of quality.

4.2.4 Major Suppliers and Clients

- A. Major Suppliers in the Last Two Calendar Years (Please refer to the table on the next page)

Main Suppliers of the Company for Land Projects and Construction Projects:

① Land Projects: The Company is a construction company; the transaction counterparties are unspecified individuals or companies, so there is no main fixed supplier.

② Construction Projects: After careful evaluation and price negotiation of projects, we select class A constructors to control the project schedule and quality. At present, the reputation and degree of cooperation of our main contractors are excellent, and the quality and progress of their projects are also well controlled.

Suppliers commanding 10%-plus share of annual order volume: If there is no high acquisition cost of land, the actual amount depends on the case and progress of the construction in the current year, and the proportion of the project in a single case is small for a large number of Chien Chiao's suppliers.

- B. Major Clients in the Last Two Calendar Years (Please refer to the table on the next page)

In the recent two years, the Company has mainly been operating leasing and selling of residential and industrial office buildings. Most of the transaction counterparties are unspecified individuals or companies, so there is no fixed selling target, depending on the actual transactions.

Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2024				2025				2026 (As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Tiwan Shihlin District Court	529,890	41.24%	None	None			None	-			
	Others	754,891	58.76%		Others	830,687	100.00%		Others			
	Net Total Supplies	1,284,781	100.00%		Net Total Supplies	830,687	100.00%		Net Total Supplies			

Note 1: Major suppliers refer to those commanding 10%-plus share of annual order volume.

Note 2: 2024 Q1 financial reports have not been completed as of the publication date of the annual report.

Major Clients in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2024				2025				2026 (As of March 31)			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	None				None				-			
2												
	Others	2,235,793	100%		Others	2,235,793	100%		Others			
	Net Total Sales	2,235,793	100%		Net Total Sales	2,235,793	100%		Net Total Sales			

Note 1: Major clients refer to those commanding 10%-plus share of annual order volume

Note 2: 2024 Q1 financial reports have not been completed as of the publication date of the annual report.

4.3 Human Resources

Year		2024	2025	Data as of April 30, 2026
Number of Employees	Employees	237	239	238
	Total	237	239	238
Average Age		41.41	45.10	44.81
Average Years of Service		5.29	6.64	6.82
Education	Ph.D.	0%	0%	0%
	Masters	2.11%	0.42%	0.42%
	Bachelor's Degree	64.56%	61.09%	62.19%
	Senior High School	26.58%	31.80%	30.67%
	Below Senior High School	6.75%	6.69%	6.72%

4.4 Environmental Protection Expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

Disposition Date	Disposition Ref. No.	Articles of Law Violated	Content of Disposition	Fine	Countermeasures
June 18, 2025	Huan-Ji-Fei-Cai No.114062558	Subparagraph 11, Article 27 of Waste Disposal Act	Water accumulation was found in two locations—the driveway drainage trench and ground depressions—resulting in the breeding of mosquito larvae and disease-carrying mosquitoes.	6,000	Cooperate with pesticide application and disinfection measures, and strengthen inspections and removal of standing water.
July 14, 2025	Huan-Chin-Fei-Cai No.114072859	Subparagraph 11, Article 27 of Waste Disposal Act	Failure to properly remove standing water, resulting in the breeding of mosquito larvae.	6,000	Since water accumulation is unavoidable before project completion, instant-dissolving chemicals will be applied instead.
Dec 3, 2025	Lao-Jian No.1144701419	Paragraph 6, Article 1 of Occupational Safety and Health Act	The exterior wall scaffolding was not equipped with measures to prevent suspended lifting objects from falling, posing a potential safety hazard.	30,000	Strengthen occupational safety awareness and increase the number of site inspection personnel.

4.5 Labor Relations

4.5.1 Employee Welfare

Provision and Implementation of Employee Benefits, Advanced Studies, Training, and Retirement Plans; Labor-Management Agreement and Measures of Employee Rights Protection

A. Employee Benefits

- ① Employee Benefits: The Company has, in accordance with relevant laws, established the Employee Welfare Committee which is responsible for coordinating various employee welfare activities. The Company also allocates funds required for welfare activities in accordance with relevant laws and regulations.
- ② Labor Insurance and Health Insurance: All employees of the Company have enrolled or cancelled insurance policies in accordance with relevant government regulations.
- ③ Employee Training: The Company enables its employees to learn from work and satisfy their high thirst for knowledge.
- ④ Staff Uniform: The Company customizes winter and summer uniforms for employees.
- ⑤ Distribution of Employee Compensation.
- ⑥ Wedding and funeral subsidies, and education scholarships for children
- ⑦ Other Benefits: Bonuses for dragon boat festival, mid-autumn festival, and lunar new year; allowances for personal birthday and childbirth; year-end party giveaways; year-end bonus; and lending of books, magazines and audio-visual materials.

B. Retirement Plan and Implementation

The Company makes monthly contributions to the labor retirement reserve funds in accordance with relevant laws and deposits those funds in the labor retirement reserve fund account, and formulates the employee retirement regulation to protect employees' retired lives. The employee retirement regulation and the standards for payment of labor pension are handled in accordance with the worker retirement regulation of the Company.

C. Labor-Management Agreement:

The Company's labor relations measures have been implemented in accordance with relevant laws and regulations. The

Company does not form labor unions or enter collective bargaining agreements with employees; instead, it holds quarterly labor-management meetings to facilitate two-way communication and consultation, fostering a harmonious labor-management relationship.

4.5.2 Labor Disputes

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): No loss incurred due to labor disputes. The Company will improve consultation with human resources and legal counsels, set out clear labor contracts, ameliorate the working environment, and strengthen the labor-management relationship.

4.6 Cyber Security Management

4.6.1 Structure of cyber security risk management, cyber security policy, concrete management project, and resources input in cyber security management: To ensure the security of the Company's data, information system, appliance and network, and enhance information security management for reliable information service, the Company has formulated Information Security Policy, including 1. Stipulating the Company's information security management institution to regulate the employee conducts; 2. Building an information security management system to implement information security protection and management measures; and 3. Offering information security education and training to raise awareness of the entire employees about the information security. On the division of power and responsibility, the information system section is responsible for the information security policy, plans, measures, discussion on skill norms, and research, set-up and evaluation of the security skills. Audit operations are responsible by the information office and audit office. In addition, department of management is responsible for the safety management of staff, while the information office is responsible for the safety management of outsourced workers.

Resources input for the cyber security management

Items	Amount (\$)
Security Health Check	378,000
Replacement of Computer Equipment	100,000
Antivirus Software	37,500
Firewall and Hardware Warranty Contract	10,000
Server Host Replacement	182,000

Every season, the Company offers information security management courses and training, disseminates the responsibility of information security to employees, and raises awareness of cyber crisis and information security to prevent risks of data breach.

Date	Training	Training Format	Method
Feb. 10, 2025 Apr. 14, 2025 June 16, 2025 Sep. 10, 2025 Nov. 20, 2025	Dissemination of ERP password setting principles	All-staff training	Signature on the Announcement
Jan. 10, 2025 Mar. 12, 2025 June 11, 2025 July 1, 2025 Aug. 13, 2025 Sep. 10, 2025 Oct. 15, 2025 Dec.11, 2025	Information security promotion and case studies	All-staff training	Signature on the Announcement
Jan. 15, 2025 June 26, 2025 Sep. 17, 2025 Nov. 19, 2025	Information security training	All-staff training	Seminar

4.6.2 Any losses and possible impacts suffered by the company in the most recent fiscal year and up to the annual report publication date due to major cyber security incidents, and countermeasures thereof. Specify reasons if incidents cannot be evaluated: None

4.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Long-Term Debt Contract	Chang Hwa Bank, Yong-Chun Branch	2016.05.23-2036.05.23	Collateral: Fushin Hotel- Taipei	-
Long-Term Debt Contract	Hua-Nan Bank, Nan-Neuihu Branch	2018.02.26-2033.07.27	Collateral: Fushin Hotel-Tainan	-
Construction Contract	Chien-Chiao Construction	2020.05-Completion	Contracting: Star Technology Plaza	-
Construction Contract	Chien-Chiao Construction	2020.08-Completion	Contracting: Li Ren Ming Di	-
Construction Contract	Chien-Chiao Construction	2022.01-Completion	Contracting: Meditation Garden	-
Construction Contract	Chien-Chiao Construction	2023.08-Completion	Contracting: Founding Forest Cottage	-
Construction Contract	Chien-Chiao Construction	2024.05-Completion	Contracting: Tai Tung Smart Tech Park	
Construction Contract	Chien-Chiao Construction	2024.11-Completion	Contracting: Asia-Pacific Tech Center	
Construction Contract	Chien-Chiao Construction	2025.05-Completion	Contracting: Founding Heartland	
Construction Contract	Fu-Yu Electromechanical Engineering Co., Ltd.	2024.03-Completion	Contracting: Plumbing and electrical works of Tai Tung Smart Technology Park	
Joint Construction Contract	Mr. Lin	2007.11-Handover	Project: Wen-De Section	-
Joint Construction Contract	Tai Tung Communication Co, Ltd Ching Tung	2021.09-Handover	Project: Hsin Gong Section	-
Joint Construction Contract	Tung Fu Hsin Investment Co., Ltd Hui Sheng Investment Co., Ltd Fu Yun Investment Co., Ltd Mr. Cheng and Mr. Wu	2022.06-Completion of Urban Renewal	Urban Renewal Project: Da-Long Section	-
Lease Contract	Starts International Taiwan Inc.	2025.03.29-2026.03.28 2026.03.29-2027.03.28	Lease Undertaking: De Hui Section	-
Lease Contract	Chunghwa Post Co., Ltd.	2022.03.28-2027.03.28	Fushin Hotel- Taichung	-
Lease Contract	Parkinsys Technology Corporation	2025.07.01-2026.06.30	Tao-Yuan Section serves as parking lot	-
Maintenance Contract	Unitech Computer Co., Ltd	2026.01.01-2026.12.31	Server maintenance service	

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

5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Current Assets	7,995,829	7,327,155	668,674	9.13
Fixed Assets	3,709,669	4,565,341	(855,672)	(18.74)
Other Assets	38,020	34,997	3,023	8.64
Total Assets	11,743,518	11,927,493	(183,975)	(1.54)
Current Liabilities	1,297,842	1,221,936	75,906	6.21
Long-term Liabilities	871,018	1,006,028	(135,010)	(13.42)
Total Liabilities	2,168,860	2,227,964	(59,104)	(2.65)
Capital stock	2,852,450	2,852,450	-	-
Capital surplus	21,130	21,130	-	-
Retained Earnings	6,701,078	6,825,949	(124,871)	(1.83)
Total Stockholders' Equity	9,574,658	9,669,529	(124,871)	(1.29)
Analysis: None				

5.2 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Gross Sales	1,164,507	2,235,793	(1,071,286)	(47.92)
Less: Sales Returns	-	-	-	-
Sales Allowances	-	-	-	-
Net Sales	1,164,507	2,235,793	(1,071,286)	(47.92)
Cost of Sales	(815,383)	(1,536,030)	(720,647)	(46.92)
Gross Profit	349,124	699,763	(350,639)	(50.11)
Operating Expenses	(185,553)	(221,526)	(35,973)	(16.24)
Net Operating Income	163,571	478,237	(314,666)	(65.80)
Non-operating Income and Expenses	26,793	30,369	(3,576)	(11.78)
Income Before Tax	190,364	508,606	(318,242)	(62.57)
Tax Benefit (Expense)	(31,897)	(85,643)	(53,746)	(62.76)
Net Profit for the Year	158,467	422,963	(264,496)	(62.53)
Analysis:				
(1) Gross sales, cost of Sales, gross profit, operating income, tax expenses: Gross sales and costs declined compared to last year, resulting in lower income before tax and a decrease in tax expense. Non-operating income and expenses also declined, primarily due to a decrease in gains from the valuation of financial assets. (2) Sales forecast and basis of estimation: The Company's products are factories, office and residential buildings, and we expect to sell 6 factories and 48 residences in 2024. The estimated sales volume was based on the Company's operational strategies, goals, budget, the macroeconomic environment and historical sales data. (3) Potential influence on future business finance and response: The operating result of the Company varies depending on the change of the macroeconomic conditions. The Company endeavors to improve financial structures, operating performance and profitability, and aims to reduce average collection days and accounts receivable days and raise ROE and profit ratio.				

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

- A. Operating Activities: Due to a decrease in property handovers and transfers from construction projects compared with the previous year, as well as an increase in incremental costs of obtaining contracts, net cash outflows from operating activities were recorded.
- B. Investing Activities: Due to financial assets measured at fair value through profit or loss and interest received, investing activities generated net cash inflows.
- C. Financing Activities: Due to the completion and handover of individual projects, resulting in the repayment of short-term and long-term borrowings and the distribution of dividends, financing activities generated net cash outflows.

5.3.2 Remedy for Cash Deficit and Liquidity Analysis: N/A

5.3.3 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
2,428,022	(634,307)	(195,233)	1,598,482	-	-

5.4 Major Capital Expenditure Items: None

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

5.5.1 Investment Policy:

- A. To vertically-integrate resources and control the construction quality, the company invested in Chien-Chiao Construction Co. Ltd., to create the greatest investment synergy.
- B. To pursue corporate sustainability, the company has extended business to hotel operation and management, in anticipation to generate additional sources of stable income.

5.5.2 Main Causes for Profits or Losses:

In 2025, the Company recognized the investment profit of NT\$6,872 thousand from the subsidiary, Chien-Chiao Construction, the investment profit of NT\$51,233 thousand from the subsidiary, FUSHIN Hotel, the investment profit of NT\$7,088 thousand from the subsidiary Hsin-Long-Hsing Investment; Chien-Chiao Construction recognized the investment profit of NT\$2,952 thousand from FUSHIN Hotel. Chien-Chiao Construction's net profit of the year was NT\$16,556 thousand. Partially completed projects from prior periods were sold in the current period, and the related income is recognized on a proportional basis. Hotel operations are showing better performance. The net profit of FUSHIN Hotel is NT\$52,381 thousand.

5.5.3 Improvement Plans

The Company maintains a cautious stance on investment and continually reviews the financial status and operational performance of subsidiaries to stay informed and adjust operation strategies and focus accordingly.

5.5.4 Investment Plans for the Coming Year: None

5.6 Analysis of Risk Management

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

The increase in interest rates has led to a significant increase in buyer's costs; therefore the Company coordinates with banks to provide preferential interest rates for helping to reduce their acquisition costs.

The Company is in a domestic demand industry; changes in foreign exchange rates do not have a great impact on the Company.

Inflation driven by geopolitical risks has kept raw material costs at elevated levels, while government measures to restrain the real estate market have also undermined confidence in the housing sector. Investors have kept withdrawing from the market and owner-occupiers have taken longer time to evaluate the purchase of real estate, which has dampened buying sentiment. The Company will timely adjust sales strategies in response to the market change.

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

The Company has cautious financial management, no high-risks, high-leverage investments, nor derivatives transactions. For lending and endorsement guarantees, the Company has comprehensive policies and internal control procedures. The Company did not have lending or endorsement guarantees in 2025 and has not had any to date.

5.6.3 Future Research & Development Projects and Corresponding Budget

The Company combines architecture with technology and environmental protection, building a living environment that meets modern living safety standards.

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

The government continues to curb real estate speculation, and the Central Bank tightens loan-to-value ratios and borrower criteria. These measures will increase the down payment for home purchasers. Additionally, the loan interest rates continue to rise. The Company's countermeasure is to consult with the lending bank and coordinate the implementation of individual customer housing loans based on construction financing.

Carbon fee is another focus. The industries to be influenced primarily are those closely related to the construction industry: steel industry, petrochemical industry and cement industry. The Company evaluates improvement of manufacturing process and shifts to low-carbon fuels and renewable energy to directly or indirectly decrease carbon emission, so that low carbon integration can be considered during the design phase of building projects and bring positive effect to the environment sustainability.

5.6.5 Effects of and Response to Changes in Technology (including cyber security risks) and the Industry Relating to Corporate Finance and Sales

The Company closely pays attention to relevant technology changes in the industry, grasps the market trends and evaluates the impact on the business. The changes in technology (including cyber security risks) and in the industry have no significant impacts on the business operation.

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

The Company always adheres to the principles of integrity and honesty and cares about the corporate image. There are no changes in corporate image on corporate risks.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None

5.6.12 Litigation or Non-litigation Matters

If there has been any material impact upon shareholders' equity or prices of the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute, whether it is finalized or pending, involving a company director, supervisor, general manager, de facto responsible person, or major shareholder with a stake of more than 10 percent, the fact of the litigation, the amount of subject matter, the date of the litigation commencement, the principal parties involved in litigation and the disposition of the matter as of the printing date of the annual report: None.

5.6.13 Other Major Risks

Information security risks: In order to implement the management of information security, the Company has enacted the "Regulation for Computer Control" and its related operating guidelines, based on which we execute the information work plan. We have also set up the "Information Security Self-Checklist" to strictly manage the use and security maintenance of data, built firewall, and controlled and recorded the access right of personnel to reduce the information security risk of the Company.

Climate change risks: Climate change risks that the construction industries face include extreme weather, the rising sea level, typhoons, flood, drought etc. Extreme weather might cause damage of construction structures, equipment failure, and traffic disruption. The rising sea level might cause shoreline erosion. Typhoons and flood might damage to hydro facilities and interior facilities of buildings. Drought might foundation settlement and land subsidence.

Construction industries may take the following measures in response to the climate change risks:

1. Reinforce the vibration resistance, wind pressure capacity and drainage capacity of structures to respond to the impacts of the extreme weather.
2. Follow higher building design standards to respond to natural disasters such as typhoons and flood.
3. Strengthen the management of infrastructure, including checking the drainage system and fixing broken hydro facilities, to reduce the impact of flood.
4. Develop water-saving skills for drought conditions to reduce foundation settlements and land subsidence.

5.7 Other Important Matters: None

VI. Special Disclosure

6.1 Summary of Affiliated Companies :

Please refer to the Market Observation Post System <https://mops.twse.com.tw/mops/#/web/home>

MOPS→Company→Download Electric Documents→Related Party Three-Statement Section

6.2 Private Placement Securities in the Most Recent Years : None

6.3 Special Notes : None

6.4 Situations with Major Impacts on Shareholder Equity or Share Prices of the Company : None