

Stock Code: 5523

FONG CHIEN CONSTRUCTION CO., LTD.

2025 ANNUAL REPORT

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The annual report is available at: <http://mops.twse.com.tw>

Company's Website: <http://www.fong-chien.com.tw>

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5. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: Not applicable.

6. Corporate Website: <http://www.fong-chien.com.tw>

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I. Letter to Shareholders

Dear shareholders,

Looking back at 2025, the domestic real estate market showed signs of cooling, with government policy factors becoming a key determinant of market dynamics. The Central Bank continued to implement selective credit control measures, while banks tightened mortgage approval standards and reduced loan-to-value ratios. Coupled with persistently high funding costs, these factors significantly constrained investment-driven demand and the flexibility of multi-property owners. Under the overall policy environment aimed at curbing housing speculation, short-term speculative activities were effectively suppressed, and the market structure gradually shifted back toward owner-occupier demand, moving toward a more stable and rational development path.

In 2025, Fong Chien Construction continued to deepen its presence in the Taichung market, planning and launching three pre-sale residential projects. The first project, "Chien 18," originally launched in 2023, is located in the East District of Taichung. The project features a 22-story high-rise building situated in a prime location surrounded by abundant greenery within a one-kilometer radius, including Taichung Sugar Lakefront, Dual Park Lane, and the Green Sky Corridor. By integrating natural landscapes with a tranquil living environment, the project offers a rare and highly livable urban setting.

The second project, "Home+," launched in 2024, is located in Taichung's Phase 14 Redevelopment Zone. It is designed as a single 15-story residential building, primarily offering three-room units. Its key feature is an American-style open kitchen and dining layout, balancing spatial functionality with quality of life. The project is adjacent to the expansive Shuinan Ecological Park and benefits from access to high-quality school districts and well-developed living amenities, meeting the expectations of owner-occupiers seeking ideal residences.

The third project, "Green & House," launched in the second half of 2024, is located in Unit 5 of Nantun District, Taichung. It is a single 17-story pure residential building. The project is close to large green parks and the international football complex, featuring a high green coverage ratio and favorable natural surroundings. Its product highlights include a grand entrance driveway and a welcoming fountain design, offering both privacy and a sense of prestige. With convenient transportation access, it targets urban professionals seeking a high-quality lifestyle.

Looking ahead to 2026, the real estate market will continue to face various uncertainties, with its development closely linked to global economic conditions and industry changes. Fong Chien Construction will adhere to a prudent management approach, proactively planning its future real estate development blueprint and capturing growth opportunities as the market recovers. At the same time, the Company will integrate sustainability principles with innovative thinking, gradually adopting new construction technologies and methodologies to contribute to ESG responsibility.

Lastly, we wish all shareholders and their families good health, all your hopes be fulfilled

Fong Chien Construction Co., LTD

Chairperson: Yu-Chi, Yuan

CEO: Rui-Lin, Liu

Accounting Manager: Hsuan-Fu, Lin

1. 2025 Business overview result

- (1) Implementation results of business plan: (Consolidated Financial Report)
Consolidated revenue reached NT\$5,248 thousands in 2025, a decrease of 98.98% over NT\$512,836 thousands in 2024. Net loss after tax was NT\$13,910 thousands, a decrease of 116.40% over net income after tax NT\$84,810 thousands in 2024. The basic loss per share were NT\$0.09, a decrease of 116.36% over basic earnings per share NT\$0.55 in 2024. Overall, the company's operating performance declined.
- (2) Budget execution status
In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, we did not need to prepare a financial forecast for the fiscal year 2025.
- (3) Analysis of financial income and expenditure and profitability: (Consolidated Financial Report)
A. Analysis of financial income and expenditure

Items	2025		2024		Difference
	Amount	%	Amount	%	
Operating revenues	5,248	100%	512,836	100%	-98.98%
Gross profit	3,966	75%	146,064	29%	-97.28%
Operating (loss) income	(23,912)	(456%)	86,053	17%	-127.79%
Net (loss) income	(13,910)	(265%)	84,810	17%	-116.40%
Total comprehensive income	(11,308)	(215%)	84,810	17%	-113.33%

B. Analysis of profitability

Items	2025	2024
Return on assets	(0.27%)	1.75%
Return on equity	(0.47%)	2.74%
Pretax income / Capital (%)	(1.12%)	7.72%
Profit margin	(265.05%)	16.54%
Basic (loss) earnings per share	(0.09)	0.55

- (4) Research and development

A. Lifestyle:

By repositioning the use of space, we are able to integrate and define each space. Through implementing extreme simplicity, we prioritize "people" as the focal point of the space, while also satisfying customers' soft-power needs for social interaction, parenting, and learning.

B. Aesthetics:

By employing modern aesthetic and cost-efficient architectural and artistic

techniques, we have created a more competitive company structure. We have also gained cost advantages by collaborating with artistic platform and added value to our products through ingenious design. Our buildings' exterior designs feature unique balconies and incorporate greenery and plants to provide customers comfortable living space. Using light grey tones, we create a comfortable and airy visual experience for both the building and interior spaces.

2. 2026 Business plan overview

(1) Business Strategy

By establishing transparent governance, promoting sustainable management principles, safeguarding employee welfare, and delivering innovative services and taking responsibility, the Company aims to achieve long-term co-prosperity with society and the environment. Integrating sustainable development goals into the core corporate strategy is a key driver for enhancing long-term competitiveness.

(2) Expected sales volume and its basis

A. Sales of existing projects:

- a. "Chien 18" located in East District, Taichung City, with a base area of 950 pings, planned for 3 basement floors and 22 above-ground floors, and 123 residential units. The entire project was sold for approximately 3 billion, and presale began in October 2023. It is expected to be completed in 2026.
- b. "Green & House " located in Nantun District, Taichung City, with a base area of 1,321 pings, planned for 2 basement floors and 17 above-ground floors, and 93 residential units. The entire project was sold for approximately 3 billion, and presale began in November 2024. It is expected to be completed in 2027.
- c. "HOME+" located in Beitun District, Taichung City, with a base area of 953 pings, planned for 2 basement floors and 15 above-ground floors, and 83 residential units. The entire project was sold for approximately 2.8 billion, and presale began in June 2024. It is expected to be completed in 2026.

B. Asset Utilization

Several plots of land and property assets in Chiayi will be thoroughly assessed for their market value and potential lease or sale opportunities in order to generate cash flow and activate these idle assets.

(3) Key Production and Sales Policies

- A. Exercise rigorous screening in land acquisition and actively expand holdings in prime locations.
- B. Incorporate green building concepts into products and enhance the recycling and reuse of materials.
- C. Adopt new construction methods and materials to improve construction quality.
- D. Conduct in-depth investigation of real estate-related contractual laws and regulations to reduce consumer disputes in property purchases.
- E. Adjust product positioning in response to market changes.
- F. Strengthen corporate brand competitiveness.

3. Future development plan

- (1) Customer service: We think from our customers' perspective, serving and creating the greatest benefit for them, as well as achieving maximum customer satisfaction.
- (2) Sustainable operations: We hold community events and relationship with customers.
- (3) Social contribution: We are committed to charitable activities and believe in taking from community and giving back to society. We fulfill our corporate social responsibility by contributing to society.

- (4) We consider suitable living spaces and functions during the planning and design stages, and continuously introduce high-quality products that prioritize the convenience of residents' daily life and usage.

4. Impact of external competitive environment, regulatory environment, and overall business environment

- (1) External competitive environment

The major competition in the real estate industry is from the peers. In Taichung region, the key success factors of a real estate project are precise land development, speed of construction, and future prospects, all of which rely on the location and brand of the project. In recent years, the land prices in Taichung have risen, increasing the difficulty of operations. In response to these market changes, our company has not only strengthened the professional capabilities of our team but also improved our financial structure, engineering quality, and after-sales service to gain customer recognition and ensure the successful sale of our projects.

- (2) Regulatory environment and investor relations

The Central Bank's Seventh Credit Controls on the Housing Market, the Equalization of Land Rights Act and Real Estate Integration 2.0, to prevent short-term speculation and promote residential justice, thereby enhancing the development of the real estate market.

To ensure ethical operations and social responsibility, we have established investor protection measures to reduce management risk, strengthened our internal audit management to avoid internal fraud risk, and set relevant information disclosure rules or significant financial business procedures to enhance the transparency and immediacy of our company's information.

Our company has also set up an investor service, which publishes important information via the designated public information website and our company website in a timely manner, and we have implemented various internal control procedures to comply with legal requirements, improve corporate governance, and protect shareholders' rights.

- (3) Impact on overall business environment

In 2025, the global economy demonstrated growth momentum driven by advancements in AI. However, it was also shaped by multiple uncertainties, including U.S. tariff policies, geopolitical risks, and a slowdown in China's economy, resulting in a complex landscape characterized by both challenges and opportunities. Taiwan's economy is expected to benefit from AI-driven export opportunities and maintain a positive growth outlook, although it must still address challenges such as tariff policies, inflationary pressures, and industrial transformation. Overall, 2025 is a year marked by significant uncertainties, requiring enterprises to respond with strategic flexibility.

In 2026, Taiwan's real estate market is no longer characterized by a broad-based bull trend but instead reflects a complex environment influenced by government policies, capital conditions, and industrial developments. Demand from owner-occupiers remains relatively stable, while speculative demand is constrained. Investors are advised to focus on industry hotspots and regional fundamentals.

Chairperson: Yu-Chi, Yuan

CEO: Rui-Lin, Liu

Accounting Manager: Hsuan-Fu, Lin

II. Corporate Governance Report

1. Directors, Supervisors, General Manager, Deputy General Manager, Associates, Departments, and Branches Officer Information

(1) Information on Directors

March 28, 2026

Title (Note 1)	Nationality/ Place of Registration	Name	Gender, Age (Note 2)	Date of election/ appointment to current term	Term of office	Commencement date of first term (Note 3)	No. of shares held at the time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 5)
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
Chairman and Director	Republic of China (Taiwan)	MORNING HONOR INVESTMENT CO., LTD.	N/A	2023.05.31	3 Years	2011.06.13	34,411,027	22.20%	34,411,027	22.20%	-	-	-	-	-	-	-	-	-	-
		Representative: Yuan, Yu-Chi	Male 50 to 60	2023.05.31	N/A	N/A	-	-	-	-	2,661,025	1.72%	-	-	•Master's degree of Economics at Soochow University •Director, CA-CIB (France) Hong Kong Branch •Director, Finance Department of China Development Industrial Bank	•Chairman, Fong Chien Construction Co., Ltd. •Director, Fong Suei Construction Co., Ltd.	None	None	None	None
Director	Republic of China (Taiwan)	MORNING HONOR INVESTMENT CO., LTD.	N/A	2023.05.31	3 Years	2011.06.13	34,411,027	22.20%	34,411,027	22.20%	-	-	-	-	-	-	-	-	-	-
		Representative: Liu, Yu-Lin	Male 30 to 40	2023.05.31	N/A	N/A	-	-	-	-	78,000	0.05%	286,000	0.18%	•Department of Industrial Engineering and Engineering Management, National Tsing Hua University •Master of Business Administration, Stanford MBA •General Manager, Sheraton Hsinchu Hotel	•Director, Grace Hospitality Management Co., Ltd. •Director, JingCi Development Co., Ltd. •Director, DaMei Investment Co., Ltd. •Supervisor, Holy Grace Construction Corp. •Chairman, Feng Jia Cityscape Hotel Co., Ltd. •Chairman, FongSiangYuan Construction Co., Ltd. •Director, Fong Suei Construction Co., Ltd. •Chairman, Fong Si International Investment Co., Ltd.	None	None	None	None

Title (Note 1)	Nationality/ Place of Registration	Name	Gender, Age (Note 2)	Date of election/ appointment to current term	Term of office	Commencement date of first term (Note 3)	No. of shares held at the time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the Company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 5)
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Republic of China (Taiwan)	Liao, Fu-Pen	Male 70 to 80	2023.05.31	3 Years	2017.06.12	-	-	-	-	-	-	-	-	•Vice Operating Officer, Central Taiwan Operation Center, Mega International Commercial Bank	None	None	None	None	None
Independent Director	Republic of China (Taiwan)	Lin, Li-Hsuan	Male 60 to 70	2023.05.31	3 Years	2019.06.03	-	-	-	-	-	-	-	•Master of Business Administration, California State University •Vice President, JPMorgan Chase Bank N.A. •Executive Vice President, Crédit Agricole •General Manager, King's Town Bank	•Independent Director, San Fang Chemical Industry Co., Ltd.	None	None	None	None	
Independent Director	Republic of China (Taiwan)	Li, Yan-Wen	Male 70 to 80	2023.05.31	3 Years	2023.05.31	-	-	-	-	-	-	-	•Bachelor of Laws from National Chung Hsing University •Judge of the Supreme Court •Director-General of the Civil Division of the Judicial Yuan •President of the Taichung District Court •Chief Clerk of the Supreme Court •President of the Kaohsiung Branch of the Taiwan High Court •President of the Taiwan High Court	•Independent Director, Rayzher Industrial Co.,Ltd.	None	None	None	None	

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

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

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attester, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

(2) Table 1 : Major Shareholders of Corporate Shareholders

March 28, 2026

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
MORNING HONOR INVESTMENT CO., LTD.	Feng Jia Cityscape Hotel Co., Ltd. (40.26%), Cornerstone Investment Co., Ltd.(14.49%), JingCi Development Co., Ltd. (15.10%), Wang, Fen-Fang (0.02%), Liu, Jui-Lin (0.02%), Huang, Shu-Mei (0.10%), Fong Mu International Investment Co., Ltd. (10.01%), Fong Ruei International Investment Co., Ltd. (9.99%), Fong Si International Investment Co., Ltd. (10.01%)

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

Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.

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

(3) Table 2 : Major shareholders of the Company's major institutional shareholders

March 28, 2026

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Feng Jia Cityscape Hotel Co., Ltd.	Fong Yi Department Store Co., Ltd. (92.37%), Grace Hospitality Management Co., Ltd. (5.40%), JingCi Development Co., Ltd. (2.01%), Liu, Yu-Lin (0.22%)
Cornerstone Investment Co., Ltd.	Chang, Ya-Ching (0.8%), Singchen Investment Co., Ltd. (11.12%), Blessing & Praise Construction Corp. (7.84%), Wang, Fen-Fang (0.4%), Morning Honor Investment Co., Ltd.(19.84%), JingCi Development Co., Ltd. (19.84%), Truth Investment Co. Ltd(10.10%), Fong Mu International Investment Co., Ltd. (10.02%), Fong Ruei International Investment Co., Ltd. (10.02%), Fong Si International Investment Co., Ltd. (10.02%)
JingCi Development Co., Ltd.	Liu, Jui-Lin (21.25%), Liu, Yu-Lin (21.25%), Liu, Chun-Fang (21.25%), Huang, Shu-Mei (30%), DaMei Investment Co., Ltd.(6.25%)
Fong Mu International Investment Co., Ltd.	Liu, Chun-Fang (99.97%) 、 Liu, Shu-Chu (0.03%)
Fong Ruei International Investment Co., Ltd.	Liu, Jui-Lin (99.97%) 、 Liu, Shu-Chu (0.03%)
Fong Si International Investment Co., Ltd.	Liu, Yu-Lin (99.97%) 、 Liu, Shu-Chu (0.03%)

Note 1: If any major shareholder in Form 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios

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

(4) Information on Directors

A. Disclosure of Director Professional Qualifications and Independent Director Independence Information:

Name Qualification	Professional Qualifications and Experience (Note 1)	Independence Analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
MORNING HONOR INVESTMENT CO., LTD. Representative: Yuan, Yu-Chi	<ul style="list-style-type: none"> ▪Has work experience in business, finance, and banking. ▪Previously served as Director of the CA-CIB (Hong Kong Branch), Director of the Finance Department of China Development Industrial Bank, Chairman of the Company and Director of Fong Suei Construction Co., Ltd. ▪None of the circumstances specified in Article 30 of the Company Act. 	Not Applicable	None
MORNING HONOR INVESTMENT CO., LTD. Representative: Liu, Yu-Lin	<ul style="list-style-type: none"> ▪Has work experience in business, finance, and management. ▪Previously served as General Manager at Sheraton Hsinchu Hotel, Director at Grace Hospitality Management Co., Ltd., JingCi Development Co., Ltd. and DaMei Investment Co., Ltd., Supervisor at Holy Grace Construction Corp., Chairman at Feng Jia Cityscape Hotel Co., Ltd. and FongSiangYuan Construction Co., Ltd and Director of Fong Suei Construction Co., Ltd. ▪None of the circumstances specified in Article 30 of the Company Act. 	Not Applicable	None
Liao, Fu-Pen	<ul style="list-style-type: none"> ▪Has work experience in accounting and finance. ▪Previously served as Vice Operating Officer at Central Taiwan Operation Center of Mega International Commercial Bank. ▪None of the circumstances specified in Article 30 of the Company Act. 	<ul style="list-style-type: none"> ▪As an Independent Director, the independence criteria are met. ▪The individual, their spouse, or relatives up to the second degree of kinship have not served as directors, supervisors, or employees of the Company or its affiliated enterprises. ▪The individual, their spouse, or relatives up to the second degree of kinship do not hold any shares in the Company. ▪Has not served as a director, supervisor, or employee of the Company or its affiliates. ▪Has not received any compensation for providing business, legal, financial, accounting, or any other services to the Company or its affiliates in the past 2 years. 	None

Qualification Name	Professional Qualifications and Experience (Note 1)	Independence Analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Lin, Li-Hsuan	<ul style="list-style-type: none"> ▪Has work experience in business, finance, and banking. ▪Previously served as Executive Vice President at Crédit Agricole and General Manager at King's Town Bank. ▪None of the circumstances specified in Article 30 of the Company Act. 	<ul style="list-style-type: none"> ▪As an Independent Director, the independence criteria are met. ▪The individual, their spouse, or relatives up to the second degree of kinship have not served as directors, supervisors, or employees of the Company or its affiliated enterprises. ▪The individual, their spouse, or relatives up to the second degree of kinship do not hold any shares in the Company. ▪Has not served as a director, supervisor, or employee of the Company or its affiliates. ▪Has not received any compensation for providing business, legal, financial, accounting, or any other services to the Company or its affiliates in the past 2 years. 	1
Li, Yan-Wen	<ul style="list-style-type: none"> ▪Has work experience in legal affairs. ▪Previously served Judge of the Supreme Court, Director-General of the Civil Division of the Judicial Yuan, President of the Taichung District Court, Chief Clerk of the Supreme Court, President of the Kaohsiung Branch of the Taiwan and High Court and President of the Taiwan High Court. ▪None of the circumstances specified in Article 30 of the Company Act. 	<ul style="list-style-type: none"> ▪As an independent director, the independence criteria are met. ▪The individual, their spouse, or relatives up to the second degree of kinship have not served as directors, supervisors, or employees of the Company or its affiliated enterprises. ▪The individual, their spouse, or relatives up to the second degree of kinship do not hold any shares in the Company. ▪Has not served as a director, supervisor, or employee of the Company or its affiliates. ▪Has not received any compensation for providing business, legal, financial, accounting, or any other services to the Company or its affiliates in the past 2 years. 	1

* On May 31, 2023, a complete Board of Directors election was held, and the individual was elected as a member of the 15th Board of Directors.

B. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors

- Diversity Policy:

Article 20 of the “Corporate Governance Best Practice Principles” requires that the composition of the Board of Directors take diversity into account. The number of directors who are also company executives should not exceed one-third of the total number of directors. The board should formulate appropriate diversity policies based on its operations, business models, and development requirements, including but not limited to the following two aspects: 1. Fundamental qualities and values: gender, age, nationality, and culture, etc. 2. Professional knowledge and abilities: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, industrial experience, etc.

The board members should generally have the knowledge, skills, and qualities necessary to perform their duties. To achieve the ideal goal of corporate governance, the overall capabilities that the board should possess include: 1.

Operational judgment. 2. Accounting and financial analysis. 3. Business management. 4. Crisis handling. 5. Industry knowledge. 6. Global market insights. 7. Leadership. 8. Decision-making.

- Specified Objectives:

The Company's Board of Directors should guide the Company's strategy, oversee the managerial level, and be accountable to the Company and its shareholders. The corporate governance system should ensure that the Board of Directors exercises its authority in accordance with legal requirements, the articles of incorporation, and shareholder resolutions. All members of the board possess the knowledge, skills, qualities, and industry decision-making and management capabilities necessary to carry out their duties. The Company also continuously arranges diverse training courses for board members to enhance their decision-making quality, supervisory capabilities and strengthen the competency of the board. In addition, the Company also pays attention to gender equality in the composition of the Board of Directors. The proportion of board seats held by either gender did not reach one-third in 2026:

- Reason: The term of the 15th Board of Directors will expire on May 30, 2026.
- Measures: Upon the expiration of the Directors' term of office, a comprehensive re-election was held. At the Shareholders' Meeting on May 26, 2026, a director of a different gender .

- Status of Accomplishment:

The current Board of Directors consists of 5 members, including 3 independent directors. All directors hold Taiwanese nationality, and employee directors account for 20% of the total, while independent directors account for 60%. Three independent directors have served for less than 9 years. The board also pays attention to gender equality in the composition of the Board of Directors, The 15th Board of Directors' term will expire on May 30, 2026. In the next board election, at least one director of a different gender.

The abilities and relevant implementation status of the directors are shown in the following table based on their education, experience, and other qualifications:

Title	Name	Nationality	Gender	Basic Information						Professional Capabilities			Management Capabilities					
				Employee of the Company	Age				Independent Director Tenure (Years)		Operational Judgment	Accounting and Financial Analysis	Management	Crisis Management	Industrial Knowledge	Global Market Insights	Leadership	Decision-making
					30 to 40	51 To 60	61 to 70	71 to 80	Less than 3 Years	3 to 9 Years								
Chairman	Yuan, Yu-Chi	Taiwan	Male	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓	
Director	Liu, Yu-Lin	Taiwan	Male	✓						✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director	Liao, Fu-Pen	Taiwan	Male				✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	
Independent Director	Lin, Li-Hsuan	Taiwan	Male			✓		✓	✓	✓	✓	✓		✓	✓	✓	✓	
Independent Director	Li ,Yan-Wen	Taiwan	Male				✓	✓		✓		✓	✓	✓	✓	✓	✓	

(2) Independence of the Board of Directors: Independence of the Board of Directors: Specify the number of independent directors on the board and their ratio to the total number of directors. Describe the status of independence of the Board of Directors and give a statement of reasons whether the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act are complied with, including a description of any spousal relationship or familial relationship within the second degree of kinship that may exist between any directors, between any supervisors, or between any director(s) and supervisor(s).

- The Company shall establish three or more independent directors in accordance with the articles of association, and the number of independent directors shall not be less than one-fifth of the total number of directors. Independent directors should have professional knowledge, and their shareholding should be restricted. In addition to complying with relevant laws and regulations, they should not serve as directors (including independent directors) or supervisors of more than five listed or OTC companies at the same time. They should maintain independence within the scope of their business, and should not have any direct or indirect interest relationship with the Company.

If the company or any of its affiliates nominates a candidate for independent director, supervisor, or manager for the other company or its affiliated enterprises, the company shall disclose this information and explain the suitability of the independent director candidate upon accepting the nomination of the independent director candidate. If elected as an independent director, the number of votes received shall be disclosed.

- No circumstances as defined in Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act exist among the board members.
- There are zero cases of spousal or familial relationships within the second degree of kinship between directors.

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

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

(5) General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information

March 28, 2026

Title (Note 1)	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shareholdings of the spouse and minor children		Shareholdings through nominees		Principal work experience and academic qualifications (Note 2)	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
General Manager	Taiwan	Liu, Jui-Lin	Male	2016.07.01	52,000	0.03%	1,100,000	0.71%	-	-	<ul style="list-style-type: none"> •Department of Business Administration, Tunghai University •Chairman, JingCi Development Co., Ltd. 	<ul style="list-style-type: none"> •Chairman, MORNING HONOR INVESTMENT CO., LTD. •Chairman, JingCi Development Co., Ltd. 	None	None	None	None
Finance Department Manager	Taiwan	Chang, Chia-ling	Female	2025.06.10	-	-	-	-	-	-	<ul style="list-style-type: none"> •Department of Accounting Information, National Taichung University of Science and Technology •Finance Department Manager, Fong Chien Construction Co., Ltd. 	None	None	None	None	None

Note 1: The information in this table should be disclosed, including the general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the Company's divisions and branch units, and all individuals.

Note 2: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position.

Note 3: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the Board of Directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

2. Remuneration to Directors, General Manager, and Assistant General Managers

(1) Remuneration to Ordinary Directors and Independent Directors

December 31, 2025

Unit: NT\$ thousands

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net profit after-tax		Remuneration received by directors for concurrent service as an employ								Sum of A+B+C+D+E+F+ G and ratio to net profit after-tax		Remuneration received from subsidiaries other than re-invested enterprises or from the parent company
		Base compensat ion (A)		Retirement pays and pension (B)		Director profit – sharing compensation (C) (Note 1)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pays pension (F)		Employee profit – sharing compensation (Note 2)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	MORNING HONOR INVESTMENT CO., LTD. Representative: Yuan, Yu-Chi	0	0	0	0	0	0	240	240	240 (1.72%)	240 (1.72%)	3,000	3,000	0	0	0	0	0	0	3,240 (23.24%)	3,240 (23.24%)	120
Director	MORNING HONOR INVESTMENT CO., LTD. Representative: Liu, Yu-Lin	0	0	0	0	0	0	120	120	120 (0.86%)	120 (0.86%)	0	0	0	0	0	0	0	0	120 (0.86%)	120 (0.86%)	120
Independent Director	Liao, Fu-Pen	0	0	0	0	0	0	600	600	600 (4.30%)	600 (4.30%)	0	0	0	0	0	0	0	0	600 (4.30%)	600 (4.30%)	0
Independent Director	Lin, Li-Hsuan	0	0	0	0	0	0	600	600	600 (4.30%)	600 (4.30%)	0	0	0	0	0	0	0	0	600 (4.30%)	600 (4.30%)	0
Independent Director	Li, Yan-Wen	0	0	0	0	0	0	1,200	1,200	1,200 (8.61%)	1,200 (8.61%)	0	0	0	0	0	0	0	0	1,200 (8.61%)	1,200 (8.61%)	0

1. Please describe the policy, system, standards, and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration. According to our company's regulations, independent directors do not participate in the annual distribution of director remuneration, and only receive general business execution expenses.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non – employee consultant to the parent company /any consolidated entities / invested enterprises) : None.

Note 1: As the Company incurred a net loss before tax in 2025, no provision for directors' profit-sharing compensation is required.

Note 2: As the Company incurred a net loss before tax in 2025, no provision for employees' profit-sharing compensation is required.

* This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act

(2) Remuneration to General Manager (The Company does not have a deputy general manager)

December 31, 2025
Unit: NT\$ thousands

Title	Name	Salary (A)		Retirement pays and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note2)				Sum of A+B+C+D and ratio to net profit after-tax (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in Cash	Amount in stock	Amount in Cash	Amount in stock			
General Manager (Note 1)	Liu, Jui-Lin	1,800	1,800	0	0	0	0	0	0	0	0	1,800 (12.91%)	1,800 (12.91%)	0

Note 1: The Company does not have the position of Deputy General Manager, and there is no position equivalent to the General Manager.

Note 2: As the Company incurred a net loss before tax in 2025, no provision for employees' profit-sharing compensation is required.

* This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

(3) Remuneration to General Manager (The Company does not have a deputy general manager) (Note 1)

December 31, 2025

Unit: NT\$ thousands

Title	Name	Salary (A) (Note 2)		Retirement pays and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net profit after-tax (%) (Note 6)		Remuneration received from investee enterprises other than subsidiaries or from the
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in Cash	Amount in stock	Amount in Cash	Amount in stock			
General Manager	Liu, Jui-Lin	1,800	1,800	-	-	-	-	-	-	-	-	1,800 (12.91%)	1,800 (12.91%)	None
Finance Manager and Accounting supervisor Jan. 1, 2025 – Jun. 10, 2025	Chen, Chung-Fei	442	442	-	-	-	-	-	-	-	-	442 (3.17%)	442 (3.17%)	None
Finance Manager Jun. 10, 2025 – Dec. 31, 2025	Chang, Chia-ling	416	416	-	-	-	-	-	-	-	-	416 (2.98%)	416 (2.98%)	None
Accounting supervisor Oct. 28, 2025 – Dec. 31, 2025	Lin, Hsuan-fu	108	108	-	-	-	-	-	-	-	-	108 (0.77%)	108 (0.77%)	None

- Note 1: The “top five executives with the highest remuneration” refer to managers of the Company. The criteria for the determination of managerial managers are in accordance with the scope of “managers” as stipulated in the Order Letter Tai-Cai-Zheng(3) 0920001301 dated March 27, 2003 issued by the former Securities and Futures Commission, Ministry of Finance. The determination for the calculation of the “top five executives with the highest remuneration” is based on the total amount of salaries, pensions, bonuses and special allowances received by the managerial officers from all companies included in the consolidated financial statements, as well as the amount of remuneration to employees (the total of A+B+C+D), and then ranked by the highest paid executives). If a director is also an executive listed above, this table and the table (1-1) above shall be filled in.
- Note 2: Refers to the salary, job bonus and severance payment for top five executives with the highest remuneration in the most recent year.
- Note 3: Refers to various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions and other remuneration received by top five executives with the highest remuneration in the most recent year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.
- Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the top five executives with the highest remuneration in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.
- Note 5: The total amount of remuneration paid by all companies (including the Company) to the top five executives with the highest remuneration of the Company in the consolidated report should be disclosed.
- Note 6: Profit after tax refers to the profit after tax on the parent company only or individual financial reports.
- Note 7: a. This column should clearly state the amount of relevant remuneration received by the top five executives with the highest remuneration of the Company from the subsidiary company or the parent company (if none, please fill in “none”).
- b. Remuneration refers to the when top five executives with the highest remuneration of the Company serves as a director, supervisor, or manager of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.
- * The content of remuneration disclosed in the foregoing table has a different income concept than that in the Income Tax Act, which is because the purpose of this table is to disclose information, and not for assessment of taxes.

(4) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2025
Unit: NT\$ thousands

	Title	Name	Amount in Stock	Amount in Cash (Note)	Total	Total amount to net profit after-tax (%)
Managerial officers	Chairman	Yuan, Yu-Chi	0	0	0	0%
	General Manager	Liu, Jui-Lin				
	Manager	Chang, Chia-ling				

Note : As the Company incurred a net loss before tax in 2025, no provision for employees' profit-sharing compensation is required.

(5) Comparison of Remuneration for Directors and General Manager in the Most Recent Two Fiscal Years and Remuneration Policy for Directors and General Manager:

A. Ratio of the total remuneration of directors, general manager to net profit after tax

Unit: NT\$ thousands

Title		2025			2024		
		Total Remuneration	Net loss after tax	Total Remuneration as % of Net Income	Total Remuneration	Net income after tax	Total Remuneration as % of Net Income
Director	The Company	5,760	(13,941)	(41.31%)	7,354	84,697	8.68%
	Companies in the consolidated financial statements	5,760		(41.31%)	7,354		8.68%
General Manager	The Company	1,800		(12.91%)	2,185		2.58%
	Companies in the consolidated financial statements	1,800		(12.91%)	2,185		2.58%

Description for Analysis:

The decrease in directors' and general manager's remuneration in fiscal year 2025 compared to fiscal year 2024 was due to a net loss after tax in fiscal year 2025, thus eliminating the need to allocate funds for directors' and employees' remuneration.

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

(1) The policies, standards, and portfolios for the payment of remuneration :

The Company's directors' remuneration is determined by the Board of Directors according to industry standards. Article 26 of the Company's articles of association also mandates that the Company allocate remuneration to motivate employees and management teams. If the Company makes a profit after offsetting accumulated losses, it shall allocate employee remuneration not less than one-percent; of which, no less than fifty percent of the aforementioned amount shall be allocated for salary adjustments or compensation distribution for its nonexecutive employees. and director remuneration not exceeding three percent as the director remuneration for that year. The remuneration

distribution method takes into account the contribution and overall performance of each director, and reasonable remuneration is approved.

The Company's compensation committee regularly evaluates and determines the remuneration of directors and executives in accordance with regulations, and the Board of Directors must approve it before implementation.

The directors' performance is evaluated annually according to the Company's board performance evaluation method, and the results are reported to the Board of Directors before the first quarter of the following year as reference information for selecting, nominating directors or setting remuneration.

(2) The procedures for determining remuneration :

The remuneration for the Company's Directors and Independent Directors is allocated based on the "Regulations on Directors and Independent Directors' Remuneration." It is distributed according to each director's level of participation in company operations and their contribution value, which is determined by assigning weighted scores and allocating accordingly.

▪Remuneration:

1. Independent Directors: Regardless of the Company's profitability, independent directors are entitled to receive remuneration on a monthly basis. The Remuneration Committee may adjust the amount based on their level of participation and contribution to company operations.
2. General Directors: Regardless of the Company's profitability, Directors are entitled to receive remuneration. The Remuneration Committee may adjust the amount based on their level of participation and contribution to company operations.

▪Compensation:

1. Independent Directors: Independent directors are not entitled to profit-sharing compensation.
2. General Directors: In accordance with the Company's Articles of Incorporation, when the Company is profitable in a given year, the total compensation for directors shall not exceed 3% of the annual profit.

(3) The correlation with risks and business performance :

The Company's management makes major decisions after conducting a thorough risk assessment, and future profits will be reflected in performance remuneration if there is a correlation between future high or low risks and performance control.

3. Corporate Governance Status

(1) Implementation Status of the Board of Directors

(a) Implementation Status of the Board of Directors

The Board of Directors held 4 meetings (A) the attendance of directors is as follows: :

Title	Name	No. of meetings attended in Person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Chairman	MORNING HONOR INVESTMENT CO., LTD. Representative: Yuan, Yu-Chi	4	0	100%	Re-elected on 2023.05.31
Director	MORNING HONOR INVESTMENT CO., LTD. Representative: Liu, Yu-Lin	4	0	100%	Re-elected on 2023.05.31
Independent Director	Liao, Fu-Pen	4	0	100%	Re-elected on 2023.05.31
Independent Director	Lin, Li-Hsuan	4	0	100%	Re-elected on 2023.05.31
Independent Director	Li, Yan-Wen	4	0	100%	Newly appointed on 2023.05.31

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act:

Date of Board Meeting/Period	Agenda	Independent Directors' Resolution
2025/02/25 8th meeting 15th Term	<ul style="list-style-type: none"> • Amendment to the "Articles of Incorporation." • Engagement and Change of External Auditors for Fiscal Year 2025. • Establishment of the Company's "Whistleblowing System Management Policy." 	Unanimously approved.
2025/05/06 9th meeting 15th Term	<ul style="list-style-type: none"> • Proposal for amending the Company's internal control system – "Procurement Cycle." • Revision of the Company's "Engineering Materials Procurement and Contracting Procedures." 	
2025/07/29 10th meeting 15th Term	<ul style="list-style-type: none"> • Remuneration of External Auditors. • Appointment of the Chief Financial Officer, Chief accounting Officer, and Corporate Governance Officer. • Proposal to manage affairs pertaining to the "jointly and severally liability of peer industries" mechanism utilized by FONG YI CONSTRUCTION CO., LTD. to ensure the presale performance of the "Boji wan" project. 	
2025/10/28 11th meeting 15th Term	<ul style="list-style-type: none"> • Change of Chief Accounting Officer. 	

(2) Other matters involving objections or reserved opinions recorded or stated in writing by independent directors that require a resolution by the Board of Directors: Not Applicable.

2. Specify the date of the board meeting, the meeting session number, the content of the motion, the outcome of the board's resolution, and the actions taken by the Company based on the supervisor's stance if he or she recused from a board meeting due to a conflict of interest: Not Applicable.

3. 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 Table 2 "Implementation Status of Board Evaluations":
The evaluation results of the 2025 internal evaluation of the Board of Directors, self-evaluation of directors, and evaluation of functional committees were "excellent."

4. Evaluations of the current and previous years' objectives for strengthening the Board of Directors' functions (such as establishing an Audit Committee, enhancing information transparency, etc.) and their status of implementation:

- (1) Established an audit committee on May 27, 2020 and met 4 times this year.
- (2) Developed the "Procedure for Meetings of Board of Directors" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance purposes.
- (3) Information disclosure channels include the Taiwan Stock Exchange Market Observation Post System, company website, etc., to achieve the goal of enhancing information transparency and complying with relevant regulations.

(b) Implementation Status of Board Evaluations

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Evaluation method (Note 4)	Evaluation items (Note 5)
Once a year	2025.01.01 to 2025.12.31	Board of Directors	Board of Directors Internal self-evaluation	Participation in company operations, improving the quality of board decision-making, composition and structure of the board, selection and continuing education of directors, internal control.
Once a year	2025.01.01 to 2025.12.31	Individual Board Member	Board of Directors Members' self-evaluation	Understanding of company goals and missions, recognition of director responsibilities, degree of involvement in company operations, management of internal relationships and communication, director's expertise and continuous education, internal control.
Once a year	2025.01.01 to 2025.12.31	Audit Committee	Peers Evaluation	Level of participation in company operations, understanding of the responsibilities of the Audit Committee, improving the quality of decisions made by the Audit Committee, composition and member selection of the Audit Committee, and internal control system.
Once a year	2025.01.01 to 2025.12.31	Remuneration Committee	Peers Evaluation	Degree of participation in company operations, recognition of responsibilities of the remuneration committee, enhancing the decision-making quality of the remuneration committee, composition and member selection of the remuneration committee.

Note 1: Refers to the execution cycle of the board evaluation, for example, once per year.

Note 2: Refers to the coverage period of the board evaluation, for example, evaluating the performance of the board from January 1 to December 31 of 2025.

Note 3: The scope of the evaluation includes the performance evaluation of the board, individual board members, and functional committees.

Note 4: The evaluation methods include internal evaluation by the board, self-evaluation by board members, peer evaluation, appointment of external professional institutions, experts, or other appropriate methods for performance evaluation.

Note 5: The content of the evaluation includes at least the following items based on the scope of the evaluation:

- (1) Board performance evaluation: at least including the degree of participation in company operations, quality of board decision-making, composition and structure of the board, selection and continuous education of directors, internal control, etc.
- (2) Individual board member performance evaluation: at least including the grasp of company goals and missions, recognition of director responsibilities, degree of participation in company operations, management of internal relationships and communication, professional expertise and continuous education of directors, internal control, etc.
- (3) Functional committee performance evaluation: degree of participation in company operations, recognition of functional committee responsibilities, quality of functional committee decision-making, composition and member selection of functional committees, internal control, etc.

(2) Audit Committee Implementation Status

A. Audit Committee Implementation Status:

The Audit Committee held 4 meetings (A) the attendance of Independent Directors is as follows:

Title	Name	No. of meetings attended in Person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【 B / A 】	Remarks
Independent Director	Liao, Fu-Pen	4	0	100%	Re-elected on 2023.05.31
Independent Director	Lin, Li-Hsuan	4	0	100%	Re-elected on 2023.05.31
Independent Director	Li, Yan-Wen	4	0	100%	Newly-appointed on 2023.05.31

Annual Work Focus and Duties of the Audit Committee:

1. Annual Work Focus:

- (1) The review of the 2025 business report, financial statements, and profit distribution plan was completed on March 3, 2026 and there were no discrepancies found. A report was prepared in accordance with Article 14-4 of the Securities and Exchange Act. The financial statements are to be issued with an audit report containing an unqualified opinion and an other matter paragraph by Lai, Chih-Wei and Wang, Yu-Juan of PricewaterhouseCoopers Taiwan.
- (2) Reviewing the risks of major assets, capital loans, and endorsements and guarantees.

2. Duties:

- (1) Developing or revising internal control systems.
- (2) Assessing the effectiveness of internal control systems.
- (3) Developing or revising procedures for significant financial transactions, such as asset acquisition or disposal, derivative transactions, fund lending, endorsements, or guarantees.
- (4) Matters related to the interests of directors.
- (5) Significant asset or derivative transactions.
- (6) Significant fund lending, endorsements, or guarantees.
- (7) Issuing, offering, or privately placing equity securities.
- (8) Appointment, dismissal, or compensation of signing certified public accountants.
- (9) Appointment or dismissal of financial, accounting, or internal audit supervisors.
- (10) Annual and semi-annual financial reports.
- (11) Other significant matters as required by other companies or regulatory authorities.

Other mentionable items:

1. The dates of meetings, sessions, the contents of motions, independent directors' objections, reservations, or major proposals, the Audit Committee's resolutions, and the Company's response to the Audit Committee's opinion must be specified if any of the following events occur:

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

Date of Audit Committee meeting/Period	Contents of motions	Independent Directors' Resolution
2025/02/25 8th meeting 2th Term	<ul style="list-style-type: none"> • The proposal for the business report, individual financial statements, and consolidated financial statements for 2024. • The 2024 internal control system statement. • Amendment to the "Articles of Incorporation." • Engagement and Change of External Auditors for Fiscal Year 2025. • Establishment of the Company's "Whistleblowing System Management Policy." 	Unanimously approved.

2025/05/06 9th meeting 2th Term	<ul style="list-style-type: none"> • Proposal for amending the Company's internal control system – "Procurement Cycle." • Revision of the Company's "Engineering Materials Procurement and Contracting Procedures." 	
2025/07/29 10th meeting 2th Term	<ul style="list-style-type: none"> • The proposal for the second quarter consolidated financial statements for 2025. • Remuneration of External Auditors. • Appointment of the Chief Financial Officer, Chief accounting Officer, and Corporate Governance Officer. • Proposal to manage affairs pertaining to the "jointly and severally liability of peer industries" mechanism utilized by FONG YI CONSTRUCTION CO., LTD. to ensure the presale performance of the "Boji wan" project. 	
2025/10/28 11th meeting 2th Term	<ul style="list-style-type: none"> • Change of Chief Accounting Officer. 	

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

2. If there are independent directors' recusals due to conflicts of interest, the directors' names, contents of motions, and 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.):

- A. The internal audit team will submit the monthly audit report to the Audit Committee members for review by the independent directors by the end of the following month.
- B. The Audit Committee's independent directors may provide instructions after reviewing the audit report by leaving comments on the report, calling, or emailing.
- C. Where internal control deficiencies are identified in audit reports, the Internal Audit Office tracks the status of remediation for such deficiencies and irregularities, prepares follow-up reports for submission to the Audit Committee members for the independent directors' review, and reports the findings during Audit Committee meetings.
- D. In accordance with regulations, the head of the internal audit team attends Audit Committee and Board of Directors meetings and reports on the status of internal audit operations to members of the Audit Committee and Board of Directors.
- E. A summary of communications between the independent directors, the head of the internal audit team, and the accountants:

Date	Attendance	Communication items	Processing and execution results
2025/02/25 Communication with the accountants and the independent directors	Independent Director, Liao, Fu-Pen Independent Director, Lin, Li-Hsuan Independent Director, Li, Yan-Wen Audit Supervisor, Wang, Yu-Chuan	<ul style="list-style-type: none"> • Scope and Materiality of the Audit • Audit Report and Key Audit Matters. • Independence of the auditor. • Audit Quality Indicator information. 	No comments were made in this meeting.
2025/02/25 Communication with the accountants and Audit Committee	Independent Director, Liao, Fu-Pen Independent Director, Lin, Li-Hsuan Independent Director, Li, Yan-Wen Audit Supervisor, Lin, Hsiu-Wen Audit Supervisor, Wang, Yu-Chuan	<ul style="list-style-type: none"> • Audit work status for November and December of 2024. • Audit work status for January and February of 2025. • Implementation status of the internal control system in 2024: Based on self-assessment results, the design and execution of the internal control system were deemed effective. 	No other suggestions were made. All issues were referred to the Board of Directors for resolution.

2025/05/06 Audit Committee	Independent Director, Liao, Fu-Pen Independent Director, Lin, Li-Hsuan Independent Director, Li ,Yan-Wen Audit Supervisor, Lin, Hsiu-Wen	<ul style="list-style-type: none"> ▪ March and April audit's implementation of 2025. ▪ Summary report for 2025 on the improvement of internal control deficiencies and abnormal incidents. 	No other suggestions were made.
2025/07/29 Audit Committee	Independent Director, Liao, Fu-Pen Independent Director, Lin, Li-Hsuan Independent Director, Li ,Yan-Wen Audit Supervisor, Lin, Hsiu-Wen	<ul style="list-style-type: none"> ▪ Audit work status for May, June and July of 2025. 	No other suggestions were made.
2025/10/28 Audit Committee	Independent Director, Liao, Fu-Pen Independent Director, Lin, Li-Hsuan Independent Director, Li ,Yan-Wen Audit Supervisor, Lin, Hsiu-Wen	<ul style="list-style-type: none"> ▪ Audit work status for August, September and October of 2025. ▪ Describe the auditing strategy for 2026. 	No other suggestions were made. All issues were referred to the Board of Directors for resolution.

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	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”?	✓		The Company has developed Corporate Governance Best Practice Principles in accordance with regulations and has gradually implemented them to improve information transparency and strengthen the functioning of the Board of Directors, thereby promoting corporate governance operations.	No deviations
2. The Company's shareholding structure & shareholders' rights (1) Does the Company develop and implement an internal operating procedure for handling shareholder suggestions, questions, disputes, and litigation? (2) Does the Company possess the list of its major shareholders, as well as the ultimate owners of those shares? (3) Does the Company establish and execute a risk management and firewall system within its conglomerate structure? (4) Does the Company establish internal rules against insiders trading with undisclosed information?	✓ ✓ ✓ ✓		(1) The Company has designated a stock affairs officer to handle shareholder suggestions, questions, disputes, and litigation. Regardless of whether the Company has established internal procedures for handling such cases, any shareholder response is prioritized. (2) The Company controls its major shareholders and their ultimate owners. (3) The Company's subsidiary transactions are conducted in accordance with internal control system regulations, including risk management and firewall mechanisms with related parties. (4) The Company has established "Procedures for Handling Material Inside Information and the Prevention of Insider Trading" that prohibits insiders from buying or selling securities with undisclosed information in the market.	No deviations
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members? (2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓ ✓ ✓		(1) The Company has established and disclosed a board diversity policy in accordance with Article 20 of the "Corporate Governance Best Practice Principles". (please refer to page 11) The Company's Board of Directors diversification policy and its implementation: • The Board of Directors of the Company is made up of five members, including three independent directors, who	No deviations

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(3) Does the Company establish "Rules for Performance Evaluation of Board of Directors" 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?</p> <p>(4) Does the Company regularly evaluate the independence of Certified Public Accountant?</p>			<p>have diverse expertise in various fields. Directors with financial expertise include Yuan, Yu-Chi, Lin, Li-Hsuan, and Liu, Yu-Lin, Directors with management expertise include Liao Fu-Ben, and Li ,Yan-Wen.</p> <ul style="list-style-type: none"> • 20% of the board members are employee directors, and 60% are independent directors. Three independent directors have served for less than nine years. The board also prioritizes gender equality. With the 15th board term ending on May 30, 2026, at least one director of a different gender will be appointed in the next board election to achieve gender balance. <p>(2) On May 27, 2020, the Company established a remuneration committee in accordance with the law, as well as an audit committee. Other functional committees will be formed based on the Company's operating scale and management requirements.</p> <p>(3) In 2025, the Company carried out a self-evaluation and evaluation of the Board of Directors in accordance with board performance evaluation methods. The annual report described the evaluation results as "excellent." The results were presented to the Board of Directors on March 3, 2026, as a reference for future director compensation and reappointment.</p> <p>(4) PricewaterhouseCoopers Taiwan has certified the Company, and it is affiliated with an international accounting firm. It has a high level of independence and professionalism. Article 29 of the "Corporate Governance Best Practice Principles, the 5 major dimensions and 13 indicators of Audit Quality Indicators (AQIs) are routinely utilized to evaluate the signing accountant's independence and suitability on an annual basis. For 2025, the auditor's independence statement (Note 1) In</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>2025, the auditor's independence statement was obtained has been acquired and formally presented to the Board of Directors on March 3, 2026.</p> <p>Assessment of Significant Matters:</p> <ul style="list-style-type: none"> Referring to the 5 major dimensions and 13 indicators of Audit Quality Indicators (AQIs). The signing accountant has not provided audit services to the Company for 7 consecutive years. Compliance with the provisions of Article 10 of the Code of Ethics for Certified Public Accountants regarding independence. 	
4. Does the Company appoint a suitable number of competent personnel and a supervisor 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 meetings of the Board of Directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	√		The Company's governance responsibilities are overseen by the head of the finance department, who is also in charge of handling the necessary information for the Board of Directors to carry out their duties. This includes processing matters pertaining to Board of Directors and shareholders' meetings in accordance with the law, supervising colleagues in charge of company registration and changes to registration, and preparing meeting minutes for Board of Directors and shareholders' meetings.	No deviations
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?	√		The Company has established a stock affairs unit and appointed a spokesperson to manage shareholder proposals, created a dedicated section on its website for stakeholders to provide feedback, and delegated legal disputes to the legal department.	No deviations
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	√		The Company's stock agency is the stock agency department of SinoPac Securities.	No deviations
7. Information Disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of	√ √		(1) The Company's website is frequently updated with pertinent information for public reference. The Company's website: http://www.fong-chien.com.tw/	No deviations

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>corporate governance?</p> <p>(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)?</p> <p>(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?</p>	✓		<p>(2) In accordance with legal requirements on the Market Observation Post System, the Company has designated a specialist to gather company data and disclose significant information. Moreover, the finance manager serves as the spokesperson representing the Company in external communications.</p> <p>(3) The Company did not publish or report the annual financial report within two months after the end of the accounting year. However, the Company disclosed and reported the first, second, and third quarterly financial reports and monthly business operations before the specified deadlines.</p>	
<p>8. Is there any other important information to facilitate a deeper understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors’ continuing education, the implementation of risk management policies and standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p>	✓		<ul style="list-style-type: none"> • Employee Rights and Wellness: The Company intends to share its business successes with all of its employees in pursuit of shareholder value and employee welfare. • Investor Relations: The Company fully discloses relevant information through the Taiwan Stock Exchange Market Observation Post System and the Company's website to allow investors to fully understand the Company's business operations. The Company's spokesperson and the stock affairs unit communicate and interact with investors. • Supplier Relations and Stakeholder Rights: The Company upholds the principle of integrity and handles related matters properly. It maintains smooth communication channels with financial institutions, landlords, contractors, or those related to the interests of the Company and provides sufficient information to respect and safeguard their legal rights. 	No deviations

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<ul style="list-style-type: none"> • Directors’ Continuing Education: The corporate governance officer has provided relevant course information for directors to participate in further training. This year, Director Lin, Li-Hsuan completed 6 hours of training, while Director Li, Yan-Wen completed 3 hours. The Company encourages all directors to actively pursue further education to enhance their competencies. • Implementation of Risk Management Policies and Standards: The Board of Directors approves all significant proposals, and internal regulations are established in accordance with the law to conduct multiple risk assessments. • Implementation of Customer Relations Policies: The Company has customer service representatives and a sales service hotline to handle customer issues and provides performance guarantee measures in accordance with consumer protection regulations. • The Company has purchased director's liability insurance for 2026 and reported it to the Board of Directors on March 3, 2026. 	
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 Corporate Governance Evaluation Items			Explanation	
(1) 3.13 Has the Company voluntarily disclosed individual directors’ remuneration in its annual report?			Improved	
(2) 4.13 Has the Company established an environmental management system and disclosed its implementation status on the Company’s website, annual report, or sustainability report?			Improved	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) 4.17 Has the Company disclosed its supplier management policies on its website, annual report, or sustainability report, requiring suppliers to comply with relevant regulations on environmental protection, occupational health and safety, and labor rights, and explained the implementation status?				Improved
(4) 4.18 Does the company disclose relevant information on its governance of climate-related risks and opportunities, strategies, risk management, indicators and goals in accordance with the proposed Climate-related Financial Disclosure (TCFD) framework?				Improved
(5) 4.24 Has the Company’s sustainability report been submitted to and approved by the Board of Directors?				Improved
Expected Improvement Items for Corporate Governance Evaluation				Explanation
(1) 2.6 Does the Company’s Board of Directors include at least one director of a different gender?				Expected improvement in at the shareholders' meeting on May 26, 2026, a director of different genders was appointed.
(2) 4.3 Is the Company regularly disclosing specific implementation plans and effectiveness of corporate sustainable development (ESG) on its website, annual report, or sustainability report?				Expected improvement in 2026.
(3) 4.31 Does the Company regularly conduct employee satisfaction surveys and disclose the implementation status and improvement plans?				Expected improvement in 2026.
(4) 4.32 Has the Company established a personal data protection policy and disclosed its content and implementation status?				Expected improvement in 2026.

Note 1: Auditor's Independence Evaluation

Item	Evaluation Items	Results	
		Yes	No
1	The accountant has no significant direct or indirect financial ties to the Company.	✓	
2	The accountant has no significant business ties to the Company.	✓	
3	The accountant had no potential employment relationship with the Company.	✓	
4	The accountant had no financial borrowing or lending transactions with the Company.	✓	
5	The accountant did not receive any gifts or favors from the Company, its directors, or its executives.	✓	
6	The accountant has not provided auditing services to the business for seven years continuously.	✓	
7	The accountant owns no stock in the Company.	✓	
8	During the audit period or within the previous two years, the accountant, their spouse or dependents, and the auditing team did not hold any significant positions such as director, supervisor, or manager, nor did they have any significant influence over the audit case. It has also been confirmed that the accountant will no longer hold such positions during the next audit period.	✓	
9	Whether the accountant met the ethical independence standards outlined in Article 10 of the "Code of Ethics for Certified Public Accountants" and obtained a "Statement of Independence" from the accountant	✓	

Evaluation Results:

After evaluation, the Company's appointed accountant's independence and qualifications are deemed satisfactory.

(4) Composition, Responsibilities and Operations of the Remuneration Committee :

A. Members profile of the Remuneration Committee

December 31, 2025

Title (Note 1)	Qualification Name	Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director	Liao, Fu-Pen (Convener)	Please refer to Table 1 Information on Directors' (1) on page 7.		0
Independent Director	Li, Yan-Wen	Please refer to Table 1 Information on Directors' (1) on page 7.		1
Others	Chen, Hsiu-Ling	<ul style="list-style-type: none"> •Has work experience in accounting and finance. •Previously served as Manager of Administration Department at Fong Yi Construction Co., Ltd. •None of the circumstances specified in Article 30 of the Company Act. 	<ul style="list-style-type: none"> •The independence criteria are met. •Including but not limited to the individual, their spouse, or relatives up to the second degree of kinship have not served as directors, supervisors, or employees of the Company or its affiliated enterprises. •The individual, their spouse, or relatives up to the second degree of kinship do not hold any shares (or shares held through nominees) in the Company. •Has not served as a director, supervisor, or employee of the Company or its affiliates. •Has not received any compensation for providing business, legal, financial, accounting, or any other services to the Company or its affiliates in the past 2 years. 	0

* Independent director Li, Yan-Wen was newly appointed on May 31st, 2023.

Note 1: Please specify in the table the relevant work experience, professional qualifications, and independence status of each member of the remuneration committee. If it is an independent director, please note that the information can be referred to Table 1 on page 7 for Director's information (1). Please indicate whether the identity is an independent director or others (if the convener, please annotate).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual members of the remuneration committee.

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

B. Implementation Status of the Remuneration Committee

1. The Company's remuneration committee consists of three members.
2. The responsibilities of the committee shall comply with the regulations and organizational rules and regulations, and propose amendments to the compensation and remuneration of directors and managers according to their authority. The committee is responsible for:
 - (a) Regularly reviewing and proposing amendments to this regulation. The Board of Directors approved the revised rules on August 11, 2020. The Board of Directors approved the revised rules on August 11, 2020.
 - (b) Establishing and regularly reviewing the performance evaluation standards, annual and long-term performance goals of the Company's directors and managers, and policies, systems, standards, and structures for compensation and remuneration, The content of the performance evaluation standards is disclosed in the annual report.

- (c) Regularly evaluating the achievement of performance goals of the Company's directors and managers, and determining the content and amount of their individual compensation and remuneration based on the evaluation results obtained from the performance evaluation standards.

C. The term of office of the current committee members is from May 31, 2023 to May 30, 2026. In the current year, the Remuneration Committee held two meetings (A) until December 31, 2025. The qualifications and attendance of committee members are as follows:

Title	Name	Attendance in Person (B)	No. of meetings attended by proxy	Attendance Rate (%) 【 B / A 】 (Note)	Remarks
Convener	Liao, Fu-Pen	2	0	100%	Re-elected on 2023.05.31
Committee Member	Li, Yan-Wen	2	0	100%	Newly appointed on 2023.05.31
Committee Member	Chen, Hsiu-Ling	2	0	100%	Re-elected on 2023.05.31
Other mentionable items:					
<p>1. If the Board of Directors declines to adopt or modify a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, the resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances, and cause for the difference shall be specified): As of the publication date of the Company's annual report, there has been no incident in which the Board of Directors did not adopt or revised the Compensation Committee's recommendations.</p> <p>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: As of the date of publication of the Company's annual report, there has been no instance in which the Board of Directors did not adopt or modify the compensation committee's recommendations.</p> <p>3. Discussion topics and resolutions of the Remuneration Committee:</p>					
Date of Remuneration Committee Meeting		Agenda		Members' Opinions	
2025/01/14 (5rd meeting of the year) 5th Term		<ul style="list-style-type: none"> ▪ Distribution of bonuses for the Company's managers. 		Passed without objection.	
2025/02/18 (6th meeting of the year) 5th Term		<ul style="list-style-type: none"> ▪ Allocation of director and employee remuneration for the year 2024. ▪ Proposal for the Allocation and Distribution of 2024 Directors' Remuneration 		Passed without objection.	

Note:

- (1) If any member of the remuneration committee leaves before the end of the fiscal year, the date of departure should be noted in the remarks column, and the actual attendance rate (%) should be calculated based on the number of remuneration committee meetings attended during their employment.
- (2) If there is a change in the remuneration committee before the end of the fiscal year, both the old and new committee members should be listed, and the remarks column should indicate whether the member is an old, new, or re-elected member, and the date of the change. The actual attendance rate (%) should be calculated based on the number of remuneration committee meetings attended during their employment.

(5) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons												
	Yes	No	Abstract Illustration													
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>The Sustainability Task Force has been established as the Company’s highest-level internal unit dedicated to sustainable development. It reports the implementation outcomes to the Board of Directors annually. The Board is responsible for evaluating the likelihood of success of these strategies, regularly reviewing their progress, and urging the management team to make adjustments when necessary.</p> <p>Three functional sub-groups have been established under the Task Force—Environmental Responsibility, Social Responsibility, and Corporate Governance—each led by a convener and co-convener. These sub-groups develop relevant policies and measures in response to stakeholder concerns, including environmental protection, customer service, employee care, social engagement, and corporate governance, and report their implementation progress and effectiveness to the Board on a regular basis. The Sustainability Task Force convened its kick-off meeting on September 11, 2025, during which it presented the planning and timeline for the preparation of the Sustainability Report. Upon completion of the final draft, the report shall be reviewed by the Sustainability Task Force, and then submitted to the Board of Directors for approval before issuance.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">ESG</td> <td style="text-align: center;">Environmental Responsibility (E)</td> <td colspan="3" style="text-align: center;">Society Responsibility (S)</td> <td style="text-align: center;">Corporate Governance (G)</td> </tr> <tr> <td style="text-align: center;">Aspects</td> <td style="text-align: center;">Environmental Protection</td> <td style="text-align: center;">Customer Service</td> <td style="text-align: center;">Employee Care</td> <td style="text-align: center;">Community Care</td> <td style="text-align: center;">Corporate Governance</td> </tr> </table>	ESG	Environmental Responsibility (E)	Society Responsibility (S)			Corporate Governance (G)	Aspects	Environmental Protection	Customer Service	Employee Care	Community Care	Corporate Governance	No deviations
ESG	Environmental Responsibility (E)	Society Responsibility (S)			Corporate Governance (G)											
Aspects	Environmental Protection	Customer Service	Employee Care	Community Care	Corporate Governance											

Item	Implementation Status							Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons	
	Yes	No	Abstract Illustration						
			Responsible Unit	Works Department General Affairs, Administration Division Land Development Planning and Design	Customer Service, Sales Department Department of Public Works	Human Resources, Administration Division	General Affairs, Administration Division Customer Service, Sales Department Works Department	Finance department Audit Office	
			Content	Land Development Evaluation Sustainable Development Product Quality Management Energy Management Supplier Management	Customer Relationship Maintenance Customer Privacy and Information Security Product Service and marketing Customer Satisfaction Survey	Employee Remuneration Employee Welfare Labor Relations Education and Training	Social Care Public Welfare and Charity Community Service Corporate Image	Corporate Governance Economic Performance Ethical Business Practices Risk management Regulatory Compliance	
In addition to routine ESG strategy implementation reports, when a major ESG incident occurs—such as a significant grievance case or a serious negative impact—the Sustainability Task Force is									

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons												
	Yes	No	Abstract Illustration													
			<p>required to report the investigation results and corresponding response measures from relevant departments to the Board of Directors for discussion.the board of directors will appoint someone to handle the incident. No major ESG key events occurred in 2025. In 2025, the Sustainability Task Force held a total of eight meetings between 2025 and 2026, with an average member attendance rate of 88%. The meetings primarily focused on the 2025 kick-off meeting and discussions among all members on stakeholder engagement, the identification of material topics, and the content on the data collection for the Sustainability Report, etc.</p> <p>▼ Communication Items Between the Sustainability Task Force and the Board of Directors</p> <table border="1"> <thead> <tr> <th>Meeting date</th> <th>Communication matters</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>October 28, 2025 11th meeting 15th Term</td> <td> <ul style="list-style-type: none"> ▪ Sustainability Kick-off Meeting: September 11, 2025 • Mentoring schedule, coordination requirements, and training </td> <td>Implementation Status Report</td> </tr> <tr> <td>March 3, 2026 12th meeting 15th Term</td> <td> <ul style="list-style-type: none"> • Stakeholders negotiate peace • Identification of material topics • Analysis of survey results and statistical assessment of the impact of material topics </td> <td>Implementation Status Report</td> </tr> <tr> <td>April 28, 2026 13th meeting 15th Term</td> <td> <ul style="list-style-type: none"> ▪ Short-, Medium-, and Long-Term GHG Reduction Targets ▪ Draft of Sustainability Report </td> <td>Implementation Status Report</td> </tr> </tbody> </table> <p>The Board of Directors is responsible for guiding long-term business strategies and plays a supervisory role. The Sustainability Task Force formulates the sustainability strategy and policies based on material topics and the company's business vision, and reports to</p>	Meeting date	Communication matters	Description	October 28, 2025 11th meeting 15th Term	<ul style="list-style-type: none"> ▪ Sustainability Kick-off Meeting: September 11, 2025 • Mentoring schedule, coordination requirements, and training 	Implementation Status Report	March 3, 2026 12th meeting 15th Term	<ul style="list-style-type: none"> • Stakeholders negotiate peace • Identification of material topics • Analysis of survey results and statistical assessment of the impact of material topics 	Implementation Status Report	April 28, 2026 13th meeting 15th Term	<ul style="list-style-type: none"> ▪ Short-, Medium-, and Long-Term GHG Reduction Targets ▪ Draft of Sustainability Report 	Implementation Status Report	
Meeting date	Communication matters	Description														
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Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>the Board of Directors. Policies are issued upon Board approval.</p> <p>The Sustainability Task Force is responsible for assessing material topics by distributing ESG questionnaires to internal executives and stakeholders, analyzing the impact of various ESG topics on the economy, environment, and people, and identifying key material issues of the year to report to the Board. Each sub-group within the Sustainability Task Force is responsible for formulating specific sustainability project guidelines, conducting risk assessments, and developing countermeasures. These sub-groups hold regular meetings to review risk changes and management status, and report project execution status to the Sustainability Task Force Leader, who consolidates the information and reports to the Board of Directors.</p> <p>Every year, the Sustainability Task Force gathers relevant content and data, verifies and compiles the information, and submits it to the Board of Directors for review and approval before publication.</p>	
2. Does the Company conduct risk evaluation of environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>The Company's risk assessment boundary is based on the consolidated entities.</p> <p>The Company references the four Accountability Principles of AA1000—Materiality, Inclusivity, Responsiveness, and Impact—and follows GRI 3: Material Topics 2021 to further evaluate the significance of impacts in the areas of economy, environment, and human rights. The implementation steps are as follows:</p> <p>1. Understanding the Organizational Context Fong Chien considers key business operations, critical operational resources, and essential business continuity elements, including all aspects of the supply chain and value chain. The Company also monitors international sustainability trends and the issues highlighted by foreign investment evaluation agencies for the industry. Based on this, a total of 23 sustainability issues were compiled, covering 12 governance aspects, 5 social aspects and 6 environmental aspects.</p> <p>2. Identifying Impacts and Assessing Significance From the sustainability issue list identified in the previous step, Fong Chien further assesses actual and potential positive and negative impacts of each topic.</p>	No deviations

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons												
	Yes	No	Abstract Illustration													
			<p>▪Actual or potential positive impacts may occur when the company has relevant management policies in place and achieves good or significant performance. These represent the positive effects of sustainable development on the economy, environment, and society.</p> <p>▪Actual or potential negative impacts may occur when relevant topics are not managed or poorly managed, resulting in adverse effects of company operations on external economic, environmental, or social factors.</p> <p>3. Prioritizing the Impacts</p> <p>Questionnaires are distributed to stakeholders, and both internal and external results are statistically analyzed. We also asked senior executives and the Sustainability Task Force to conduct an internal operational impact assessment. The likelihood of occurrence and severity of impact for both positive and negative impacts are evaluated and ranked by average score to effectively assess the importance of each issue to the Company's operations.</p> <table border="1"> <thead> <tr> <th>Risk Category</th> <th>Potential Risk Issues</th> <th>Control Measures</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Fluctuating construction costs, shortage of construction labor and inadequate worker quality.</td> <td> <ul style="list-style-type: none"> Monitor and control outsourced construction costs Coordinate with suppliers to reduce or streamline specific work items and processes. </td> </tr> <tr> <td>Social</td> <td>Occupational Safety</td> <td> <ul style="list-style-type: none"> Risk of accidents at construction sites or in office environments. Enforce compliance with safety protocols when entering construction sites. Conduct regular fire drills in office buildings. </td> </tr> <tr> <td></td> <td>Human resources</td> <td> <ul style="list-style-type: none"> High employee turnover leading to Plan and implement education and training programs as well as talent </td> </tr> </tbody> </table>	Risk Category	Potential Risk Issues	Control Measures	Environmental	Fluctuating construction costs, shortage of construction labor and inadequate worker quality.	<ul style="list-style-type: none"> Monitor and control outsourced construction costs Coordinate with suppliers to reduce or streamline specific work items and processes. 	Social	Occupational Safety	<ul style="list-style-type: none"> Risk of accidents at construction sites or in office environments. Enforce compliance with safety protocols when entering construction sites. Conduct regular fire drills in office buildings. 		Human resources	<ul style="list-style-type: none"> High employee turnover leading to Plan and implement education and training programs as well as talent 	
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3. Environmental Issues (1) Has the Company set up an environmental management system designed for industrial characteristics?	✓		<p>The Company's business operations are contracted to construction firms. The maintenance of construction site environments and the disposal of waste are handled by the contractors, while the Company is responsible for supervision. In addition, the Company actively promotes practical environmental initiatives such as energy conservation and carbon reduction, thereby fulfilling its corporate social responsibility.</p> <p>Starting from 2024, the Company has conducted annual greenhouse gas inventories in accordance with ISO 14064-1:2018 standards to track emission reduction performance. The results are disclosed in the Sustainability Report and published on the Company's official website:http://www.fong-chien.com.tw/</p> <p>The Company's established environmental management system has not been verified by a third party.</p>	No deviations										

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		<p>The Company is committed to enhancing the efficiency of resource utilization by actively implementing various energy reduction measures. By selecting equipment with high energy efficiency and energy-saving designs, the Company aims to reduce corporate energy consumption and utilizing recycled materials with low environmental impact to ensure the sustainable use of the planet's resources.</p> <p>In 2025, the Company's total energy consumption amounted to 31.738 CO₂e(266.34GJ). Among this, purchased electricity accounted for 87% and fuel for 13%, a decrease of 2.597 CO₂e (7.56%) compared to 2024.</p> <p>✓ Energy Usage Statement: Please refer to Note 1.</p> <p>Sustainable Building Design: During the project planning stage, we actively adopt the EEWB Green Building standards established by the Architecture and Building Research Institute, Ministry of the Interior, to enhance building quality from the following aspects:</p> <ul style="list-style-type: none"> • Ecology and Energy Efficiency: Consider the interaction between buildings and the surrounding environment, enhance natural indoor lighting, and improve energy efficiency. • Waste Reduction and Health: Starting from material selection and spatial planning, we strive to ensure good ventilation and safeguard residents' health. <p>The Company is committed to improving energy efficiency and gradually reducing greenhouse gas emissions, aiming for a 10% reduction in Scope 1 and Scope 2 emissions by 2029.</p>	No deviations
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future, and adopted relevant measures to address them?	✓		<p>The Company conducts risk identification for climate change, including physical impacts caused by extreme weather, impacts resulting from regulatory, technological, or market demands, as well as other risks and opportunities related to human and social aspects of the Company's operations, and matrix analysis. Based on the analysis results, the Company establishes a risk management strategy plan as the core for climate change action, estimates management costs and financial impacts. Using the collected data, the Company improves its climate change governance and evaluates its financial relationships.</p> <p>The analysis of climate change risks and opportunities is detailed in the climate-related information and the implementation status</p>	No deviations

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(4) Has the Company collected data for the past two years on greenhouse gas emissions, water consumption, and total waste weight, as well as formulated policies for greenhouse gas reduction, water consumption reduction, and waste management?	✓		<p>In 2024, the Company follows the ISO 14064-1:2018 greenhouse gas inventory standard to calculate its greenhouse gas emissions as follows:</p> <table border="1"> <thead> <tr> <th>Greenhouse Gas Emissions</th> <th>Category</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Scope 1 (tCO2e)</td> <td>Direct emissions</td> <td>4.9966</td> <td>4.0459</td> </tr> <tr> <td>Scope 2 (tCO2e)</td> <td>Indirect emissions</td> <td>29.8672</td> <td>27.6925</td> </tr> <tr> <td>Scope 3 (tCO2e)</td> <td>Others (including employee commuting and business trips)</td> <td>7.4296</td> <td>6.7835</td> </tr> <tr> <td>Total emissions</td> <td></td> <td>42.293</td> <td>38.522</td> </tr> <tr> <td>Revenue</td> <td>NT\$ 1 million</td> <td>513</td> <td>5</td> </tr> <tr> <td>Greenhouse Gas Intensity</td> <td>Tonnes (tCO2e)</td> <td>0.0824</td> <td>7.7044</td> </tr> </tbody> </table> <p>Note: The above total greenhouse gas emissions for 2024 and 2025 are part of the Company's consolidated entity and have not been verified by an external third-party organization.</p> <p>Under the global impact of extreme weather, water resources are increasingly scarce, and many regions face drought risks. The Company's water consumption primarily comes from tap water, mainly used for employee office use. The company ensures that the drainage system's wastewater meets environmental protection standards, and domestic water is treated through sewage systems to ensure there is no significant environmental impact. In 2025, the Company's total water consumption was 0.181 (million litres), with a water resource consumption intensity of 11.2959 (Wh/person), Compared to 2024, The total water consumption has decreased 0.114 (million litres), approximately 38.64%, primarily due to the renovation work on the Company's restrooms.</p> <p>The Company requires contractors to classify on-site waste, In order to fully comply with the relevant laws and regulations on waste</p>	Greenhouse Gas Emissions	Category	2024	2025	Scope 1 (tCO2e)	Direct emissions	4.9966	4.0459	Scope 2 (tCO2e)	Indirect emissions	29.8672	27.6925	Scope 3 (tCO2e)	Others (including employee commuting and business trips)	7.4296	6.7835	Total emissions		42.293	38.522	Revenue	NT\$ 1 million	513	5	Greenhouse Gas Intensity	Tonnes (tCO2e)	0.0824	7.7044	No deviations
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			<p>management, including construction and domestic waste, with construction waste having a more significant environmental impact. Construction waste is ensured to be handled by legal waste disposal contractors, and the waste is transported to designated disposal locations by certified firms.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Process</th> <th>Operation</th> </tr> </thead> <tbody> <tr> <td>Domestic Waste</td> <td>Collected in designated waste bins on-site and regularly removed</td> <td>Handled by a third-party licensed waste treatment firm</td> </tr> <tr> <td rowspan="2">Business Waste</td> <td>Construction Waste</td> <td>All waste is placed in designated zones and removed by licensed contractors for disposal at approved facilities.</td> </tr> <tr> <td>Earth works</td> <td>Based on the volume of excavated material, a four-part transport manifest is issued. During excavation, the soil is transported to designated disposal sites using the manifest. A disposal certificate must be obtained, and qualified transport contractors are responsible for delivering the soil to the approved locations.</td> </tr> </tbody> </table> <p>Note: "On-site" refers to waste handled by the contracted construction company within the project premises, while "off-site" refers to waste removed and processed by third-party external firms.</p> <p>To align with international emission reduction trends, the Company has established energy-saving and carbon reduction policies, and implemented the following actions:</p> <ul style="list-style-type: none"> All office areas are equipped with LED lighting, while 	Item	Process	Operation	Domestic Waste	Collected in designated waste bins on-site and regularly removed	Handled by a third-party licensed waste treatment firm	Business Waste	Construction Waste	All waste is placed in designated zones and removed by licensed contractors for disposal at approved facilities.	Earth works	Based on the volume of excavated material, a four-part transport manifest is issued. During excavation, the soil is transported to designated disposal sites using the manifest. A disposal certificate must be obtained, and qualified transport contractors are responsible for delivering the soil to the approved locations.	
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			<p>implementing zoned control and adjust lighting placement to reduce lighting expenses and minimize energy waste.</p> <ul style="list-style-type: none"> Apply zoned control for air-conditioning systems throughout the premises, adjusting comfort levels by area to reduce HVAC load and energy consumption. Enforce waste classification within the building by promoting source reduction, accurate sorting, and improved recycling rates to reduce environmental impact. <p>In accordance with the Financial Supervisory Commission's "Sustainable Development Roadmap," the Company will complete third-party verification of its standalone (individual) entity disclosures in 2028. Verified information will be fully disclosed in the Sustainability Report.</p>	
<p>4. Social Issues</p> <p>(1) Has the organization formulated relevant management policies and procedures in accordance with applicable laws and international human rights conventions?</p>	✓		<p>The Company complies with labor laws to protect employees' legal rights and respects internationally recognized basic labor rights principles, including no forced labor, maintaining freedom of association and collective bargaining rights, equal pay for equal work, prohibition of employment discrimination, and the elimination of child labor. The Company adopts open two-way communication for policy promotion and employee opinion understanding.</p>	No deviations
<p>(2) Has the Company established and implemented reasonable employee welfare measures (including salary and compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary and compensation?</p>	✓		<p>The Company actively promotes a corporate culture of "work-life balance" by offering diverse welfare measures to create a healthy and fulfilling workplace.</p> <ul style="list-style-type: none"> Physical and Mental Health Care: We are committed to building a friendly work environment where employees can achieve harmony between work and life. Diverse Welfare Programs: Employees may apply for various benefits based on their individual and personal needs. Employee Welfare Committee: A dedicated annual budget is allocated to organize company gatherings and employee trips, enhancing team cohesion. <p>The Company provides group insurance for employees in addition to legal requirements. A dedicated Employee Welfare Committee has been established to handle various employee welfare matters.</p>	No deviations

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
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			Annual employee bonuses are allocated based on company profits and distributed according to a performance evaluation mechanism.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<p>The Company regards employee safety and health as its top priority. We continuously strengthen employees' awareness of occupational safety and health by integrating safety concepts into daily operations, aiming to reduce workplace hazards and safeguard all employees' well-being.</p> <p>In 2025, the Company adopted a dual-track strategy of "knowledge reinforcement" and "health promotion" to ensure employees can perform at their best in a safe environment:</p> <ul style="list-style-type: none"> • Continuous Reinforcement of Safety Awareness: Building on the "General Occupational Safety and Health Training" conducted in 2024, the Company continued to promote safety awareness through internal communication channels in 2025 to ensure uninterrupted safety awareness and uphold its commitment to employee health. • Hygiene and Health Promotion: Recognizing that physical and mental well-being is fundamental to preventing occupational hazards, the Company held one session of "Overview of Health Awareness" to realize the vision of "Happy Workplace" in 2025. <p>Program Outcome: Through professional seminars, employees were guided to establish proper self-care awareness, extending traditional occupational safety protection to preventive medicine and the balance of physical and mental well-being.</p> <p>Workplace Safety Performance: Through continuous environmental maintenance and health promotion, the Company maintained strong occupational safety performance in 2025, striving toward the goal of zero accidents and zero incidents.</p>	No deviations
(4) Has the Company established effective employee career development training programs?	✓		<p>The Company places human capital development at its core and continues to strengthen on-the-job training. Through competency-based training programs, it systematically cultivates professional capabilities in construction and development. Training content is regularly adjusted in line with industry trends and organizational needs, and employees are encouraged to select courses aligned with their roles and career development to enhance professional knowledge, soft skills, and practical application capabilities—serving as a key foundation for sustainable operations.</p>	No deviations

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons						
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			<p>✓ 2025 Training Hours Statistics: Please refer to Note 2. In 2025, total training hours reached 405 hours. Based on the number of employees, the average training hours per employee were approximately 28.9 hours, representing an increase of about 4.1 hours compared to 2024, indicating a continuous growth trend.</p>							
(5) Does the Company comply with the relevant laws and international standards regarding customer health and safety, customer privacy, the marketing and labeling of products and services, and the implementation of consumer protection and grievance policies?	✓		<p>The Company follows relevant regulations. The Company takes responsibility for products and services and values marketing ethics. The transparency and security of service information prevent product or service harm to consumer rights, health, and safety. The Company also follows the performance guarantee of the Consumer Protection Act and provides an 0800 sales and service hotline as a channel for consumer complaints or communication.</p>	No deviations						
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		<p>The Company's contracts with its major suppliers include termination or termination clauses of contracts when the supplier violates its corporate social responsibility policy and has a significant impact on the environment and society. In terms of supplier management, the Company ensures the quality and stability of its suppliers through clear strategic objectives, management guidelines, audits, and continuous improvement measures, as detailed below:</p> <p>Supplier Management Strategy</p> <table border="1"> <thead> <tr> <th>Strategy</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Establishing long-term partnership</td> <td> <ul style="list-style-type: none"> - Maintain stable and trusting cooperation with suppliers to grow and progress together. - Implement internal control management procedures to facilitate long-term cooperation and ensure supply chain stability. </td> </tr> <tr> <td>Comprehensive supplier management and evaluation</td> <td> <ul style="list-style-type: none"> - Supplier classification: <ol style="list-style-type: none"> ① Upstream: Landowners, land brokers, government agencies, financial institutions. ② Midstream: Architects, notary firms, sales agencies, contractors. ③ Downstream: Clients, property management companies, etc. - Evaluate based on supplier data to improve supply chain management quality. - When cooperating with excellent companies, adopt a bargaining method to handle contracting work. </td> </tr> </tbody> </table>	Strategy	Description	Establishing long-term partnership	<ul style="list-style-type: none"> - Maintain stable and trusting cooperation with suppliers to grow and progress together. - Implement internal control management procedures to facilitate long-term cooperation and ensure supply chain stability. 	Comprehensive supplier management and evaluation	<ul style="list-style-type: none"> - Supplier classification: <ol style="list-style-type: none"> ① Upstream: Landowners, land brokers, government agencies, financial institutions. ② Midstream: Architects, notary firms, sales agencies, contractors. ③ Downstream: Clients, property management companies, etc. - Evaluate based on supplier data to improve supply chain management quality. - When cooperating with excellent companies, adopt a bargaining method to handle contracting work. 	No deviations
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			<ul style="list-style-type: none"> Grade B: Eligible to participate in project tenders or quotations, but limited to smaller-scale projects in terms of scope and value. Grade C: For awarded but incomplete contracts, if improvements are not made within the specified period after notification, the Company may partially or fully terminate the contract depending on the project stage. Grade D: In cases of serious circumstances, the Company will permanently cease engagement with the supplier. 	
			<p>Violation handling</p> <p>- When suppliers breach contracts or deviate significantly from standards, penalties will be imposed according to contract terms.</p> <p>Through supplier evaluation forms and clearly defined contract clauses, suppliers are required to comply with labor rights protections and environmental standards.</p>	
5. Does the Company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the Company obtain third party assurance or certification for the reports above?	✓		The Company's 2025 Sustainability Report was prepared with reference to the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), as well as the "Guidelines for OTC-listed Companies to Prepare and Submit Sustainability Reports" issued by the Taipei Exchange. The aforementioned report has not obtained assurance or verification from a third-party organization.	No deviations
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: No deviations.				
7. Other important information to facilitate a better understanding of the Company's promotion of sustainable development: The Company's website.				

Note 1:

Energy Usage Overview

Energy Item	2024	Percentage	2025	Percentage
Purchased non-renewable energy – fossil fuels	1.8952 kiloliters 4.467 CO ₂ e	13%	1.7648 kiloliters 4.046 CO ₂ e	13%
Purchased non-renewable energy – electricity	60.4600 kWh 29.867 CO ₂ e	87%	58.4230 kWh 27.692 CO ₂ e	87%
Total non-renewable energy consumption	34.335 CO ₂ e 836.50(GJ)	100%	31.738 CO ₂ e 266.34(GJ)	100%
Total energy consumption	34.335 CO ₂ e 836.50(GJ)	100%	31.738 CO ₂ e 266.34(GJ)	100%
Energy consumption intensity (kWh/person)	2.146 CO ₂ e 52.28(GJ)		1.984 CO ₂ e 16.65(GJ)	

Note 2:

2025 Training hours statistics

Item	Male			Female			All		
	No. of Participants	Training hours	Average training hours	No. of Participants	Training hours	Average training hours	No. of Participants	Training hours	Average training hours
Seminar Courses	13	50.5	8.4	15	56.5	7.1	28	107	7.6
Professional Courses	24	57	9.5	44	154	19.3	68	211	15.1
General Education Courses	10	42	7.0	11	45	5.63	21	87	6.2
Total	47	149.5	24.9	70	255.5	31.9	117	405	28.9

Item	2023				2024				2025			
	Male		Female		Male		Female		Male		Female	
	No. of Participants	Training hours	No. of Participants	Training hours	No. of Participants	Training hours	No. of Participants	Training hours	No. of Participants	Training hours	No. of Participants	Training hours
Seminar Courses	0	0	3	11	0	0	8	38	13	50.5	15	56.5
Professional Courses	15	48	43	168	16	52	54	218	24	57	44	154
General Education Courses	0	0	0	0	5	15	8	24	10	42	11	45
Total	15	48	46	179	21	67	70	280	47	149.5	70	255.5

The Company's training programs are categorized into the following types:

1. Seminar Courses: Courses such as briefings, workshops, and seminars conducted by regulatory authorities, professional institutions, or vendors.
2. Professional Courses: Training programs focused on professional knowledge and practical skills required for specific roles or statutory responsibilities.
3. General Education Courses: Courses applicable to all employees, covering general competencies, work efficiency, or health promotion.

Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation Status							
<p>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term)</p> <p>3. Describe the financial impact of extreme weather events and transformative actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>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</p>	<p>1. The Board of Directors is the highest supervisory unit on climate change issues, responsible for overseeing the overall climate strategy and monitoring the performance of climate risk management. Fong Chien established the ESG Sustainability Task Force in 2024, responsible for promoting sustainability-related matters, including conducting climate risk identification analysis and formulating corresponding management measures.</p> <p>Items 2.3.6:</p>							
	Risk/ Opportunity	Category	Aspects	Situation	Financial Impact	Timeline	Impact Level	Actions/Responses
	Transition Risks	Regulation	Implementation of new regulations	Building energy efficiency evaluation to be implemented on July 1, 2025. It must comply with relevant energy-saving standards	Increased operating costs	Short	High	<ul style="list-style-type: none"> New projects will comply with regulatory requirements during planning and design stage to ensure compliance with government policies and regulations.
	Transition Risks	Market	Market demand	Market demand for low-carbon building materials	Increased operating costs	Medium	High	<ul style="list-style-type: none"> Evaluate and implement low-carbon building materials during planning. Sustainable building concepts will be integrated into the product design, focusing on ecology and carbon reduction.
	Transition Risks	Regulation	Carbon pricing mechanism	Market raw material price increase due to carbon tax policies promoted by the government	Increased operating costs	Medium	Medium	<ul style="list-style-type: none"> Regularly track raw material price trends to reduce cost volatility risks.

<p>identify and manage physical risks and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).</p>	Physical Risks	climate	Temperature rise	Increased high-temperature weather leading to higher risk of work stoppages	Increased operating costs	Short - Medium	Medium	<ul style="list-style-type: none"> Require contractors to provide site shading, ventilation, adequate water supply, and rest areas. strengthen heat hazard management and safety awareness.
	Physical Risks	climate	Rainfall and extreme weather	Drought leading to water shortage Extreme weather events including typhoons, etc. affect construction safety	Increased operating costs	Short - Medium	Medium	<ul style="list-style-type: none"> Require contractors to plan rainwater recycling systems, adopt water-saving devices. strengthen typhoon prevention inspections and site safety measures.
	Opportunity	Products and Services	Changes in customer behavior	Market preferences shift to green buildings, smart buildings, and livable buildings.	Increase business revenue and operating costs	Medium	High	<ul style="list-style-type: none"> Strengthen market research, develop green and smart building products. collaborate with suppliers to develop new technologies and building materials.
<p>Note: Short term: 1-3 years, Medium term: 3-10 years, Long term: over 10 years.</p> <p>4. Using the TCFD framework, analyze Fong Chien Construction's climate change risks and opportunities, considering global risk trends and climate change. This includes the current status of TCFD development, the climate change risk and opportunity assessment framework recommended by TCFD, the setting of climate change scenarios, and the derived risks and opportunities. To better understand global risk trends and climate change, the Sustainable Promotion Team has assessed the climate change risks and opportunities faced during the operational process. Further discussion on high-risk, high-impact risks and opportunities, along with corresponding strategies and target indicators, will be conducted as concrete measures for climate management</p> <ul style="list-style-type: none"> Assessment Process: <ul style="list-style-type: none"> Step 1: Setting Climate Change Scenarios ✓ Reference the TCFD official guidelines and scenario sources from IEA, NGFS, IPCC, etc., for applicability, but without performing independent statistical data analysis of scenarios. ✓ Industry Classification: Refer to the TCFD Appendix industry classification and Taiwan's net-zero policy industry classification (e.g., National Development Council, Ministry of Environment). The company's industry category is the 								

	<p>construction and building materials industry, with registered business items including residential building development, real estate development, construction engineering, and commercial real estate leasing.</p> <p>✓ Localization Adjustments: Refer to available data sources in Taiwan (TCCIP) and examples of disclosures and vulnerabilities from Taiwanese enterprises.</p> <p>Step 2: Assessing Operational Environmental Impact Step 3: Identifying Climate Risks and Opportunities</p> <p>5. Fong Chien Construction refers to international and local warming scenario data (e.g., IEA Net Zero 2050, NGFS Climate Scenario Tools, TCCIP Taiwan Regional Simulation Data) to assess risks under 1.5°C, 2°C, and 4°C warming scenarios. This helps understand the potential impact of climate change on the company’s operations and strategy.</p> <p>✓ Under the 1.5°C scenario, it is expected that building energy efficiency and carbon emissions will become key regulatory focuses. The company will need to integrate high energy-efficiency, green building certification, and low-carbon materials in new projects.</p> <p>✓ Under the 2°C scenario, although policy pressure is lower, customer and market demands for ESG compliance will rise. The company will strengthen environmental management in its supply chain and sustainable design responses.</p> <p>✓ Under the 4°C scenario, extreme climate risks increase, and the company will assess the climate vulnerability of construction sites, introduce flexible construction schedules, and disaster risk control measures.</p> <p>The company also plans to gradually establish a carbon auditing and carbon cost evaluation mechanism to facilitate long-term risk response and maintain competitiveness.</p> <p>Explanation as follows:</p>											
<table border="1"> <thead> <tr> <th data-bbox="705 863 871 979">Warming Scenario</th> <th data-bbox="871 863 1086 979">Risk Type</th> <th data-bbox="1086 863 1350 979">Potential Impact</th> <th data-bbox="1350 863 1615 979">Fong Chien Construction’s Scenario Impact Example</th> <th data-bbox="1615 863 1861 979">Recommended Response Strategies</th> <th data-bbox="1861 863 2080 979">Recommended Scenario Source</th> </tr> </thead> <tbody> <tr> <td data-bbox="705 979 871 1415">1.5°C</td> <td data-bbox="871 979 1086 1415">Transition Risk (Policy, Regulations)</td> <td data-bbox="1086 979 1350 1415"> <ul style="list-style-type: none"> Mandatory improvement in building energy efficiency Carbon emissions of building materials must be reported Carbon pricing is introduced </td> <td data-bbox="1350 979 1615 1415"> <ul style="list-style-type: none"> New construction projects must comply with green building certification or high energy-efficiency design Increased procurement costs for cement and steel </td> <td data-bbox="1615 979 1861 1415"> <ul style="list-style-type: none"> Pre-emptively integrate green building planning processes Build partnerships with low-carbon material suppliers </td> <td data-bbox="1861 979 2080 1415">NGFS (Net Zero 2050) IEA Net Zero by 2050</td> </tr> </tbody> </table>	Warming Scenario	Risk Type	Potential Impact	Fong Chien Construction’s Scenario Impact Example	Recommended Response Strategies	Recommended Scenario Source	1.5°C	Transition Risk (Policy, Regulations)	<ul style="list-style-type: none"> Mandatory improvement in building energy efficiency Carbon emissions of building materials must be reported Carbon pricing is introduced 	<ul style="list-style-type: none"> New construction projects must comply with green building certification or high energy-efficiency design Increased procurement costs for cement and steel 	<ul style="list-style-type: none"> Pre-emptively integrate green building planning processes Build partnerships with low-carbon material suppliers 	NGFS (Net Zero 2050) IEA Net Zero by 2050
Warming Scenario	Risk Type	Potential Impact	Fong Chien Construction’s Scenario Impact Example	Recommended Response Strategies	Recommended Scenario Source							
1.5°C	Transition Risk (Policy, Regulations)	<ul style="list-style-type: none"> Mandatory improvement in building energy efficiency Carbon emissions of building materials must be reported Carbon pricing is introduced 	<ul style="list-style-type: none"> New construction projects must comply with green building certification or high energy-efficiency design Increased procurement costs for cement and steel 	<ul style="list-style-type: none"> Pre-emptively integrate green building planning processes Build partnerships with low-carbon material suppliers 	NGFS (Net Zero 2050) IEA Net Zero by 2050							

					<ul style="list-style-type: none"> Introduce a carbon auditing mechanism and supply chain disclosures 	
	2°C	Transition Risk (Market, Technology)	<ul style="list-style-type: none"> Market shift toward low-carbon building preferences Customer demand for ESG verification 	<ul style="list-style-type: none"> If products lack ESG elements, they may lose competitiveness or bid eligibility 	<ul style="list-style-type: none"> Incorporate ESG components (e.g., energy-saving, greening) into project designs 	IEA SDS Scenario NGFS Delayed Transition
	4°C	Physical Risk (Acute, Chronic)	<ul style="list-style-type: none"> Increased frequency of heavy rainfall and typhoons Urban heat island effect increases building energy consumption Construction project delays 	<ul style="list-style-type: none"> Construction delays, increased insurance costs Site location choices face geographic risk reassessment 	<ul style="list-style-type: none"> Use TCCIP to check climate risk hot zones for construction sites Strengthen emergency response and backup drainage systems on site Promote building greening and energy-saving designs in urban heat zones 	IPCC AR6 SSP3-7.0 TCCIP Taiwan Local Simulation Data
Item 7.8: Not applicable.						

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1. Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The Company follows the ISO 14064-1:2018 greenhouse gas inventory standard to calculate greenhouse gas emissions as follows:

Greenhouse Gas Emissions	Category	2024	2025
Scope 1 (tCO ₂ e)	Direct emissions	4.9966	4.0459
Scope 2 (tCO ₂ e)	Indirect emissions	29.8672	27.6925
Scope 3 (tCO ₂ e)	Others(including employee commuting and business trips)	7.4296	6.7835
Total emissions		42.293	38.522
Revenue	NT\$ 1 million	513	5
Greenhouse Gas Intensity	Tonnes (tCO ₂ e)	0.0824	7.7044

Description:

- 1: The Company conducted a greenhouse gas inventory in 2024, which is set as the base year. In the future, emissions will be regularly evaluated and controlled.
- 2: The operational control approach is adopted to compile greenhouse gas emissions.
- 3: The types of greenhouse gases calculated include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).
- 4: Emission factors are based on the latest version (6.0.4) of the "Greenhouse Gas Emission Factor Management Table" announced by the Environmental Protection Administration of the Executive Yuan. GWP values are based on those published in the IPCC Sixth Assessment Report.
- 5: Revenue refers to Fong Chien Construction's consolidated operating income.
- 6: Greenhouse gas emission intensity = total emissions / revenue per million NTD.

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from Company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emission intensity = total emissions / revenue per million NTD. Revenue refers to Fong Chien Construction's consolidated operating income.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
In 2025 and 2024 the consolidated entity have not been verified by an external third-party organization.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

As the impacts of climate change become increasingly severe, reducing carbon emissions has become an urgent priority. In response to this decarbonization trend, Fong Chien Construction initiated a voluntary greenhouse gas (GHG) inventory in 2024 to identify internal emissions. The company conducted an organizational-level GHG inventory in accordance with the latest ISO 14064-1:2018 standard to obtain specific carbon emissions data. Fong Chien Construction has also implemented various energy-saving measures in its office areas to reduce GHG emissions.

Strategy	GHG Management Methods	Goals
Policy Commitment	<ul style="list-style-type: none"> The company established the “Energy Conservation, Carbon Reduction, and Environmental Management Policy” to enhance internal environmental management effectiveness. Conduct annual GHG inventories to track carbon emission data. 	<ul style="list-style-type: none"> Implement energy-saving and carbon-reduction practices to gradually reduce greenhouse gas (GHG) emissions. Achieve a 10% reduction in Scope 1 and Scope 2 emissions by 2029.
Resource Investment	<ul style="list-style-type: none"> Relevant departments are responsible for daily electricity consumption tracking. GHG data is collected and consolidated annually by the management department. 	<ul style="list-style-type: none"> Systematic data collection process is in place.
Management Action Plan	<ul style="list-style-type: none"> Regularly track and inspect electricity usage. Establish a GHG Inventory Task Force to conduct emissions calculations. 	<ul style="list-style-type: none"> Ensure confirmation of the task force and the inventory methodology.
Evaluation Mechanism	<ul style="list-style-type: none"> Annual electricity usage, power savings, and energy intensity. Annual GHG emissions. Conduct GHG inventories and verifications in line with the Sustainability Governance 3.0 policy. 	<ul style="list-style-type: none"> Quantify energy data to serve as a reference for conservation. Complete greenhouse gas inventory and inspection according to the following schedule: <ul style="list-style-type: none"> ✓ The greenhouse gas inventory of the Company (including its subsidiaries) for 2024 will be completed in 2025. ✓ Check the company's greenhouse gases in 2027. ✓ In 2028, the greenhouse gases of the Company (including its subsidiaries) will be verified.
Evaluation results	The GHG emission intensity for 2025 was 7.7044 tCO ₂ e.	<ul style="list-style-type: none"> 2024 marked the base year for Fong Chien’s first-ever GHG inventory.

To effectively reduce actual carbon emissions, Fong Chien Construction has set goals that follow the SMART principle: Specific, Measurable, Achievable, Relevant, and Time-bound. The Company's short-, mid-, and long-term goals are outlined as follows:

Phase	Timeframe	Reduction Strategy	Goal Example	Reduction Target	Measures
Short-term 2025–2029	1–5 years	<ul style="list-style-type: none"> Low-cost optimization. Improve energy efficiency, equipment management. 	10% emission reduction by 2029 (compared to 2024)	10%	Office energy-saving measures.
Mid-term 2030–2034	5–10 years	<ul style="list-style-type: none"> Technological upgrades. Replace high-carbon equipment. 	30% emission reduction by 2034 (compared to 2024)	30%	Use eco-friendly refrigerants in company vehicles.
Long-term 2035–2050	11–25 years	<ul style="list-style-type: none"> Carbon neutrality. Carbon offsets, supply chain transformation. 	Achieve net-zero emissions by 2050	100%	Carbon neutrality through green electricity.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024.

If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

(6) Fulfillment of Ethical Corporate Management and Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”

Evaluation Items	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(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?</p> <p>(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?</p> <p>(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?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company's Board of Directors has decided to implement Ethical Corporate Management Best Practice Principles. The code specifies the obligations that directors, managers, employees, and substantial controllers should follow and is disclosed on the Company's website.</p> <p>(2) In order to promote ethical business practices, the Company has established measures to prevent unethical behavior in the "Ethical Corporate Management Best Practice Principles" which is followed by directors, managers, employees, and substantial controllers when carrying out their business activities. Additionally, the Company has set up a "Codes of Ethical Conduct" and "Regulations on the Management of the Reporting System" that provides appropriate disciplinary actions and a channel for complaints against those who violate the code. The Company has also established an "Employee Reward and Punishment System," and provides education and training to new employees. Those who violate the regulations will be dealt with according to the rewards and punishment management regulations.</p> <p>(3) The company has instituted standards that are routinely reviewed and revised, including the "Ethical Corporate Management Best Practice Principles," "Codes of Ethical Conduct," and "Employee Reward and Punishment System" and "Regulations on the Management of the Reporting System" as guidelines.</p>	No deviations
<p>2. Implement Ethical Corporate Management</p> <p>(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p>	<p>✓</p>		<p>(1) The Company has established Ethical Corporate Management Best Practice Principles, which stipulates that business activities should be conducted in a fair and transparent manner, and transactions with those who have a record of dishonest behavior should be avoided.</p>	No deviations

Evaluation Items	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>(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?</p> <p>(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(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?</p> <p>(5) Does the Company regularly hold internal and external educational training on ethical corporate management?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(2) The Company has established a part-time unit to promote Ethical Corporate Management and supervise all departments to follow the code of honest management in accordance with their duties.</p> <p>(3) The Company has established a Code of Ethical Management, which states that directors, managers, and all employees must not sacrifice the Company's interests in the benefit of specific individuals or groups.</p> <p>(4) To ensure the Company's ethical business practices, the Company has established an effective accounting system and internal control system, and internal auditors regularly conduct relevant audits.</p> <p>(5) The Company regularly evaluates its directors and employees and conducts integrity-related education and training at board or monthly meetings to ensure the effectiveness of ethical business practices.</p>	No deviations
<p>3. Implementation Status of the whistle-blowing system</p> <p>(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?</p> <p>(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?</p> <p>(3) Does the Company provide proper informant protection?</p>	<p>✓</p> <p>✓</p>		<p>(1) The Ethical Corporate Management Best Practice Principles of the Company include a reporting system for unethical or improper behavior, which is also governed by the Codes of Ethical Conduct and the Employee Reward and Punishment System. To promote ethical conduct and implement integrity in corporate governance, the Company has established a reporting system and management regulations, encouraging employees to promptly report any illegal or unethical behavior to the audit supervisor. If the reported behavior is found to be in violation of ethical business practices, it will be handled in accordance with the Employee Rewards and Punishments Management Regulations.</p> <p>(2) The Company's has established management measures for the whistleblowing system that guarantees whistleblower confidentiality and conducts confidential investigations by forming an investigation team for each reported event.</p> <p>(3) The Company's Codes of the whistle-blowing system that the identity of whistleblowers must be kept confidential and clearly stipulates the terms to protect the whistleblower.</p>	No deviations

Evaluation Items	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	✓		The Company discloses the content of the Codes of Ethical Conduct and Ethical Corporate Management Best Practice Principles in the investor section of its official website and on the Market Observation Post System, and strengthens the promotion and dissemination of the concept of ethical and integrity operations.	No deviations
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: In accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," the Company established "Ethical Corporate Management Best Practice Principles," which it revised with the approval of the Board of Directors in March 2020. The Company adheres to the principle of integrity in conducting business operations and promotes sound corporate governance.				
6. Other important information to facilitate better understanding of the Company's ethical corporate management implementation: The Company has established an "Ethical Corporate Management Best Practice Principles" for compliance and continuous review and Amendment. The Company also discloses its corporate governance operations in the investor section of its website, which helps the public understand the Company's implementation status on ethical corporate management. Company's Website: http://www.fong-chien.com.tw In the original MOPS > Basic Information > Company Basic Information > Enter the company code "5523", click "Search" > View the "Company Governance Information Zone URL on the Company Website" field.				

(7) Other essential information sufficient to enhance comprehension of the corporate governance status must also be disclosed: The Company has established "Procedures for Handling Material Inside Information and the Prevention of Insider Trading" as a guideline for the behavior of directors, supervisors, executives, and employees, and it is fully disclosed in the "Investor Relations - Corporate Governance" section of the Company's website.

(8) Implementation Status of Internal Control System

A. Internal Control Statement: The following index.

MOPS > Single Company > Corporate Governance > Company

Rules/Internal Control > Internal Control Statement Announcement.

<https://mops.twse.com.tw/mops/#/web/t06sg20>

B. If the Company entrusts an accountant to review the internal control system, they shall disclose their internal control system audit report: None.

(9) Major Resolutions of the Shareholders' Meeting and the Board of Directors during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report

A. Major Resolutions of Annual General Meeting

Date	Major Resolutions	Implementation Status
2025/05/28	•The approval of the 2024 fiscal year business report and financial statements.	Adhere to the resolution.
	•Approval of the 2024 profit distribution. Implementation Status: The ex-dividend base date is June 17, 2025, and the cash distribution date is July 10, 2025. A total of NT\$77,500,732 in cash dividends (NT\$0.5 per share) will be distributed.	Adhere to the resolution.

B. Major Resolutions of the Board of Directors

Date:	Major Resolutions
2025/05/06	<ul style="list-style-type: none"> • The Company's consolidated financial statements for the first quarter of 2025. • Proposal for amending the Company's internal control system – "Procurement Cycle." • Revision of the Company's "Engineering Materials Procurement and Contracting Procedures." • Proposal for the 2024 Sustainability Report.
2025/07/29	<ul style="list-style-type: none"> • The Company's consolidated financial statements for the second quarter of 2025 were approved. • Remuneration of External Auditors. • Appointment of the Chief Financial Officer, Chief Accounting Officer, and Corporate Governance Officer. • Proposal to manage affairs pertaining to the "jointly and severally liability of peer industries" mechanism utilized by FONG YI CONSTRUCTION CO., LTD. to ensure the presale performance of the "Boji wan" project.
2025/10/28	<ul style="list-style-type: none"> • The Company's consolidated financial statements for the third quarter of 2025 were approved. • The Company's 2025 budget Implementation Status and 2026 business plan for the parent-subsiidiary annual budget were approved. • The audit plan for the fiscal year 2026 was approved. • Change of Chief Accounting Officer.
2026/03/03	<ul style="list-style-type: none"> • Review of the 2025 individual financial statement, consolidated financial statement, and business report. • The profit distribution plan for 2025. • The Company's internal control systems Statement for 2025. • Remuneration of External Auditors. • Matters related to the 2026 annual general meeting were discussed • The nomination and review of candidates for directors (including independent directors). • A comprehensive election of directors for the 2026 annual general meeting. • Removal of the restriction on directors' participation in competing companies.

(10) If any directors or supervisors expressed disagreement with important resolutions passed by the Board of Directors during the most recent fiscal year and up to the date of printing of the annual reports and made any records or written statements regarding their disagreement, the following are the main contents of such records or statements: None.

4. Accountant Fees for Certified Public Accountant

Accountant Fees for Certified Public Accountant

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee (Note)	Total	Remarks
PricewaterhouseCoopers Taiwan	Lai, Chih-Wei Wang, Yu-Chuan	2025.01.01 to 2025.12.31	1,650	142	1,792	

Please provide a detailed description of non-audit fee services (such as tax certification, assurance, or other financial consulting advisory services):

Note: Non-audit fees: tax certification fee of NT\$130 thousand business tax for mixed operation using the direct offset method NT\$10 thousand and a seal certification fee of NT\$2 thousand.

- (1) If the audit fees paid for the current year after changing the accounting firm and changing the annual audit fees are less than the previous year, the before-and-after audit fees and the reasons for the change should be disclosed: None.
- (2) If the audit fees have decreased by more than 10% compared to the previous year, the amount, proportion, and reasons for the decrease in audit fees should be disclosed: None.

5. Change of Accountants:

If the company has changed its accountant during the past two fiscal years or subsequent interim periods, it shall disclose the following information:

(1) Regarding the former CPA

Replacement Date	From the First Quarter of 2025		
Reasons for the change and explanation	Rotation within the firm		
Explain whether it was due to the appointers or accountant's termination or the accountant's declination of the appointment	Parties		
	Status	CPA	The Company
	Termination of appointment	-	-
	No longer accepted (continued) appointment	-	-
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the Company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
		-	
	None	v	
Remarks/specify details:			
Other Revealed Matters (Article 10, Paragraph 5, Subparagraph 1, Item 4 to Item 7 of this Code shall be disclosed)	None		

(2) Regarding the succeeding CPA

CPA firm	PricewaterhouseCoopers Taiwan
Name of CPA	Lai, Chih-Wei Wang, Yu-Chuan
Date of appointment	From the First Quarter of 2025
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(3) The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.5.A and 10.5.B(c) of the Regulations: None.

6. The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Firm of the Auditing CPA or its Affiliated Businesses in the Past Year, shall disclose the job title, name, and the accounting firm of the CPA or its affiliated companies: None.

7. Particulars about Changes in Shareholding and Equity Pledge of Directors, Supervisors, Managers and Shareholders Holding More Than 10% of the Company's Shares in the Past Year and as of the Date of Publication of the Annual Report: The following index.

- Changes in Shareholding:
MOPS > Single Company > Equity Changes/Securities Issuance > Equity Transfer Information Inquiry > Insider Shareholding Change Report Form.
https://mops.twse.com.tw/mops/#!/web/query6_1
- Changes in Shares Pledged:
MOPS > Single Company > Equity Changes/Securities Issuance > Internal Persona Deconstruction > Internal Persona Deconstruction Announcement.
https://mopsov.twse.com.tw/mops/web/STAMAK03_1
- Related parties in equity transfers involving directors, managers, and shareholders owning more than 10% of the shares: None.
- Related parties involved in the transfer of shares pledged by directors, managers, and shareholders owning more than 10% of the shares: None.

8. The shareholding ratio accounts for the top ten shareholders, and they are relatives or spouses, information on the relationship within the second degree of relatives

Relationships Among the Top 10 Shareholders

Base Date: March 28, 2026

Name (Note 1)	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 (Note 3)		Remarks
	No. of Shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
MORNING HONOR INVESTMENT CO., LTD.	34,411,027	22.20%	-	-	-	-	None		
MORNING HONOR INVESTMENT CO., LTD. Responsible Person: Liu, Jui-Lin	-	-	-	-	-	-	MORNING HONOR INVESTMENT CO., LTD. Representative: Liu, Yu-Lin-	Brother	
							DaMei Investment Co., Ltd. Responsible Person: Huang, Shu-Mei	The first degree relative	
							JingCi Development Co., Ltd. Responsible Person: Liu, Jui-Lin -	Responsible person same	
							Truth Investment Co., Ltd. Responsible Person: Liu, Shu-Chu	The first degree relative	
MORNING HONOR INVESTMENT CO., LTD. Representative: Yuan, Yu-Chi	-	-	2,661,025	1.72%	-	-	None		
MORNING HONOR INVESTMENT CO., LTD. Representative: Liu, Yu-Lin-	-	-	-	-	-	-	MORNING HONOR INVESTMENT CO., LTD. Responsible Person: Liu, Jui-Lin	Brother	
							DaMei Investment Co., Ltd. Responsible Person: Huang, Shu-Mei	The first degree relative	
							JingCi Development Co., Ltd. Responsible Person: Liu, Jui-Lin -	Brother	
							Truth Investment Co., Ltd. Responsible Person: Liu, Shu-Chu	The first degree relative	

Name (Note 1)	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 (Note 3)		Remarks
	No. of Shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
Blessing & Praise Construction Corp. Responsible Person: Chang, Ya-Ching	29,696,536	19.16%	-	-	-	-	None		
	-	-	-	-	-	-	None		
Comerstone Investment Co., Ltd. Responsible Person: Chang, Ya-Ching	14,822,277	9.56%	-	-	-	-	None		
	-	-	-	-	-	-	None		
Truth Investment Co., Ltd.	7,637,777	4.93%	-	-	-	-	None		
Truth Investment Co., Ltd. Responsible Person: Liu, Shu-Chu							MORNING HONOR INVESTMENT CO., LTD. Responsible Person: Liu, Jui-Lin	The first degree relative	
							MORNING HONOR INVESTMENT CO., LTD. Representative: Liu, Yu-Lin-	The first degree relative	
							DaMei Investment Co., Ltd. Responsible Person: Huang, Shu-Mei	Spouse	
							JingCi Development Co., Ltd. Responsible Person: Liu, Jui-Lin -	The first degree relative	
JingCi Development Co., Ltd.	7,572,000	4.89%	-	-	-	-	None		
JingCi Development Co., Ltd. Responsible Person: Liu, Jui-Lin							MORNING HONOR INVESTMENT CO., LTD. Responsible Person: Liu, Jui-Lin	Responsible person same	
							MORNING HONOR INVESTMENT CO., LTD. Representative: Liu, Yu-Lin-	Brother	
							DaMei Investment Co., Ltd. Responsible Person: Huang, Shu-Mei	The first degree relative	
							Truth Investment Co., Ltd. Responsible Person: Liu, Shu-Chu	The first degree relative	

Name (Note 1)	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 (Note 3)		Remarks
	No. of Shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
DaMei Investment Co., Ltd.	7,537,407	4.86%	-	-	-	-	None		
DaMei Investment Co., Ltd. Responsible Person: Huang, Shu-Mei							MORNING HONOR INVESTMENT CO., LTD. Responsible Person: Liu, Jui-Lin	The first degree relative	
							MORNING HONOR INVESTMENT CO., LTD. Representative: Liu, Yu-Lin-	The first degree relative	
							JingCi Development Co., Ltd. Responsible Person: Liu, Jui-Lin -	The first degree relative	
							Truth Investment Co., Ltd. Responsible Person: Liu, Shu-Chu	Spouse	
Song Yang Construction Co., Ltd. Person: Chen, Ju-Wen	7,283,000	4.70%	-	-	-	-	None		
Fullness Construction Co., Ltd. Responsible Person: Chao, Chia-Ming	3,701,411	2.39%	-	-	-	-	None		
	-	-	-	-	-	-	None		
HeFong Investment Co., Ltd Responsible Person: Chen, Hung-Yi	2,258,971	1.46%	-	-	-	-	None		
	-	-	-	-	-	-	None		

Note 1: The top ten shareholders should all be listed, and for corporate shareholders, the name of the corporate shareholder and the name of the representative should be listed separately.

Note 2: The calculation of the shareholding ratio refers to calculating the shareholding ratio of the individual and their spouse, minor children, or nominee.

Note 3: When listing the above-mentioned shareholders, which include both corporations and natural persons, the relationship between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9. The company, its directors, managers, and businesses controlled directly or indirectly by the Company must disclose their respective shareholdings in the Re-invested businesses and calculate the total shareholding percentage through consolidation.

Total Shareholding Ratio

March 28, 2026 Unit: Shares; %

Re-invested businesses (Note)	Investment by the Company		Direct or Indirect Investment by Directors/Managers		Total Investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Hung Yeu Construction CO.,LTD.	23,700,000	100%	-	-	23,700,000	100%
Fong Suei Construction CO.,LTD.	18,000,000	30.00%	-	-	18,000,000	30.00%

Note: The Company makes investments using the equity method.

III. Capital Overview

1. Capital and Shares

(1) Source of Share Capital

A. Process of Capital Formation

March 28, 2026

Unit: Thousand shares/ NT\$ thousands

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Others
04/1984	1,000	30	30,000	30	30,000	Cash Establishment	None	The par value was adjusted from NT\$1,000 per share to NT\$10 per share on December 23, 1994
07/1989	1,000	120	120,000	120	120,000	Cash Capital Increase	None	
07/1990	1,000	180	180,000	180	180,000	Cash Capital Increase	None	
01/1995	10	70,000	700,000	33,000	330,000	Cash Capital Increase	None	December 23, 1994, No.: (83)Tai-Cai-Certificate(1) No.43896
06/1997	10	70,000	700,000	40,260	402,600	Cash Capital Increase of 49,500 Capitalization of retained earnings of 23,100	None	June 5, 1997, No.: (86)Tai-Cai-Certificate(1) No.44473
05/1998	10	70,000	700,000	49,236	492,360	Cash Capital Increase of 49,500 Capitalization of retained earnings of 40,260	None	May 19, 1998, No.: (87)Tai-Cai-Certificate(1) No.43425
12/1999	10	70,000	700,000	54,200	542,000	Capitalization of retained earnings of 49,640	None	December 7, 1999, No.: (88)Tai-Cai-Certificate(1) No.103020
03/2003	7.5	70,000	700,000	64,200	642,000	Capitalization of retained earnings of 100,000	None	March 10, 2003, No.: (92)Tai-Cai-Certificate(1) No. 0920104213
05/2004	10	100,000	1,000,000	69,336	693,360	Capitalization of retained earnings of 51,360	None	May 31, 2004, No.: (93)Tai-Cai-Certificate(1) No. 0930123952
08/2005	10	117,000	1,170,000	74,330	743,330	Capitalization of retained earnings of 49,940	None	August 15, 2005, No.: (94)Jin-Guan-Certificate-1 No.0940133589
06/2006	10	117,000	1,170,000	82,824	828,240	Capitalization of retained earnings of 84,940	None	June 29, 2006, No.: (95)Jin-Guan-Certificate-1 No.0950127395
08/2007	10	150,000	1,500,000	94,292	942,920	Capitalization of retained earnings of 114,680	None	August 1, 2007, No.: (96)Jin-Guan-Certificate-1 No.0960040566
10/2008	10	150,000	1,500,000	109,323	1,093,232	Capitalization of retained earnings of 109,720 Conversion of corporate bonds for 40,592	None	August 19, 2008, No.: Jin-Guan-Certificate-1 No.0970042162 October 15, 2008, Commercial Affairs Bureau Document No. 09701263880
04/2011	10	150,000	1,500,000	146,704	1,467,048	Conversion of privately placed corporate bonds for 373,816	None	April 6, 2011, Commercial Affairs Bureau Document No. 10001064920
07/2011	10	200,000	2,000,000	176,705	1,767,048	Private common stock 300,000	None	July 20, 2011, Commercial Affairs Bureau Document No. 10001161070
08/2013	10	200,000	2,000,000	112,852	1,128,518	Reduction of capital by 638,530	None	August 15, 2013, Commercial Affairs Bureau Document No. 10201168210
09/2017	10	200,000	2,000,000	155,002	1,550,015	Conversion of privately placed corporate bonds for 421,497	None	September 6, 2017, Commercial Affairs Bureau Document No. 10601127780

B. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Common Shares	155,001,464 Shares	44,998,536 Shares	200,000,000 Shares	OTC Companies Stocks

C. Information for Shelf Registration: None

(2) List of Major Shareholders

List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list.

Base Date: March 28, 2026

Name of Major Shareholders	Shares	Shareholdings	Shareholding Percentage
MORNING HONOR INVESTMENT CO., LTD..		34,411,027	22.20%
Blessing & Praise Construction Corp.		29,696,536	19.16%
Cornerstone Investment Co., Ltd.		14,822,277	9.56%
Truth Investment Co., Ltd.		7,637,777	4.93%
JingCi Development Co., Ltd.		7,572,000	4.89%
DaMei Investment Co., Ltd.		7,537,407	4.86%
Song Yang Construction Co., Ltd.		7,283,000	4.70%
Fullness Construction Co., Ltd.		3,701,411	2.39%
Chang, Shu-Chen		2,661,025	1.72%
He Feng Investment Co., Ltd.		2,258,971	1.46%

(3) Dividend Policy and Implementation Status:

A. Dividend Policy in Articles of Incorporation:

Article 26: In order to motivate employees and the management team, if a company has profits after recouping accumulated losses in a fiscal year, it must allocate:

- (1) Employee's compensation shall not be less than one percent; of which, no less than fifty percent of the aforementioned amount shall be allocated for salary adjustments or compensation distribution for its nonexecutive employees.
- (2) Director remuneration shall not exceed 3%.

Article 27: If the Company's annual settlement results in profits, they must be distributed as follows:

- (1) Pay taxes and make donations.
- (2) Make up for losses.
- (3) Set aside 10% as statutory surplus; however, if the statutory surplus has reached the total capital, it is not limited to this.
- (4) According to relevant laws and regulations, set aside or transfer any special surplus.
- (5) The remaining amount, which is the cumulative distributable surplus of the previous period, shall be proposed by the Board of Directors for distribution and approved by the shareholders' meeting.

The Company's dividend policy is based on the Company's operating conditions, capital requirements, internal and external changes in the overall environment, and taking into account the interests of shareholders.

Dividends may be distributed in full or in part in the form of cash dividends or stock dividends. However, cash dividends must not be less than 10% of the total dividends.

If the Company distributes cash dividends, the Board of Directors must comply with Corporation Law Article 240, Paragraph 5 and report the matter to the shareholders' meeting without seeking shareholder approval.

B. The proposed dividend distribution for this shareholders' meeting is as follows:

For the 2025 fiscal year profit distribution, according to the Company's articles of incorporation, dividends shall be distributed in cash, and the Board of Directors shall handle it in accordance with Article 240 of the Corporate Law and report it to the shareholders' meeting, without the need to submit a request for approval to the shareholders' meeting. After being approved by the Board of Directors on March 3, 2026, it is proposed to distribute cash dividends of NT\$0.5 per share, totaling NT\$77,500,732. The Board of Directors has authorized the Chairman to set the ex-dividend date, payment date, and other related matters.

C. When there is a substantial modification to the dividend policy, it must be explained: There is no significant change in the dividend policy.

(4) The impact of the proposed bonus shares on the Company's business performance and earnings per share:

This does not apply as the Company does not offer bonus shares.

(5) Compensation of Employees and Directors:

A. Percentage or range of employee compensation and director remuneration specified in the Articles of Incorporation:

If the Company's annual financial statements reflect a profit, it must first recoup losses from prior years and then allocate the surplus to the following:

- (a) Employee's compensation shall not be less than one percent; of which, no less than fifty percent of the aforementioned amount shall be allocated for salary adjustments or compensation distribution for its nonexecutive employees.
- (b) Director remuneration limited to no more than 3%.

With the approval of at least two-thirds of the present directors and the majority of present directors, the Board of Directors may decide to pay employee compensation in the form of stocks or cash and report this decision to the shareholders' meeting.

The compensation described above can only be paid in cash.

The recipients of employee compensation paid in stocks or cash may include employees of subsidiary companies who meet certain conditions.

B. Accounting treatment of differences between the estimated amount of employee and director remuneration for the current period, the calculation basis for employee compensation paid in stocks, and the actual amount of distribution:

- As the Company incurred a net loss before tax in 2025, no provision for employees' or directors' profit-sharing compensation is required.
- Differences between the actual distribution and the recognized estimates:
None.

C. Board resolution on the distribution of remuneration:

- (a) The amount of employee compensation and director remuneration distributed in cash or stocks (if there is a difference between the estimated amount of recognized expenses and the actual amount of distribution, the difference, reasons and treatment shall be disclosed):

- As the Company incurred a net loss before tax in 2025, no provision for employees' or directors' profit-sharing compensation is required.
- If there is a difference between the estimated amount of recognized expenses and the actual amount of distribution, the difference, reasons and treatment shall be disclosed : Not applicable.

- (b) Ratio of employee compensation paid in stocks to the post-tax net income and total employee compensation in the current individual financial report:

As the Company incurred a net loss before tax in 2025, .Employee compensation was not paid in stocks in this distribution.

D. Actual distribution of employee compensation, director and supervisor remuneration in the prior fiscal year (including the number of shares, amount, and stock price), and the differences with the recognized employee compensation, director and supervisor remuneration, and the differences, reasons, and treatment shall be disclosed:

The annual general meeting on May 28, 2025, approved the distribution of employee compensation of NT\$120,910 and director remuneration of NT\$1,209,100 in cash, which the Board of Directors approved on February 25, 2025, with no differences in the distribution.

(6) Repurchase of Company Shares: None.

2. Corporate Bond: None.

3. Preferred Shares: None.

4. Overseas Depositary Receipts: None.

5. Issuance of Employee Stock Options: None.

6. New Restricted Shares for Employees: None.

7. Status of the Issuance of New Shares in Connection with Mergers and Acquisitions (including Mergers, Acquisitions, Splits): None.

8. Financing Plans and Implementation: The following index.

MOPS> Single Company > Equity Changes/Securities Issuance > Fundraising >

Execution of Fundraising Plan.

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

IV. Operations Profile

1. Business Scope

(1) Main areas of business operations

A. Main Business

- (1) H701010 Residence and Buildings Lease Construction and Development.
- (2) H701020 Industrial Factory Development and Rental
- (3) H701040 Specific Area Development
- (4) H701050 Public Works Construction and Investment
- (5) H703090 Real Estate Business
- (6) H703100 Real Estate Rental and Leasing
- (7) F106030 Wholesale of Molds
- (8) F113030 Wholesale of Precision Instruments
- (9) F119010 Wholesale of Electronic Materials
- (10) F401010 International Trade
- (11) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

B. Business Proportion

The Company's main business is "commissioning construction companies to build rental and sales of residential, large-scale communities, residential buildings, detached houses, and commercial buildings." Domestic sales account for one hundred percent of the Company's revenue.

C. Company's Current Products and Newly Developed Products

Currently, the Company's primary offerings consist of the construction of large-scale communities, apartment suites, commercial and residential buildings for sale or rent. The Company will develop in the direction of regional large-scale developers in addition to its original products in order to diversify its offerings and meet the needs of various customer groups for an improved standard of living. The Company will adopt a diversified business strategy and engage in vertical integration in order to broaden the scope of its operations and reduce business risks.

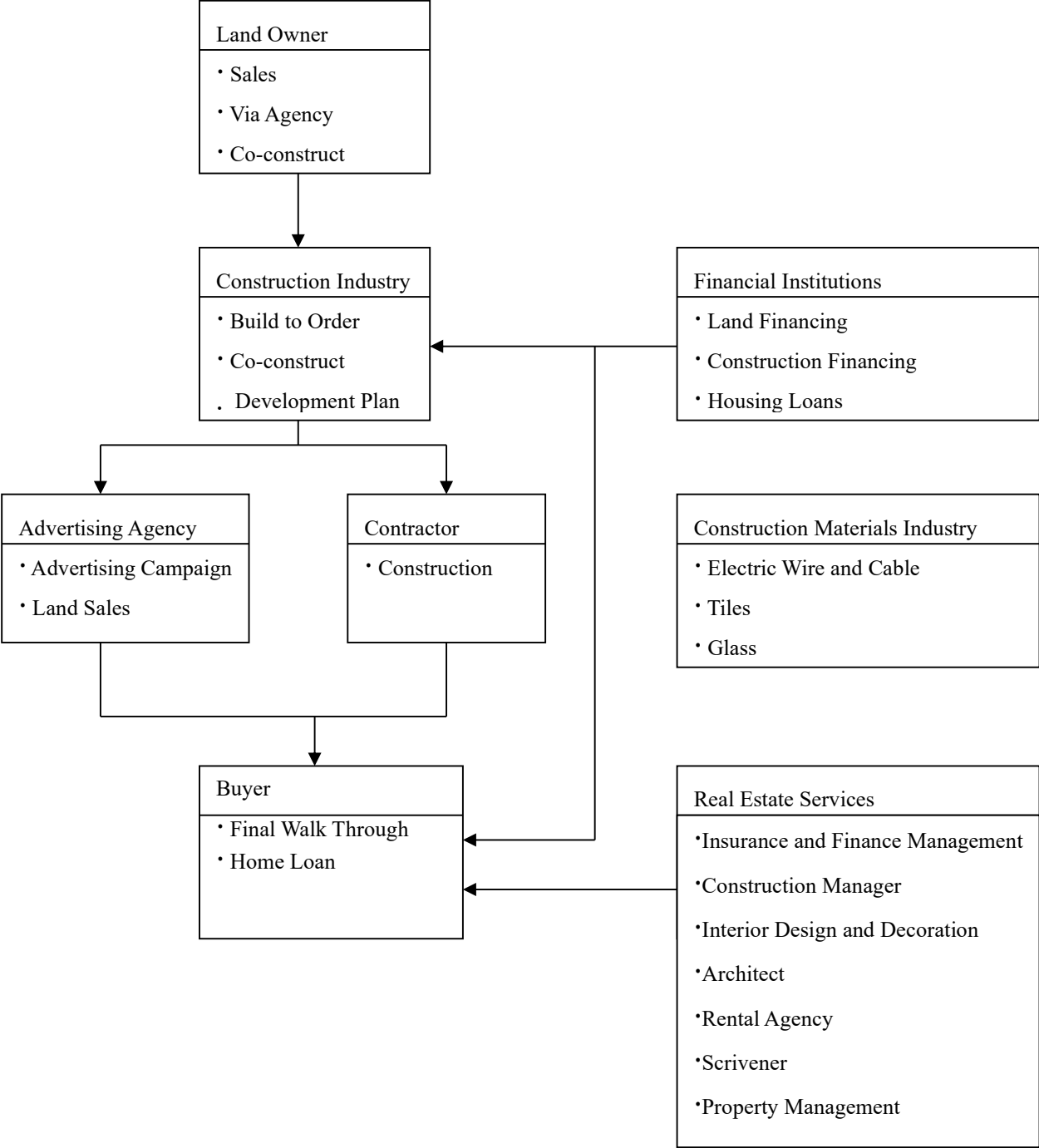
(2) Industry Overview

A. Industry Status and Development

The average interest rate on new home purchase loans provided by the leading five banks during the fourth quarter of 2025 was 2.60%. Furthermore, it is anticipated that the implementation of the "Preferential Housing Loans for the Youth" will further stimulate the demand for residential real estate acquisitions. The government's sensible housing market control measures, typical land rights laws, the establishment of a single tax system for real estate and land, and prohibition on contract exchange and transfer of pre-sale houses have all had an impact on the real estate industry recently, which has led to a gradual decline in buying interest. The domestic market is in a condition of observation and waiting in the short term, while housing demand will be modified based on population growth trends in the long term. In the future, products that prioritize location, transportation, future potential, quality, safety, and community services will ultimately be recognized and approved.

B. Relationship with Upstream, Midstream, and Downstream Businesses

Interrelationship Diagram of the upper, middle and downstream of the construction industry



C. Future Development Trends of Real Estate Products

(a) The Completeness of Community Convenience

In the past, due to inadequate planning, residential communities lacked living functions, causing residents to have to go outside the community for their main activities, resulting in inconvenience in their daily lives. Nowadays, newly built communities emphasize the completeness of functions, with many facilities such as sports fields, libraries, swimming pools, public leisure green spaces, and more, allowing residents to enjoy the convenience of living within the community.

(b) Future of Regional Transportation

With the advent of the information age, home buyers prioritize considerations such as the potential for future development, major construction projects, and transportation convenience when selecting properties, with access to transparent information through the internet. Companies promote land purchases based on these criteria, and product positioning is determined based on market trends.

(c) Clear Difference for First-Time and Trade-Up Homebuyers

First-time and trade-up homebuyers have different financial capabilities and varied preferences. First-time homebuyers are more sensitive to prices and as long as the product is fully functional, they have greater flexibility in selecting regions. Trade-up customers, however, place a higher emphasis on quality, including the completeness of community functions, convenience of living, and safety, and tend to prioritize region selection.

(d) Booming of Leisure Real Estate

With the increase in national income, people are gradually paying more attention to their quality of life, allocating a greater proportion of their income to leisure travel. The implementation of the two-day weekend policy has further fostered this trend. Real estate products related to leisure and recreational activities are increasing in response to demand and will be introduced in different formats into the market.

(e) After-Sales Service Provided by Developers

Fong Chien Construction has launched many cases, with a focus on developing after-sales services. The Company places great emphasis on after-sales services and actively seeks to understand customer needs and feedback.

D. Product Competition Situation

The regional characteristics of the construction investment industry are quite strong, with regional case competition being the main form of market competition. By establishing a brand for the Taichung City block, and as an OTC-listed company with over 40 years of history, Fong Chien Construction has withstood the test of many years of economic downturns and is a stable company. Most of the cases launched by the Company have good sales rates, indicating that its competitiveness is above average.

(3) Research and Development Overview

A. R&D expenses during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report: None.

B. Successful technology or product development:

Based on industry characteristics, the best R&D for the construction industry is land development. The Company will take a professional and proactive approach to land development, identifying areas with development potential, collecting data and acquiring land, and bringing together business departments, development design departments, architects, designers, and structural engineers for intensive

planning and design sessions. This will ensure that the products developed can meet the unpredictable market changes and respond to the needs of various customer segments, thereby increasing gross profit and establishing a better reputation.

(4) Long and Short-Term Business Development Plans

A. Short-Term Business Development Plan

Taichung:

- "Chien 18" `The Dongqiao section in the East District was sold in 2023, with handovers expected to commence in the third quarter of 2026.
- "HOME+" the 14th phase of Renping was sold in 2024, with handovers expected to commence in the fourth quarter of 2026.
- Green & House " the Zhenfu section in the Nantun District was sold in 2024.

B. Long-Term Business Development Plan

- (a) Upholding the business philosophy of "Innovation, Diligence, and Simplicity" to promote brand marketing initiatives."
- (b) In response to smart green building, the company will create a community that incorporates energy-saving and low-carbon technology with sunlight, water, and green plants.

C. For community management planning, the Company will follow the principle of sustainable development and provide guidance for community management for all cases in Fong Chien. The Company will also strengthen customer service and provide cultural and artistic activities and establish a brand image.

2. Market and Sales Overview

(1) Market Analysis

A. Main Sales (Service) Region

The Company mainly offers products such as large-scale community development and residential and commercial buildings. The East District and the Beitun District the Fourteenth Phase and Unit 5 of Taichung City were the main sales regions , and land in the Chiayi area will be liquidated. The products are mainly aimed at first-time homebuyers and those looking to upgrade, with 3–4-bedroom options and a focus on establishing a good reputation in consumers' minds with the brand and construction quality.

B. Market Share

Currently, online cases primarily focus on 3-bedroom products, with small to medium-sized units being the most popular, with the highest market share.

C. Future Supply and Demand of the Market

(a) Supply

According to data from the Ministry of the Interior, the number of residential occupancy permits issued has increased in recent years, rising from approximately 100,000 units in 2021 to nearly 140,000 units in 2024. In the first half of 2025 alone, nearly 70,000 newly completed residential units were added. In total, over the past five years, approximately 543,000 newly completed residential units have been delivered across Taiwan. On the other hand, data from the Ministry of the Interior indicate that the combined inventory of newly built residential units (within five years) and existing homes available for sale has approached a historical high of approximately 270,000 units nationwide. In Taichung, transaction volume declined by approximately 50%, while overall housing prices remained relatively stable, with a slight decrease of about 0.6%.

A closer look at the primary launch areas of developers shows that in 2025, the top five administrative districts by number of units launched were Beitun District (4,458 units), Nantun District (2,906 units), Xitun District (1,843 units), Shalu District (1,255 units), and Qingshui District (1,034 units). Housing prices in the city center remained relatively resilient,

whereas peripheral areas experienced more noticeable softening. Districts such as Wufeng, Daya, and Fengyuan not only recorded lower transaction volumes but also showed price declines. Market segmentation has become increasingly evident, with buyer demand concentrated in areas supported by strong industrial presence and well-developed living amenities.

(b) Demand

In 2025, the mainstream products in the housing market continued to focus on small- to medium-sized units. The market has entered an adjustment phase characterized by stable prices and declining transaction volumes. Core areas continue to provide price support, while price corrections are more evident in the peripheral areas of Taichung. As noted, “buyers with sufficient cash are still willing to purchase, so there is limited room for price declines; however, most market participants are adopting a wait-and-see approach.” Under conditions of reduced liquidity and the absence of policy relaxation, if market momentum remains weak, the extent of price corrections in 2026 is expected to become more pronounced.

In the completed housing market, the number of property transfer registrations in Taichung in 2025 was 42,490 units, representing a decrease of 12,506 units compared to 2024, or a year-on-year decline of 22.7%, marking the lowest level in the past seven years. Meanwhile, the number of initial registrations reached 30,077 units, an increase of 3,099 units compared to 2024, representing a year-on-year growth of 11.5%.

According to the Taichung Real Estate Brokers Association, the current market is not lacking in potential buyers; rather, most are hesitant to enter the market, resulting in a strong wait-and-see sentiment. Nevertheless, Taichung’s population continues to grow, supported by major infrastructure projects and positive developments such as TSMC’s capacity expansion, which contribute to the steady accumulation of underlying demand. Both redevelopment zones and old towns demonstrate strong development potential. Once policies become clearer and more stable, the market is expected to show signs of recovery.

In recent years, the housing market has been increasingly driven by owner-occupiers and upgrade buyers, with unit sizes gradually decreasing and a focus on mid- to lower-total-price products. Unit prices across different regions have continued to rise, reflecting increases in prices and land prices. In many areas, rapid increases in unit prices have pushed the total price of standard housing units to the threshold of affordability for owner-occupiers. As a result, the continued downsizing of unit sizes is expected to become a key trend in future supply. In 2026, the Company will focus on customer demand and purchasing power in land acquisition and product planning to increase product competitiveness.

D. Competitive Niche

a. Good Corporate Image

The Company has always adhered to the business philosophy of integrity, sustainable operation, quality improvement, professional service, and grateful feedback. The Company has successfully expanded its operations in Taichung and northern Taiwan. Additionally, the Company has strengthened its construction management to ensure project quality, strictly control completion and delivery schedules, and provide excellent after-sales service to prevent transaction disputes. As a result, they have established a strong foundation in the industry and a good reputation in the eyes of consumers. Furthermore, the Company has also received many awards,

including the "Chinese Architectural Golden Stone Award" and the "National Golden Award for Architecture," and has a strong brand image.

b. Professional Management Team

The Company's management team is well-educated and experienced, and it adheres to the philosophy of long-term operation. The Company has persevered through many economic ups and downs.

c. Land Development Ability

The Company has stably cultivated its business in Taichung, allowing them to precisely understand local mood and market preferences, providing them with a keen skill for land development. The Company has assembled a skilled team, and its operations will be concentrated in Taichung and the Zhubei district of Hsinchu County. The Company is confident in their capacity to continue their exceptional land development ability by leveraging their previous knowledge and their new professional workforce.

d. Professional After-Sales Service, Highly Trusted by Customers

Based on the philosophy of sustainable operation and rooted service, the Company assigns a dedicated person to quickly handle customer problems. In its after-sales service, the Company assists customers with both warranty and non-warranty issues. Furthermore, the Company places great importance on community management issues after project completion and delivery. Before the implementation of the Condominium Administration Act, the Company helped establish building management committees for their projects upon delivery to maintain community management and improve residents' living environment. They also hold community events and building visits regularly, receiving high praise from customers.

e. Excellent Engineering Management Skills

The Company has established a complete internal control process for engineering quality control and cooperates with reliable and high-quality contractors to strengthen construction supervision management, ensuring project quality, strictly controlling completion and delivery schedules, and providing excellent after-sales service to prevent transaction disputes.

E. Favorable and Unfavorable Factors and Countermeasures in the Long Term

(a) Favorable Factors

- a. In a low interest rate and high inflation era, real estate is still a better investment target.
- b. Compared to other cases in the same area, the brand and quality of the Company are more competitive.
- c. The Company's product positioning meets market demand, with smooth sales, less finished house inventory, and a quick turnover of funds.
- d. The real purchasing power has not increased, and the Company's cases are located in areas with good transportation conditions and superior living functions, which are more in line with the purchasing power of the target customer group, and sales are guaranteed.

(b) Unfavorable Factors

- a. Out-of-town developers continue to enter the market and hunt for land, driving up land prices, increasing competition, and making cost reduction impossible.
- b. Inflation is looming, and the cost of land and construction continues to rise, increasing the burden of expenditure.
- c. The construction industry is a capital-intensive industry that requires massive funding. Due to industry characteristics, bank financing is relatively conservative, and funding channels are not easy.

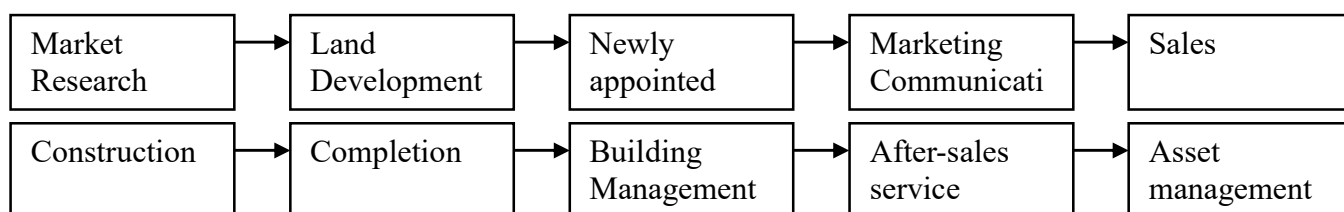
- (c) Countermeasures
- a. Integrate sales techniques to improve excess house clearing and sensitive land development capabilities to improve product planning, residential safety, and after-sales services. Conduct thorough evaluations before purchasing land, and carefully plan and evaluate each project as a whole, strengthen construction cost management, and select high-quality building materials to increase product value and profitability.
 - b. To maintain a good company brand image and increase competitiveness with peers, construction companies should improve construction quality, carefully select building materials, strictly regulate and supervise the construction process.
 - c. Strengthen procurement and outsourcing capabilities, seek reasonably priced and high-quality suppliers through multiple inquiries and collective bargaining to reduce project costs.
 - d. Conduct research and analysis on future potentially developing regional markets, timely grasp environmental trends, and maintain appropriate concern and vigilance for changes in the housing market.

(2) Production Procedures of Main Products

A. Production Procedures of Main Products

Major Products	Main Usage
Buildings	Residential, office and commercial buildings, providing parking lots
Apartment	Residential, Shops

B. Production Procedures



(3) Supply Status of Major Raw Materials

A. Supply of Construction Sites

The main areas where the Company promotes its products are in Taichung City. After rigorous market evaluation, analysis, qualitative and quantitative positioning of products, high-grade and high-quality products with market segmentation are designed. These products are located in excellent areas with elegant environments. They are recommended to the Company by intermediaries, intermediary companies or landlords who are familiar with the Company's main operating areas. They are also acquired through land bidding released by government agencies such as the National Property Administration and banks, or through auctions of prime locations by courts. The Company focuses on acquiring land that can be immediately developed and constructed.

B. Construction Projects

The Company has a good relationship with various construction companies, and the construction progress can be completed on schedule. Due to the Company's strict construction contracting methods and construction standards, the progress and quality of the project can be effectively monitored and understood from the

contracting stage to the acceptance stage. Therefore, the quality of the completed cases delivered by the Company can be maintained at a high level. The construction contractors responsible for the subsidiary materials such as gravel, reinforcing bars, sand and other related building materials market prices will pay attention and respond accordingly.

- (4) Provide the names of customers who accounted for more than 10% of the total sales in either of the past two years, along with their corresponding sales amounts and proportions, and explain the reasons for any changes in their levels of contribution.

A. Suppliers who have accounted for more than 10% of the total purchases in any of the last two years

Unit: NT\$ thousands

2024					2025				As of the end of the previous quarter of 2026 (Note 2)			
Item	Name	Amount	Total annual purchase net amount ratio(%)	Relationship with issuer	Name	Amount	Total annual purchase net amount ratio(%)	Relationship with issuer	Name	Amount	Purchase net percentage as of the last quarter of the current fiscal year	Relationship with issuer
1	Blessing & Praise Construction Corp.	491,172	87.40	None	Blessing & Praise Construction Corp.	305,194	26.76	None	-	-	-	-
2	-	-	-	-	Song Yang Construction Co., Ltd.	697,930	61.20	None	Song Yang Construction Co., Ltd.	170,987	87.90	None
3	Others	70,779	12.60	None	Others	137,275	12.04	None	Others	23,543	12.10	None
	Net Total Supplies	561,951	100		Net Total Supplies	1,140,399	100		Net Total Supplies	194,530	100	

Note 1: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Note: Differences between the two periods:

- Blessing & Praise and Song Yang Construction Corp.: The main reason for this is because the construction project was contracted to Blessing & Praise and Song Yang Construction Corp., and the construction cost was invested.

B. Major Clients Accounted for More than 10% of Total Sales in Any of the Last Two Calendar Years

Unit: NT\$ thousands

		2024				2025				As of the end of the previous quarter of 2026 (Note 2)			
Item	Name	Amount	Ratio of annual net sales (%)	Relationship with issuer	Name	Amount	Ratio of annual net sales (%)	Relationship with issuer	Name	Amount	Ratio of annual net sales (%) (As of the previous quarter)	Relationship with issuer	
1	-	-	-	-	SUSHI EXPRESS CO., LTD.	2,441	46.51	None	SUSHI EXPRESS CO., LTD.	618	54.36	None	
2	-	-	-	-	Hsia, oChun	1,814	34.56	None	HESS CHIAYI BRANCH	459	40.39	None	
3					Yang, oZhi	777	14.81	None	-	-	-	-	
4	Others	512,836	100	None	Others	216	4.12	None	Others	60	5.25	None	
	Net sales	512,836	100		Net sales	5,248	100		Net sales	1,137	100		

Note 1: List all customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the company is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEX listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

Note: Differences between the two periods:

- The Company's products are mainly sold to the public.
- No single customer accounting for more than 10% of the total sales in 2024.
- The customers for the first quarter of 2026 primarily consisted of lessees of fixed assets.

3. Employee information for the last two years and up to the date of printing of the annual report, including the number of employees, average years of service, average age, and distribution of educational qualifications.

Year		2024	2025	As of March 31, 2026 (Note)
No. of Employ ees	Employees	16	16	15
	Total	16	16	15
Average Age		40.63	40.88	41.67
Average Years of Service		6.47	6.87	7.53
Educati on	Masters	18.75%	18.75%	20%
	Bachelor's Degree	75.00%	81.25%	80%
	Vocational School	6.25%	-	-
	Senior High School	-	-	-
	Below Senior High School	-	-	-

Note: Data through the date of printing of the annual report must be entered.

4. Environmental Expenditure Information

(1) 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: None.

(2) The estimated amount and response measures that may occur in the present and future are as follows:

The Company is in the construction industry, and construction projects are contracted to construction companies. Environmental pollution and related waste disposal that may arise during construction are specified in the construction contract as the construction company's obligation. To avoid producing pollution sources, the Company is accountable for oversight and control.

5. Labor Relations

(1) Employee Benefits, Education and Training, Retirement System, and Implementation of Labor-Management Agreements and Employee Rights Protection Measures

A. Employee Benefits, Education and Training:

- All employees receive standard benefits such as basic labor insurance, health insurance, retirement benefits, and group insurance. In keeping with its people-oriented corporate philosophy, the Company has established independent employee rest areas to allow all employees to take short breaks and reduce stress while promoting communication.

- In order to promote employee welfare and ensure the long-term viability of the business, the Company has formed an Employee Welfare Committee. The committee members are elected on a recurring basis by the employees in order to oversee the implementation of a range of welfare initiatives. Consistent gatherings are conducted to organize staff welfare initiatives, which are accessible to every employee. The Employee Welfare Committee administers the funds allocated from the Company's operating revenue for these activities, which provides employees with a portion of the Company's profits. The principal measures of welfare and their execution are as follows:

- ① Year-end bonuses
- ② Birthday gifts
- ③ Regular and irregular gatherings for meals
- ④ Annual group travel activities and individual travel subsidies
- ⑤ Subsidies for weddings, funerals, and other celebrations
- ⑥ Annual health check-ups
- ⑦ Monthly afternoon tea gatherings to facilitate employee communication.

- Education and Training: The Company fosters employee engagement in a variety of training courses as a means to cultivate talent and uphold the foundational tenets of education and training. The training program encompasses a wide range of topics, such as employee orientation, general education, professional skills development, teaching management, and financial assistance for additional education. In order to generate added value and guarantee that personnel are equipped with training that is beneficial to their professional growth, periodic invitations are extended to expert speakers to deliver seminars.
- B. Retirement System and Implementation:
- The Company's retirement system is implemented in accordance with relevant laws and regulations.
New labor pension system: The new labor retirement pension system has been implemented since July 1, 2005. The Company contributes monthly retirement pension payments not less than 6% of an employee's monthly salary to the employee's personal account at the Labor Pension Fund set up by the Bureau of Labor Insurance. The ownership of the personal account belongs to the employee.
- C. Labor-management accord and safeguards for employee rights:
- The Company emphasizes rational and humane self-management, and has established smooth communication channels and regularly holds labor-management meetings. Through each meeting, labor representatives can raise issues for discussion, communicate opinions, and pass various resolutions in an open and two-way communication approach to convey policies and understand employees' opinions. The Company also follows the regulations of the Labor Standards Act to establish management rules to maintain good relations between labor and management.
- D. Employee Code of Conduct or Ethics:
- The Company places great importance on the professional ethics of every colleague to ensure that all employees can engage in business operations with the highest ethical standards. The Company has established a "Code of Ethical Conduct" to ensure that all employees can accept the Company's position or appointment while adhering to the highest level of personal integrity, conduct, and behavior.
- (2) Disclosure of losses incurred due to labor disputes in the current and previous fiscal years until the printing date of this annual report. The estimated amount of potential future losses and corresponding measures should also be disclosed. If the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained:
- As of the publication date of the annual report, there has been no loss due to labor disputes.
 - Loss incurred: none
 - Future measures taken by the Company: The Company upholds the spirit of win-win cooperation between labor and management, and properly plans human resource management systems, adheres to laws and regulations, respects employees, and values employee welfare. As a result, labor and management have always maintained harmony, and the Company predicts that there will be no labor-management disputes in the future.

(3) Employee Safety and Workplace Protection Measures and Their Implementation:
Employee safety measures have been implemented at the Company. All employees are covered by group insurance to ensure their welfare.

A. On-site:

- Personnel and construction vehicle access control.
- Personnel working at heights must wear safety harnesses and helmets.
- Environmental protection and cleanliness are maintained in accordance with company standardized procedures.
- Drinking water is regularly maintained to ensure its quality.
- Medical supplies are stored in the construction office.
- Daily safety meetings are held at the construction site to identify and address safety issues.
- Contractors are trained daily and supervised to ensure construction safety.

B. Office:

- The water dispenser is regularly maintained and filter cartridges are replaced to ensure employee safety when drinking water.
- The office is equipped with surveillance cameras to ensure employee safety.
- The building management committee conducts multiple annual fire safety awareness campaigns and fire drills.
- The building management committee arranges multiple annual office disinfection and pest control operations.
- Personnel access is controlled in the building starting at 11 pm, and elevator usage is also monitored.

6. Cyber Security Management:

(1) This section outlines the cyber security risk management framework, cyber security policies, specific management plans, and resources invested in cyber security management:

A. Cyber Security Risk Management Framework:

(a) The cyber security responsibilities lie with the information professionals in the management department of the Company. They are responsible for formulating company cyber security policies, planning and implementing cyber security protection, and promoting cyber security policy enforcement, as well as executing related cyber security operations.

(b) To achieve effective cyber security management, the Company should establish a cyber security organization, including a security supervisor and at least one dedicated security personnel, responsible for promoting, coordinating, and supervising the following cyber security management matters:

- Approval and supervision of cyber security policies.
- Assignment and coordination of cyber security responsibilities.
- Oversight of information asset protection measures.
- Review and supervision of cyber security incidents.
- Approval of other cyber security matters.

(c) Regular assessment and review of cyber security policies should be conducted to reflect the latest developments in management policies, government regulations, and company operations. This ensures the feasibility and effectiveness of the cyber security management system.

B. Cyber Security Policies and Management Plans:

(a) The Company's cyber security facilities and management methods are as follows:

1.1 Server Room Security Management:

- Access to the server room is recorded, and information personnel accompany visitors.
- The server room has independent air conditioning to maintain the temperature for proper server operation.
- To prevent system damage or data loss in the event of a power outage, the server room is equipped with an uninterruptible power supply (UPS) system to provide sufficient time for file saving and a proper shutdown during a power failure.

1.2 Network Security Management:

- Firewall equipment is in place to block external malicious threats.
- Firewall information reports are monitored and analyzed.
- Email is strictly controlled, with both outgoing and incoming emails being scanned for viruses by the mail server, ensuring that emails cannot contain virus-infected attachments.

1.3 Access Control Management:

- Employees must apply to the Company for system access permission (including remote access), which is approved by the supervisor. The information provider will then provide the user with an account and password and set access rights based on the application items.
- Access to the system using administrative privileges by external personnel is restricted on all unit servers. If non-authorized personnel need to use or maintain the equipment, they must obtain authorization from the IT department to open the required permissions.
- Identity verification and login/logout access logs are maintained for all servers and personal computers within the information systems.
- All company information systems and computer accounts are centrally managed by the IT department, with regulations requiring appropriate password strength, length, and complexity (mixing letters, numbers, and special characters). Regular notifications are sent to enforce password changes.
- When an employee leaves the Company or takes a leave of absence without pay, the information system will delete their account or temporarily suspend their access.

1.4 Virus and Threat Detection and Protection Management:

- Servers and employee computers have anti-virus software installed that automatically updates virus codes and detects them in real-time to prevent malicious viruses from invading.
- The anti-virus software will isolate and delete detected viruses and send a system warning notification to the information personnel's email for them to take responsive measures.
- Both server hosts and employee computers have threat detection mechanisms that monitor and protect against threats, including access records, critical activities, important data changes, attacks, unauthorized connections, functional errors, and administrator actions. Abnormal behavior is recorded monthly.

1.5 Backup and Recovery Management:

- A daily backup system is implemented for important information and files, automatically backed up by local storage devices to ensure quick recovery in the event of system failure or data errors, restoring normal operations and correct data.
- System configuration files, server files, and database data are automatically backed up to the cloud on a periodic basis.
- Regular manual backups are performed to verify the reliability of the backup and the integrity of the information.

(b) Personal Cyber Security Management:

- 2.1 Sensitive or confidential data should be encrypted and stored primarily on office desktop computers, with physical isolation being considered and avoiding storing such data on portable storage devices.
- 2.2 If it is necessary to bring official computer data home for processing, sensitive or confidential data in portable storage devices should be deleted first to maintain security.
- 2.3 Colleagues who download files via the Internet or use USB drives should immediately perform virus scans to confirm that they are safe and virus-free before use.
- 2.4 The IT department is responsible for the unified management of computer system security settings, including antivirus software. Users should not change settings or install software that does not comply with company regulations.
- 2.5 Users of network drives should practice proper data management, regularly removing unnecessary or duplicate data to ensure optimal use of storage space.
- 2.6 Regularly conduct information security promotions to company colleagues to improve their awareness of information security crises.

(c) Business Continuity Planning and Management:

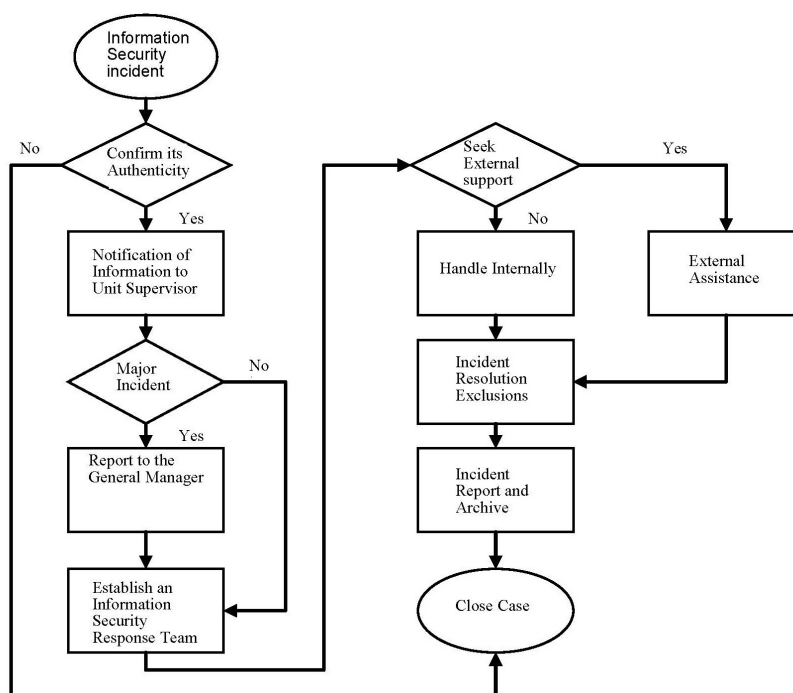
- 3.1 The Company will include the impact and responses to cybersecurity management incidents in the annual report.
- 3.2 The Company has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) as a member to collect cybersecurity intelligence and promote internal awareness.
- 3.3 In the event of a major cybersecurity incident that meets the criteria outlined in the “Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities” by the Taiwan OTC Securities Exchange, the Company will follow the relevant regulations for handling the incident.
- 3.4 The internal audit department will regularly review the Company's cybersecurity controls as part of the internal control processes, ensuring proper operations and continuous improvements.
- 3.5 The Company will provide quarterly reports to the cybersecurity manager on the implementation of information security measures to ensure operational appropriateness and effectiveness.

(d) Reporting and Handling of Company Cyber Security Incidents:

- 4.1 Verification of the authenticity of cyber security incidents.
- 4.2 Notification of information and security management.
- 4.3 Determine whether to report to the general manager based on the severity of the incident.
- 4.4 Handling the incident on one's own or seeking external support.
- 4.5 Archiving records and reports of cyber security incidents.

(e) Attachment

5.1 Figure 1: Cyber Security Incident Process Flowchart.



C. Investment in Information and Communication Security Management Resources:

- (a) Hardware: Firewall, UPS uninterrupted power system, regular updates of computers and related equipment.
 - (b) Software: Anti-virus software, threat detection mechanism, cloud backup system, regular updates of relevant software.
 - (c) Personnel: Cyber security education and training, regular internal audits, daily checking of the equipment in the machine room, review of firewall information reports, permission settings, anti-virus software updates and detection reports, threat detection system performance, and data backup status.
- (2) List of losses, potential impacts, and response measures suffered due to significant information and communication security incidents up until the date of publication of the latest annual report. If unable to estimate reasonably, it should be explained that such estimation is not possible:

The Company has not experienced or discovered any significant cyber security or cyber-attacks incidents in the latest fiscal year and up until the date of publication of the annual report.

7. Important Contracts: The following are the parties, main contents, limitation clauses, and start and end dates of the supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other important contracts that are still valid and have expired in the most recent year as of the date of the annual report.

Contract Nature	Parties Involved	Contract Period	Main Contents	Limitation Clauses
Engineering Contract	Blessing & Praise Construction Corp.	2024/03/06~Completion	Construction of Chien 18, located in the East District of Taichung.	None
Engineering Contract	Blessing & Praise Construction Corp.	2024/10/29~Completion	Construction of Home+, located in the Beitun District of Taichung.	None
Engineering Contract	Blessing & Praise Construction Corp.	2024/11/28~Completion	Construction of Green & House, located in the Nantun District of Taichung.	None
Long-term Loan Contract	Land Bank of Taiwan, Nantun Branch	2017/04/19-2032/04/19	Fixed Assets (investment real estate) and working capital in Chiayi	None
Long-term Loan Contract	Land Bank of Taiwan, Nantun Branch	2017/08/11-2032/08/11	Fixed Assets (Investment properties) in Chiayi	None
Short-term Loan Contract	First Commercial Bank, Chung-Kang Branch	2021/07/13-2030/06/30	Construction land at No. 49, Jhenfu Section, Nantun District, Taichung City	None
Short-term Loan Contract	First Commercial Bank, Chung-Kang Branch	2022/04/27-2030/06/30	Construction land at No. 52 and 55, Jhenfu Section, Nantun District, Taichung City	None
Short-term Loan Contract	First Commercial Bank, Chung-Kang Branch	2024/12/31-2030/06/30	Construction at Jhenfu Section, Nantun District, Taichung City	None
Short-term Loan Contract	Chang Hwa Commercial Bank, Chung-Kang Branch	2022/06/09-2027/06/09	Construction land at Dingqiaozitou Section, East District, Taichung City	None
Short-term Loan Contract	Chang Hwa Commercial Bank, Chung-Kang Branch	2022/11/14-2027/06/09	Contiguous relocation land at Dingqiaozitou Section, East District, Taichung City	None
Short-term Loan Contract	Chang Hwa Commercial Bank, Chung-Kang Branch	2023/01/18-2027/06/09	Construction land at Dingqiaozitou Section, Dong District, Taichung City	None
Short-term Loan Contract	Chang Hwa Commercial Bank, Chung-Kang Branch	2024/11/18-2027/06/09	Construction at Dingqiaozitou Section, Dong District, Taichung City	None
Short-term Loan Contract	Chang Hwa Commercial Bank, Chung-Kang Branch	2023/03/15-2028/03/15	Construction land at Renping Section, Beitun District, Taichung City	None
Short-term Loan Contract	Chang Hwa Commercial Bank, Chung-Kang Branch	2024/12/17-2028/03/15	Construction at Renping Section, Beitun District, Taichung City	None
Short-term Loan Contract	Chang Hwa Commercial Bank, Chung-Kang Branch	2025/12/12-2028/03/15	Contiguous relocation land at Renping Section, Beitun District, Taichung City	None

V. Review and Analysis of Financial Status and Business Results and Risk Issues

1. Financial Status

In the past two fiscal years, the major reasons for significant changes in assets, liabilities, and equity, and their impacts on the Company should be explained. If there is a significant impact, future response plans should also be described: (Consolidated Financial Report)

Unit: NT\$ thousands

Financial Status Analysis of the Last Two Years					
Item	Year	2025	2024	Difference	
				Amount	%
Current assets		4,929,904	4,528,087	401,817	8.87
Financial assets - non-current		94,440	0	94,440	-
Investments accounted for using equity method		177,088	178,441	(1,353)	(0.76)
Property, plant and equipment		38,595	40,142	(1,547)	(3.85)
Net investment properties		107,900	108,433	(533)	(0.49)
Other assets		6,107	2,558	3,549	138.74
Total assets		5,354,034	4,857,661	496,373	10.22
Current liabilities		2,397,241	1,798,049	599,192	33.32
Non-current liabilities		27,585	31,395	(3,810)	(12.14)
Total liabilities		2,424,826	1,829,444	595,382	32.54
Equity attributable to shareholders of the parent		2,929,208	3,017,748	(88,540)	(2.93)
Capital stock		1,550,015	1,550,015	0	0.00
Capital reserve		5,526	5,226	300	5.74
Retained earnings		1,371,065	1,462,507	(91,442)	(6.25)
Other Equity Interest		2,602	0	2,602	-
Total equity		2,929,208	3,028,217	(99,009)	(3.27)

Note: Explain the main reasons for significant changes in the Company's assets, liabilities, and shareholders' equity in the past two years (changes in the percentage of 20% or more between the previous and current period, with a change in amount of NT\$10 million or more), their impact, and future plans to address them.

- Analysis of Changes in Increase/Decrease Ratio (changes in percentage of 20% or more between the previous and current period, with a change in amount of NT\$10 million or more):
 - Increase in financial assets - non-current: Mainly due to investments measured at fair value through other comprehensive income.
 - Increase in current liabilities: Mainly due to increases in short-term loans, contract liabilities, and accounts payable.
- Impact and Future Plans for Significant Changes: There is no impact on the financial position, and there is no need to formulate a response plan.

2. Financial Performance

Main reasons for significant changes in operating revenue, operating profit, and pre-tax profit in the past two years, expected sales quantity and its basis, and possible impacts and response plans on the Company's future financial operations: (Consolidated Financial Report)

- (1) Main reasons for major changes in operating income, operating net profit and pre-tax net profit in the last two years

Unit: NT\$ thousands

Analysis of the Financial Performance of the Last Two Years					
Item	Year	2025	2024	Difference	
				Amount	%
Operating revenue		5,248	512,836	(507,588)	(98.98)
Operating margin		3,966	146,064	(142,098)	(97.28)
Operating (loss) income		(23,912)	86,053	(109,965)	(127.79)
Non-operating income and expenses		6,484	33,641	(27,157)	(80.73)
Net (loss) income before income tax		(17,428)	119,694	(137,122)	(114.56)
Net (loss) income		(13,910)	84,810	(98,720)	(116.40)
Total items not to be reclassified to profit or loss		2,602	0	2,602	-
Total comprehensive income		(11,308)	84,810	(96,118)	(113.33)
Net (loss) income attributable to stockholders of the parent		(13,941)	84,697	(98,638)	(116.46)

Explanation of Significant Changes in Ratio Analysis (for changes of 20% or more and a change in amount of NT\$10 million or more between the current and prior period):

- Decrease in Operating Revenue, Gross Profit, Operating (loss) income, Net (loss) income before income tax, Net (loss) Profit for the Period, Total comprehensive income, and Net Profit Attributable to Owners of the Parent Company: This is mainly because only rental income and parking space sales revenue were recognized in this period.
- Decrease in non-operating income and expenses: Mainly due to the earthworks income from the construction projects “Chien 18,” “HOME+,” and “Green&House.” in last year.

- (2) Expected sales quantity and its basis, possible impact on the Company's future financial business, and response plan:

A. Please refer to the "Letter to Shareholders".

B. The Company has not disclosed the financial forecast for the year 2025, therefore we do not plan to disclose the expected sales quantity.

3. Cash Flow: Analysis of recent year's cash flow changes, improvement plan for insufficient liquidity, and analysis of cash flow for the next year:(Consolidated Financial Report)

(1) Analysis of the Cash Liquidity of the Last Two Years

Item \ Year	2025	2024	Increase (Decrease) Ratio (%)
Cash Flow Ratio (%)	(45.39)	(3.47)	1,208.07
Cash Flow Adequacy Ratio (%)	118.85	755.01	(84.26)
Cash Reinvestment Ratio (%)	(39.36)	(9.97)	294.78
Analysis of Changes in Increase/Decrease Ratios: Cash flow ratio, and cash reinvestment ratio have all increase: Mainly due to the net loss before tax and the increase in inventory for the current period. Cash flow adequacy ratio in decrease: Mainly due to the net cash outflow from operating activities and the increases of inventories in the last five years.			

(2) Improvement plan for insufficient liquidity: None.

(3) Analysis of cash flow for the next year:

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities of the Year (2)	Net cash flow from investing and financing activities for the year (3)	Cash surplus (deficiency) (1)+(2)+(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
44,308	646,374	-256,476	434,206	-	-
1. Analysis of expected cash flow changes for the next year: (1) Net cash inflow from operating activities: mainly due to the payment of construction project costs.. (2) Net cash outflow from investing and financing activities: mainly due to cash dividends and bank loan repayments. 2. Remedial measures for expected cash deficiency and liquidity analysis: the expected cash surplus is NT\$434,206 thousand, so no remedial measures are needed.					

4. Impact of Major Capital Expenditure in the Past Year on the Financial Status:None.

5. Recent investment policy changes, the main reasons for profit or loss, improvement plans, and future investment plans:

(1) Main reasons for profit from reinvestment policy changes:

For the current period, Fong Chien recorded a profit of NT\$2,310 thousand resulting from its investment in Hung Yeu Construction. In contrast, Fong Swei Company incurred a loss of NT\$1,353 thousand for the same period.

(2) Improvement plan:

Fong Swei Constructions was established in 2023 and currently has no revenue from its main business operations. It will urge affiliated enterprises to manage their selling, general, and administrative expenses to break even.

(3) Investment plan for the coming year: None.

6. Risk assessment

(1) Impact of interest rate, exchange rate fluctuations, and inflation on the Company's profitability and future response measures:

A. Interest rate: A portion of the financial liabilities borrowed by the Company has a floating interest rate, which will vary with market interest rates, causing fluctuations in cash flows. Domestic interest rate fluctuations are not significant and do not pose significant risks.

▪Future Counter measurements: Negotiate with partner banks to secure preferential loan interest rates, reducing interest expenses.

B. Exchange rate: The Company is in the domestic market industry, and exchange rate fluctuations have a minimal direct impact on real estate.

▪Future Counter measurements:None.

C. Inflation: Construction-related materials and wages are increasing.

▪Future Counter measurements:which the Company will seize appropriate procurement opportunities to control construction costs and maintain a good competitive advantage.

(2) Policies, main reasons for profits or losses, and future response measures for engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and derivative trading:

A. Engaging in high-risk, high-leverage investments and derivative trading: None.

B. Lending funds to others: None.

C. Endorsing guarantees:

(1) The Group provided endorsement and guarantee to other related parties for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act. The details are as follows:

<u>Endorser and guarantor</u>	<u>Endorsee and guarantee</u>	<u>Construction name</u>	<u>Date of signing guarantee contract</u>	<u>Endorsement and guarantee amount (construction cost on the license)</u>	<u>Acquisition of usage license</u>
	Fong Yi		2021.03.18		
Fong-Chien Construction	Construction	Fenghe	2021.10.07		
Construction	Cornerstone Investment		(Change in the name of the builder)	\$ 425,690	2024.03.22
Fong-Chien Construction	Fong Yi	Senhuo	2024.03.06	\$ 692,204	2025.09.12
Fong-Chien Construction	Fong Yi	Boji wan	2025.10.09	\$ 647,221	Not yet obtained
Hung Yeu Construction	Grace Hospitality	Fong Suei	2022.06.01	\$ 159,101	2024.08.26

(2) Other related parties provide endorsement and guarantee to the Group for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act. The details are as follows:

<u>Endorser and guarantor</u>	<u>Endorsee and guarantee</u>	<u>Construction name</u>	<u>Date of signing guarantee contract</u>	<u>Endorsement and guarantee amount (construction cost on the license)</u>	<u>Acquisition of usage license</u>
Grace Hospitality	Fong-Chien Construction	Chien18	2023.09.08	\$ 311,906	(Not yet acquired)
Truth Investment Co. Ltd	Fong-Chien Construction	HOME+	2024.10.04	\$ 188,692	(Not yet acquired)

- (3) The Group provided endorsement and guarantee for associates as follows:
The board of directors resolved on May 23, 2023 to become the joint guarantor for the bank loans of associate, Fong Suei Construction Co., Ltd., based on the 30% of shareholding ratio. The loan amount is NT\$1,086,000 thousand, and the credit line has been received on November 20, 2023.
- (4) The Group provided endorsement and guarantee to Hundredfold Development Co., Ltd. for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act. The details are as follows:

<u>Endorser and guarantor</u>	<u>Endorsee and guarantee</u>	<u>Construction name</u>	<u>Date of signing guarantee contract</u>	<u>Endorsement and guarantee amount (construction cost on the license)</u>	<u>Acquisition of usage license</u>
Hung Yeu Construction	Hundredfold Development	Fengsentai	2024.09.13	\$ 171,525	(Not yet acquired)

D. Future response measures:

Control the endorsement evaluation process strictly, and the audit committee and the Board of Directors should review and approve the evaluation data before execution.

- (3) Future research and development plans and expected R&D expenses: Not applicable.
- (4) The impact of important domestic and foreign policies and legal changes on the Company's financial business and response measures:
The Company has sought opinions from relevant government agencies and certified public accountants on recent important domestic and foreign policies and legal changes and has taken appropriate measures to respond.
- (5) The impact of technological changes (including cybersecurity risks) and industry changes on the Company's financial business and response measures:
A. The Company has significantly emphasized cybersecurity risks in response to changing trends and has trained information personnel to strengthen cybersecurity protection and conduct network drills.
B. Response to industry changes:
The construction industry has been affected by short-term rapid increases in raw material and labor costs, which will not only affect profits but also lead to the central bank's repeated reduction in construction financing ratios, increasing the use of self-owned funds for land purchase and development, and future land purchases will be evaluated carefully for cash flow.
- (6) The impact of changes in corporate image on crisis management and response measures:
In the event of a crisis that affects changes in the company's corporate image, an emergency response team will be immediately established, and actions will be taken promptly to respond.
- (7) Expected benefits, possible risks, and response measures for mergers and acquisitions:
The Company currently has no plans for mergers and acquisitions.
- (8) Expected benefits, possible risks, and response measures for expanding factories:
There are currently no plans by the Company to expand the factory.
- (9) Risks and response measures faced in centralized purchasing or sales:
The Company's purchase of goods from suppliers and payment for engineering fees are all based on the completion of project phases. The payment is made after the local government's construction management section and the architect inspect and confirm the completion of the project. Payment is generally made in a 50% cash and 50% promissory note format, and all construction projects have been financed by banks, requiring the contractor to abandon mortgage rights and register requests for rights, providing relative protection for the Company.
In addition, the Company's sales targets are the public, and there is no centralized sales situation.

- (10) The impact, risks, and response measures of the transfer or replacement of large shareholders holding more than 10% of the Company's shares:

The transfer of director's shareholding in the Company is carried out in accordance with the provisions of Article 22-2 and Article 25 of the Securities and Exchange Act, and the directors' shareholdings are maintained at the statutory shareholding ratio, with little variability.

- (11) The impact, risks, and response measures of changes in management control: Not applicable.

- (12) Lawsuits or non-litigation events involving the Company, company directors, general manager, substantial responsible person, shareholders holding more than 10% of the shares, and affiliated companies that have been judicially determined or are currently pending and may have a significant impact on shareholder equity or securities prices should disclose the disputed facts, amount involved, date of litigation, major litigants, and processing status as of the date of the annual report:None.

- (13) Other important risks and response measures:

Please refer to "Cyber Security Management".

7.Other important matters: None.

VI. Special notes

1. Information about the Company's Affiliates: The following index.

- MOPS >Single Company > Electronic Document Download > Related Companies' Three Documents Section.

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

2. Private Securities in the Past Year and as of the Date of Publication of the Annual Report: None.

3. Other necessary supplementary information: None.

VII. Occurrences under the second paragraph of Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act had a substantial influence on shareholder equity or securities prices during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report: None

Fong Chien Construction Co., Ltd.

Chairman: Yuan, Yu-Chi