Stock Code: 6122

擎邦國際科技工程股份有限公司
KING POLYTECHNIC ENGINEERING CO., LTD.

2025 Annual Report

This annual report is available on the website:
Market Observation Post System：http://mops.twse.com.tw
Website of the Company：//www.kpec.com.tw/ Investor section

Publication date: April 25, 2026.

I. Names, titles, and contact numbers of the Company's spokesperson and acting spokesperson

Spokesperson: Chin-Pi Hsu	Telephone: (02)8751-0858 (representative line)
Title: Senior Vice President	E-mail: kacct@kpec.com.tw

Acting Spokesperson: Su-Lien Lo
Title: Senior Manager

II. Addresses and telephone numbers of the head office, branch offices, and factories
Address: 5F., No. 210, Ruiguang Rd., Neihu District, Taipei City, Taiwan (R.O.C.)
TEL: (02)8751-0858
Factory Address: No. 6, Alley 105, Lane 139, West Rende Road, Sansheng Village, Mailiao Township, Yunlin County
TEL: (05)681-2366

III. The name, address, and telephone number of the stock transfer agency
Name: Shares Registration Agency Service Department, Fubon Securities Co., Ltd.
Address: 11F., No. 17, Xuchang Street, Zhongzheng District, Taipei 100, Taiwan (R.O.C.)
TEL: (02)2361-1300
Website: http://www.fubon.com.tw

IV. The names of the certified public accountants for the financial statements in the most recent year, and the address and telephone number of the CPA firm
Name of Attesting CPAs: Chia-Chien Tang, Ya-Lin Chen
Name of Firm: KPMG
Address: 68F, No. 7, Section 5, Xinyi Road, Taipei City, Taiwan (R.O.C.)
TEL: (02)8101-6666
Website: www.kpmg.com.tw

V. Names of overseas securities exchanges and methods of inquiry for the overseas securities: None.

VI. Website of the Company
www.kpec.com.tw

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One. Letter to Shareholders

Dear Shareholders,

First of all, I would like to thank all shareholders for your unwavering support, and the dedication and efforts from all directors, supervisors, and employees of the Company. I would also like to thank all of you for taking time out of your busy schedules to attend the AGM.

Looking back on 2025, the global economy showed moderate growth amid high interest rates and geopolitical risks, with increasing regional divergence. Trade tensions and supply chain localization trends also brought greater uncertainty to businesses.Driven by the rapid development of AI and digital transformation, demand for semiconductors, high-performance computing, and data centers grew significantly, becoming key drivers of economic growth.Benefiting from its diversified strategy, the Company achieved record highs in both project backlog, exceeding NT$13 billion, and new contract awards, surpassing NT$6 billion. Consolidated revenue reached NT$4.18 billion, with a net profit after tax of NT$368 million.Looking ahead to 2026, as projects enter peak construction phases, revenue is expected to continue growing.

In terms of construction execution, recent key projects in the petrochemical/chemical EPC and public works sectors have progressed significantly. Projects such as the Chimei New Resource Recovery Furnace, Nanya Technology Nitrogen Plant Expansion, German Southern Factory Semiconductor Specialty Chemicals, CPC Taichung LNG Temporary Pipeline, Taichung City ShuiNan International Convention and Exhibition Center, and Grape King Longtan Campus Expansion have all entered the completion and acceptance phase.Meanwhile, projects including Formosa Kaohsiung Oil Pier Base, CTCI Universe Industrial Park, MRT Wanda Line, and Taipei First Fruit & Vegetable and Wanda Fish Wholesale Market Renovation have fully entered peak construction stages.In the high-tech EPC sector, which the Company has been cultivating in recent years, the Formosa Shenggao 12-inch Wafer Fab No. 2 project has successfully obtained its operating permit.

Regarding new contract awards, Taiwan continues to maintain a leading position in advanced semiconductor processes, IC design, and packaging and testing, supported by a complete and competitive semiconductor supply chain. Benefiting from growing demand for AI servers, high-performance computing, and cloud infrastructure, order intake across the related supply chain remains strong, driving both exports and investment.Leveraging the Company’s accumulated experience in high-tech plant MEP (mechanical, electrical, and plumbing), HVAC, and cleanroom projects, as well as the successful completion of the Formosa Shenggao 12-inch wafer fab project, the Company has successfully expanded its business in the high-tech sector. In 2025, the Company secured contracts for the Taiguang Electronics Taoyuan Dayuan Plant (MEP works), MediaTek Mude New Office Building (MEP works), and the German Southern Factory Semiconductor Specialty Chemicals EPC project—all landmark clients in the industry. The short construction periods of these projects also accelerate revenue growth.In addition, the Company’s diversified industrial strategy has yielded results. This year, the Company successfully obtained contracts for MEP works at Yuanrong General Hospital, smart low-voltage systems for Zhonggong Universe Industrial Park, and the civil and MEP EPC project for Hotai Toyota’s new office building. These projects mark the Company’s successful entry into smart healthcare and intelligent industries, with the Hotai Toyota project also demonstrating the synergy gained from the Company’s promotion to a top-tier (Class A) construction contractor.Moving forward, the Company will continue to build a track record in petrochemical/chemical, high-tech, public works, and intelligent industries. Through a strategy of diversified industries and multi-technical expertise, combined with vertical integration, horizontal coordination, and talent development, the Company aims to advance into large-scale construction, MEP, and intelligent EPC projects, establishing a strong competitive edge.

The 2025 business results and 2026 business plan are hereby reported as follows:

I. Business Report of 2025:

(I) Implementation results of the **2025** business plan:

The Company's operating revenue in 2025 was NT$4,187,688 thousand, an increase of NT$56,019 thousand compared to 2024. The net profit after tax was NT$368,945 thousand, compared with the net profit after tax in 2024 of NT$344,217 thousand. It is an increase of earnings by NT$24,728 thousand, with an increase of 7.18%, resulting in an EPS of NT$4.78.

(II) Comparison of **2025** and **2024**:

Unit: In Thousands of New Taiwan Dollars

Items	2025 Actual Numbers	2024 Actual Numbers	Increase/decrease rate (%)
Operating revenue	4,187,688	4,131,669	1.36%
Gross profit	613,789	527,885	16.27%
Operating expenses	138,233	125,870	9.82%
Operating profit (loss)	475,556	402,015	18.29%
Non-operating income and expense	(36)	27,859	-100.13%
Net profit (loss) before tax	475,520	429,874	10.62%
Income tax expenses	106,575	85,657	24.42%
Net profit (or loss) for the period.	368,945	344,217	7.18%

Note: Figures in this table are based on the 2025 consolidated financial statements audited and verified by CPAs.

(III) Analysis of revenues, expenses and profitability for **2025** and **2024**:

Unit: In Thousands of New Taiwan Dollars

Analysis items			2025	2024
Revenues and expenses	Operating revenue		4,187,688	4,131,669
	Gross profit		613,789	527,885
	Net profit (or loss) for the period.		368,945	344,217
Profitability	Return on assets (%)		7.70	8.23
	Return on shareholders' equity (%)		19.72	20.02
	As a percentage of paid-in capital (%)	Operating profit	60.90	51.48
		Net profit before tax	60.89	55.05
	Net profit margin (%)		8.81	8.33
	Earnings per share (NT$) (Note)		4.78	4.41

Note: Figures in this table are based on the 2024 consolidated financial statements audited and verified by CPAs.

II. The business plan for 2026:

The Company is one of the few contractors in Taiwan that can undertake EPC turnkey projects for medium-to-large-scale industrial process plants and public works. Its industries cover petrochemical/chemical, high-tech, public works, energy and environmental protection, and biotech and pharmaceutical fields, with professional background spanning over production process, civil engineering, construction, machinery, chemical engineering, instrument control, water, electricity, fire protection, air conditioning, clean rooms, and light-current. We have accumulated years of practical experience in project management in the professional technology of system integration from planning and design, procurement services, construction supervision, system integration, commissioning to operation and maintenance.

(I) Core business areas

(1) Petrochemical/chemical industry

In recent years, the petrochemical industry has faced transformation pressures and fluctuations in the global economy, making large-scale expansion unlikely in the future. However, driven by the development of emerging technologies, domestic and international demand for AI-related industries and advanced semiconductor processes continues to grow, with strong demand for specialty chemicals. As a result, petrochemical and chemical companies are increasingly shifting toward high-value specialty chemicals, electronic-grade chemicals, gas supply, and recycling and reuse.The Company has over 40 years of experience in the petrochemical and chemical engineering sector, continuously enhancing process optimization techniques and various professional design capabilities. In recent years, it has successfully entered the semiconductor specialty chemical supply chain.Additionally, in response to the Formosa Plastics HDPE plant project in the United States, the Company established its U.S. subsidiary in Texas. It will continue to monitor the progress of TSMC supply chain clients setting up operations in Texas, as well as related expansion projects of the Formosa Plastics Group's Texas plants, and strategically position itself accordingly.

(2) High-tech industries

The high-tech industry is entering a new growth cycle, driven by the rapid expansion of AI applications across the global technology supply chain. AI has become a key driver of growth in the semiconductor, memory, packaging, and PCB sectors, promoting supply chain upgrades and increased capital expenditures, while pushing foundries and IC design toward high-performance and low-power technologies.Demand for advanced packaging integration has risen sharply, becoming one of the core technologies for enhancing AI chip performance. In the memory sector, demand for high-bandwidth memory (HBM), DDR5, and high-speed storage solutions remains strong, with prices and shipment volumes growing in tandem.In the PCB sector, rising demand from AI servers, high-performance computing, and automotive electronics is driving product structures toward higher-end, high-value-added solutions. The high-tech industry's growth momentum remains well-supported for the long term.Moreover, the expansion of AI applications is also expected to generate additional business opportunities for data center construction projects.

(3) Public works

In recent years, the government has continued to expand public infrastructure investments to promote economic development and strengthen overall infrastructure. In 2026, major government public construction projects, including allocations from the central government budget and special budgets under the Forward-Looking Infrastructure Development Program, totaled over NT$300 billion, maintaining historically high levels and demonstrating the government's continued use of public construction as a key driver of economic growth.The Company has long been engaged in projects such as the Taipei Mass Rapid Transit system and Taipower's ultra-high-voltage underground cable tunnels. In recent years, it has also accumulated experience in public building projects, including the Taichung ShuiNan International Convention and Exhibition Center and the Taichung Arena. The Company has consecutively received awards from the Ministry of Economic Affairs, including the Public Construction Quality Award, Gold Award, and Gold Safety Award, establishing an excellent reputation. Moving forward, the Company will continue to leverage its strengths to carefully select suitable bids and pursue them with full effort.

(4) Clean energy and environmental protection related industries

In response to the government's energy transition policies and the global trends toward net-zero emissions and ESG, leading companies across industries are placing greater emphasis on investments in clean energy and low-carbon engineering sectors. Process-related industries such as liquefied natural gas (LNG) storage and transportation facilities, hydrogen power generation, carbon capture, utilization and storage (CCUS), and renewable energy are expected to drive future plant construction demand.Additionally, projects aligned with emission reduction and circular economy principles—such as waste-to-resource conversion, reclaimed water and waste solvent recycling, air pollution control facilities, and zero-waste centers—will continue to develop.The Company will continue to monitor global energy transition opportunities, collaborate with domestic and international technology partners, and leverage its EPC project integration capabilities to actively pursue renewable energy and environmental protection projects.

(5) Biotechnology, Medical, and Pharmaceutical Industries

With the acceleration of global population aging, Taiwan entered a super-aged society in 2025. Medical and care demands continued to rise in 2026, driven by developments in biotechnology, precision medicine, and digital health applications, which in turn supported the growth of the biotech, medical, and pharmaceutical industries.Taiwan's biotech industry spans applied biotechnology, pharmaceuticals, and medical devices. In the post-pandemic era, rising health awareness and supply chain restructuring have steadily expanded market demand. With the integration of artificial intelligence in medical diagnostics, drug development, and health management, smart healthcare has become a key development focus, increasing demand for system integration.Meanwhile, the pharmaceutical industry is moving toward a contract development and manufacturing organization (CDMO) model, raising requirements for high-specification facilities and clean environments. The Ministry of Health and Welfare continues to promote hospital renovation, replacement, and expansion projects, and, through the "Next-Generation Digital Healthcare Development Platform," is integrating medical data to facilitate digital transformation. Overall, the industry outlook remains robust.

(II) Value-added innovative services

Driven by global trends in energy saving, carbon reduction, and environmental sustainability, the smart factory, smart building, and smart healthcare industries are developing rapidly, gradually advancing toward the goal of smart cities. The Company has integrated various smart system providers to develop energy management systems and actively promotes full-plant digitalization and intelligent design, aiming to build modern smart factories.Through energy information visualization, combined with big data and artificial intelligence technologies, the Company helps clients improve energy efficiency, detect abnormal losses in real time, and establish energy-saving optimization strategies. Moving forward, the Company will continue to leverage advanced technologies to drive net-zero carbon transformation, expand opportunities in green engineering, and provide EPC plus value-added services to enhance client production efficiency, reduce construction costs, and create overall operational value, thereby strengthening industry competitiveness and achieving ESG sustainability goals.

III. Influence of External Competition, Legal and Regulatory Environment, and Macroeconomic Situation

(I) External Competitive Environment, Regulatory Environment, and Overall Business Environment

As competition in the engineering market intensifies, material and labor costs rise, and labor shortages become increasingly severe, the Company has strengthened supply chain integration and deepened collaboration with partner firms. Additionally, it leverages investments and acquisitions to enhance operational momentum, while continuously cultivating professional talent and strengthening project management capabilities to meet future development needs. By providing process optimization and smart manufacturing line planning, the Company helps clients reduce operational risks and costs, thereby increasing its own value-added services and project profitability.

In terms of regulatory compliance, the Company adheres to all relevant laws, has completed ISO 14064 greenhouse gas inventory and corporate sustainability report verification, and has implemented ISO 14001 Environmental Management and ISO 45001 Occupational Health and Safety Management Systems to ensure operations meet environmental, safety, and health standards.

Regarding the overall business environment, the development of AI applications continues to drive expansion in the semiconductor industry and its supply chain, promoting industrial upgrades. The government is also actively supporting the development of public infrastructure, biotech and healthcare, energy, and environmental protection industries, creating a cautiously optimistic outlook. Leveraging its long-term focus on core industries and strengthened integration capabilities, the Company maintains stable operations and is well-positioned to respond to future market changes.

(II) Future Development Strategy

Looking at the global economy, although it remains unstable due to factors such as global inflation, the United States' new round of tariffs, and geopolitical risks, Taiwan's economy continues to show solid growth momentum driven by global technology trends and maintains a key role in global industrial restructuring.

The Company has long focused on a strategy of diversification across industries and technical expertise, adopting vertical division of labor, horizontal integration, and multi-faceted talent development to build diversified, cross-industry integration capabilities. Moving forward, the Company will continue to expand its business in the high-tech sector and consolidate its position in specialty chemicals, while deepening engagement in public infrastructure, biotech and healthcare, and energy and environmental protection industries. It will provide clients with green and sustainable engineering services, as well as solutions for smart factories, smart buildings, and smart healthcare.

In line with ESG trends, the Company will also strengthen talent development, optimize employee experience, foster a diverse and inclusive workplace, and support vulnerable groups, creating shared value for society and integrating corporate social responsibility and sustainability into its business strategy. The entire team will continue striving to achieve stronger performance, rewarding the support of shareholders and the public, while solidifying the Company's competitive edge.

Best of luck to you all

KING POLYTECHNIC ENGINEERING CO., LTD.

Chairman, Hong Chien-Fong

Manager, Chang Ming-Chan

Accounting Supervisor, Hsu Chin-Pi

Two. Corporate Governance Report

II. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and heads of various departments and branches

(I). 1. Information on directors

April 22, 2024

Job title (Note I)	Nationality or place of registration	Name	Gender and Age (Note II)	Date elected	Term of office	Date of initial election (Note III)	Shares Held at the Time of Election		Current holdings		Spouse, minor children Current holdings		Shareholding by nominee arrangement		Main experience/education (Note IV)	Positions held concurrently in the Company and other companies	Spouse or relatives within the second degree of kinship who are other managerial officers, directors of the Company			Remarks (Note V)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Job title	Name	Relations	
Chairman	Taiwan (R.O.C.)	Hong Chien-Fong	Male 41-50	2025.6.16	3 years	2013.6.24	688,195	0.88%	688,195	0.88%	0	0	0	0	B.S. Computer Science and Engineering, Yuan Ze University MBA, Claremont Graduate University	Chairman and Vice President of King Polytechnic Engineering Co., Ltd. Corporate Director and Chairman, and President, Reliant Real Estate Development Co., Ltd. Director, Taiwan Benefit Company Corporate director of Taiwan Benefit (Suzhou) Co., Ltd. Corporate director, Taiwan Benefit Autotech (Suzhou) Co., Ltd.	Director Director	Hong Jenn-Pan Lai Chee-Lee	Father and son Uncle and nephew	
Director	Taiwan (R.O.C.)	Hong Jenn-Pan	Male 71-80	2025.6.16	3 years	1998.8.5	2,947,077	3.77%	2,947,077	3.77%	879,5702	1.13%	0	0	Master of Chemical Engineering, National Taiwan University Chairman of King Polytechnic Engineering Co., Ltd. Chairman, Taiwan Benefit Company Supervisor, ITEQ Corporation Supervisor, BIOTEQUE Corporation	Director and Group President, King Polytechnic Engineering Co., Ltd. Chairman, Taiwan Benefit Company Corporate Director and Chairman, Taiwan Benefit Autotech (Suzhou) Co., Ltd. Chairman, KPEC International Investment & Development Corp. Corporate Director, Taiwan Benefit Technology(SAMOA)Corp Corporate Director, PT. Taiwan Benefit Indonesia Corporate Director, Reliant Real Estate Development Co., Ltd. Corporate Director, King Polytechnic (Texas) Corporation	Director Chairman	Lai Chee-Lee Hong Chien-Fong	Brother-in-law Father and son	
Corporate director	Taiwan (R.O.C.)	Chuan Lun Investment Co., Ltd.		2025.6.16	3 years	1998.8.5	2,517,203	3.22%	2,517,203	3.22%	0	0	0	0	None	Corporate Director of Ve Wong Corporation Corporate Director of Evergreen Leasing Corporation Corporate Director of Taichi Enterprise Co., Ltd. Corporate Director of Joy Medical Devices Corporation Corporate Director of King Polytechnic Engineering Co., Ltd. Corporate Director of Taiwan Benefit Company	None	None	None	
	Taiwan (R.O.C.)	Representative: Lai Chee-Lee	Male 71-80	2025.6.16	3 years	1998.8.5	0	0.00%	0	0	765,343	0.98%	0	0	Master of University of Minnesota Chairman of Taiwan Kawasaki Shipping Group	Chairman and President of Chuan Lun Holding Co. Ltd. Director, Evergreen Leasing Corporation Chairman of Taiwan Kawasaki Co., Ltd. Chairman of Taichi Enterprise Co., Ltd. Chairman, Joy Medical Devices Corporation Director, Ve Wong Corporation	None	None	None	
Corporate director	Taiwan (R.O.C.)	Neptune Investment Co., Ltd.		2025.6.16	3 years	2022.6.24	1,545,429	1.98%	1,545,429	1.98%	0	0	0	0	None	None	None	None	None	
	Taiwan (R.O.C.)	Representative: Chang Shu-Hua	Male 51-60	2025.6.16	3 years	2022.6.24	0	0.00%	0	0	0	0	0	0	Department of Mechanical Engineering, Xinpu Institute of Technology Director, Sunny Bank Ltd.	Director, Sunny Bank Ltd. Chairman of Jin Chen Investment Co., Ltd. Chairman of Kuang Chi Culture Co., Ltd. Chairman of HAI WONG PRINTING CO., LTD. Responsible person of Li Kun Investment Co., Ltd.	None	None	None	

Job title (Note I)	Nationality or place of registration	Name	Gender and Age (Note II)	Date elected	Term of office	Date of initial election (Note III)	Shares Held at the Time of Election		Current holdings		Spouse, minor children Current holdings		Shareholding by nominee arrangement		Main experience/education (Note IV)	Positions held concurrently in the Company and other companies	Spouse or relatives within the second degree of kinship who are other managerial officers, directors of the Company			Remarks (Note V)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Job title	Name	Relations	
Director	Taiwan (R.O.C.)	Chang Ming-Chan	Male 61-70	2025.6.16	3 years	2016.6.27	106,909	0.14%	106,909	0.14%	0	0	0	0	Department of Resource Engineering, United Engineering Institute MBA, Chaoyang University of Chaoyang University of Technology Assistant Vice President of Kang Chuan Engineering Co. , Ltd.	Vice Chairman and President of King Polytechnic Engineering Co., Ltd. Corporate Director of Reliant Real Estate Development Co., Ltd. Corporate Director and Responsible Person of King Polytechnic (Texas) Corporation	None	None	None	
Director	Taiwan (R.O.C.)	Liang Mao-Sheng	Male 71-80	2025.6.16	3 years	2022.6.24	0	0.00%	0	0.00%	0	0	0	0	Bachelor, Department of Chemical Engineering, National Taiwan University Vice Chairman of Taiwan Printed Circuit Association (TPCA) Vice Chairman, Taiwan Electronic Equipment Industry Association (TEEIA) Vice Chairman, Taiwan Display Union Association (TDUA) Supervisor of Association for Taiwan-Japan Cooperation on Industrial Technology (TJCIT)	Chairman and CEO of C SUN MFG LTD.	None	None	None	
Independent Director	Taiwan (R.O.C.)	Liang Jung-Hui	Male 61-70	2025.6.16	3 years	2022.6.24	0	0.00%	0	0.00%	0	0	0	0	PhD., School of Management, National Taiwan University of Science and Technology General Manager and Chairman of Taoyuan Aerotropolis Co., Ltd President of Kainan University President of Chungyu Institute of Science and Technology Director and Research Fellow of Taiwan Research Institute Deputy Director and Research fellow of Taiwan Institute of Economics Research Dean of Business School of Chien Hsin University of Science and Technology Director of First Financial Holding Co. Ltd. Independent Director of Taiyen Biotech Co., Ltd. Director of Jin ding Securities Co., Ltd. Director of Taiwan Sugar Corporation	Supervisor, Jinwen University of Science and Technology Independent Director, Formosa Optical Technology Co.,Ltd.	None	None	None	
Independent Director	Taiwan (R.O.C.)	Lin Chiung-Ying	Male 51-60	2025.6.16	3 years	2022.6.24	0	0.00%	0	0.00%	0	0	0	0	MBA,University of Iowa Chairman of PwC Human Resource Management Consulting Co., Ltd. Executive Director of PwC Business Management Consulting Co., Ltd. Adjunct Associate Professor, Department of Accounting, College of Management, THU	None	None	None	None	
Independent Director	Taiwan (R.O.C.)	Wang Hsing-Min	Female 41-50	2025.6.16	3 years	2022.6.24	0	0.00%	0	0.00%	0	0	0	0	MBA, Claremont Graduate University	Executive Director of the Lixian Education Foundation	None	None	None	

Note 1: For the corporate shareholders, the name and the representatives of the corporate shareholders shall be listed separately (the name of the corporate shareholder shall be indicated for the representative of the corporate shareholder), and the following table 1 shall be completed.

Note 2: Please state the actual age. It may be expressed in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the time when first serving as a director of the company. If there is any interruption, please explain in a note.

Note 4: For the experience related to the current position, such as working in an auditing accounting firm or a related enterprise during the aforementioned period, the job title and responsibilities shall be specified.

Note 5: If the Chairman and the President or someone with an equivalent position (the highest-ranking manager) are the same person, spouse, or relative of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures must be explained (e.g. adding the number of independent directors) and more than half of the directors are not employees or managers concurrently).

2. Major shareholders of corporate shareholders

April 25, 2026

Name of institutional shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Chuan Lun Investment Co., Ltd.	Lai Chee-Lee (30%), Chen Bi-Chuan (22.25%), Lai Chieh-Lun (24%), Lai Hsiao-Lun (17.52%), Chiang Pei-Yu (5.74%), Lai Hsin-Chien (0.49%)
Neptune Investment Co., Ltd.	Chang Wan-Ling (20%), Chang Kun-Shan (9%), Chang Chen Hsiu-Mei (11%), Chang Shu-Ming (20%), Chang Wan-Ching (20%), Chang Shu-Hua (20%)

Note 1: If a director is a representative of a corporate shareholder, the name of the corporate shareholder shall be filled in.

Note 2: Fill in the names of the major shareholders of the juristic person (whose shareholding ratio falls in the top ten) and their shareholding ratios. If its major shareholder is a juristic person, please complete the following table.

Note 3: If the institutional shareholder is not a company organizer, the aforementioned name of the shareholder and shareholding ratio that shall be disclosed is the name of the investor or donor and the capital contribution or donation ratio. Not applicable.

3. Major shareholders of corporate shareholder: Not applicable.

4.Disclosure of the information on directors' professional qualifications and independence.

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual serves as an independent director concurrently
Hong Chien-Fong	MBA of Claremont College of Management, USA. Currently, he is Chairman and Vice President of Operations of KING POLYTECHNIC ENGINEERING CO., LTD. Director, TAIWAN BENEFIT COMPANY, Corporate Director of HONG SIANG CONSTRUCTION CO., LTD., Corporate Director and Chairman and President of RELIANT REAL ESTATE DEVELOPMENT CO., LTD., Corporate Director of Taiwan Benefit (Suzhou) Co., Ltd., Corporate Director of Taiwan Benefit Autotech (Suzhou) Co., Ltd., Corporate Director of LNT TECHNOLOGY CO., LTD.. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations.	Not applicable for non-independent directors.	None
Representative of Chuan Lun Investment: Lai Chee-Lee	Master's degree from the University of Minnesota, USA. Currently, he is the Chairman and President of Chuan Lun Holding Co. Ltd.; Director, Evergreen Leasing Corporation; Chairman of Taiwan Kawasaki Co., Ltd.; Chairman of Taiwan Chih Enterprise Co., Ltd.; Chairman of Joy Medical Devices Corporation, Director of Ve Wong Corporation and a Chairman of Chieh Tai Biomedical Co., Ltd.. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations.	Not applicable for non-independent directors.	None
Representative of Neptune Investment: Chang Shu-Hua	Department of Mechanical Engineering, Xinpu Institute of Technology, and currently, Director of SUNNY BANK, Responsible Person of Jinchen Investment Co., Ltd. and Responsible Person of Wisest Cultural Co., Ltd. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations.	Not applicable for non-independent directors.	None
Hong Jenn-Pan	Master of Chemical Engineering, National Taiwan University, currently Director and Group President of King Polytechnic Engineering Co., Ltd., Chairman, Taiwan Benefit Company, Corporate Director and Chairman, Taiwan Benefit (Suzhou) Co., Ltd., Corporate director, Taiwan Benefit Autotech (Suzhou) Co., Ltd., Corporate Director, Hong Siang Construction Development Co., Ltd., Corporate Director, Taiwan Benefit Technology (SAMOA) Corp., Supervisor, BIOTEQUE Corporation, Corporate Director of RELIANT REAL ESTATE DEVELOPMENT CO., LTD., Corporate Director, King Polytechnic (Texas) Corporation. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations.	Not applicable for non-independent directors.	None
Chang Ming-Chan	Master of Business Administration, Chaoyang University of Technology, previously served as the Assistant Vice President of KANG CHUAN ENGINEERING CO. , LTD., and is now the Vice Chairman and President of KING POLYTECHNIC ENGINEERING CO., LTD., Corporate Director and Chairman and President of Hong Siang Construction Development Co., Ltd., Corporate Director of RELIANT REAL ESTATE DEVELOPMENT CO., LTD., Corporate Director and Responsible Person of King Polytechnic (Texas) Corporation. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations.	Not applicable for non-independent directors.	None
Liang Mao-Sheng	Bachelor, Department of Chemical Engineering, National Taiwan University, formerly Vice Chairman of Taiwan Printed Circuit Association (TPCA), Vice Chairman of Taiwan Electronic Equipment Industry Association (TEEIA), Vice Chairman, Taiwan Display Union Association (TDUA), Supervisor of Association for Taiwan-Japan Cooperation on Industrial Technology (TJCIT). Currently, Chairman and CEO of C SUN MFG. LTD. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations.	Not applicable for non-independent directors.	None

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual serves as an independent director concurrently
Liang Jung-Hui	PhD in Management, National Taiwan University of Science and Technology (NTUST). Formerly, Chairman and President of Taoyuan Aerotropolis Co., Ltd., President of Kainan University, President of Chungyu Institute of Science and Technology, Director of the Division III of Taiwan Comprehensive Research Institute, Deputy Director of Taiwan Institute of Economic Research, Dean of the School of Business of Ching Yun University, Director of the First Financial Holding, Independent Director of Taiyen Biotech Co.,Ltd., Director of TAIWAN INTERNATIONAL SECURITIES CO.,LTD., and Director of Taiwan Sugar Corporation. Currently, Supervisor of Jinwen University of Science and Technology, Adjunct Professor of Department of Finance and Economics, Chinese Culture University, and Independent Director of FORMOSA OPTICAL TECHNOLOGY CO.,LTD. Possesses work experience in commerce, legal affairs, finance, business management and other aspects required for the Company's operations, and is not under any of the circumstances specified in Article 30 of the Company Act.	The three directors listed above all meet the independence qualifications required for independent directors. They fully satisfy the following independence criteria: 1. The director/supervisor, his/her spouse, or relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any of the Company's affiliated companies. 2. His/her spouse, and relatives within the second degree of kinship neither own any shares of the Company under their own names nor in the names of others. 3. The director/supervisor is not a director, supervisor, or employee of a company specifically related to the Company. 4. The director does not have any business, legal, financial or accounting service provided to the Company or any of its affiliated companies in the last 2 years for any reward.	1
Lin Chiung-Ying	Master of Business Administration (MBA), University of Iowa, USA. Previously served as Chairman of PwC Human Resources Management Consulting Co., Ltd., Executive Director of PwC Business Consulting Co., Ltd., and Adjunct Associate Professor in the Department of Accounting at Tunghai University. Possesses professional expertise and working experience in commerce, law, finance, and business management required for the company's operations.		None
Wang Hsing-Min	Master of Business Administration (MBA), Claremont Graduate University, USA. Currently serves as Chief Executive Officer of the Integrity and Wisdom Education Foundation. Possesses professional expertise and working experience in commerce and business management required for the company's operations.		None

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors. If he/she is a member of the Audit Committee with accounting or financial expertise, please specify the accounting or financial background and work experience. State whether he/she is under any of the circumstances specified in Article 30 of the Company Act.

Note 2: Specify if the independent director meets the criteria for independence, including but not limited to whether the individual and spouse or relatives within the second degree of kinship thereof are serving as directors, supervisors, or employees of the Company or its affiliates; the number of the Company's shares held by the individual or spouse or relatives within the second degree of kinship thereof (or by nominee arrangement) and percentage; whether the individual is serving as a director, supervisor, or employee of a company with specific relations with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5~8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last two years.

4.1 Diversity and independence of the Board of Directors:

(I) Diversity of the Board of Directors: The current Board of Directors consists of nine members. The Company advocates a board diversity policy to enhance corporate governance and promote the sound development of the composition and structure of the Board. Board members possess diverse and complementary capabilities across various industries, with each member bringing industry experience and relevant expertise, as well as business judgment, management, leadership, decision-making, and crisis management capabilities.The Company has established the “Procedures for the Election of Directors” and adopts a “Candidate Nomination System.” All director candidates are nominated and evaluated by the Nomination Committee, approved by the Board of Directors, and then submitted to the shareholders’ meeting for election.Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates the following skills that the Board of Directors shall have: 1. Business judgment, 2. Accounting and financial analysis, 3. Operational management, 4. Crisis handling, 5. Industry knowledge, 6. International market outlook, 7. Leadership, 8. Strategic decisions.

(II) Independence of the Board of Directors: There are 9 directors in the Board of Directors, among which, 3 are independent directors accounting for more than one-third of the board. The independent directors (including but not limited to themselves, their spouses, and relatives within two degree of kinship) have not held positions as the Company's directors, supervisors, or employees and do not hold shares of the Company, nor do they provide commercial, legal, financial, or accounting services to the Company or its affiliated companies. The Directors also meet the requirements of Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act. In addition, the Company has obtained a written statement from each independent director confirming their independence from the Company (including but not limited to themselves, spouses, and relatives within the second degree of kinship). The Company believes that the independence of directors must be judged on the basis of substantive circumstances, and will continue to evaluate the independence of directors, taking into account all relevant factors, including: Whether the relevant director can continue to raise constructive questions for the management and other directors, and express opinions independently of the management or other directors, and whether their words and deeds inside and outside the board of directors are appropriate. The behaviors of the Company's independent directors meet expectations under appropriate circumstances and exhibit the above characteristics. After considering all the circumstances described in this section, the Company believes that all independent directors are independent from the Company. The biographies of all Directors, including the relationship between the members, are shown on page 17.

(III) Specific Management Objectives:Directors receive reports from the management team during Board meetings, provide guidance and recommendations, maintain excellent communication with the management team, and work together to maximize shareholder value. The Company also emphasizes gender equality within the composition of the Board of Directors, which includes members of different genders. Currently, male directors account for 88.9% (8 seats) and female directors account for 11.1% (1 seat). This term of the Board of Directors convened a total of 6 meetings from June 16, 2025 to April 25, 2026, with an overall director attendance rate of 100%.

April 25, 2026

Position	Name	Age	Gender	Employee	Includes spouse or relatives within the second degree of consanguinity	Professional Knowledge, Skills, and Experience					
						Business	Chemical Industry / Electrical and Mechanical Industry	Industry Experience	Legal	Finance & Accounting	ESG
Chairman	Hong Chien-Fong	43	Male	V	V	V		V		V	V
Director	Hong Jenn-Pan	78	Male		V	V	V	V		V	V
Director	Lai Chee-Lee	78	Male		V	V		V		V	V
Director	Chang Shu-Hua	56	Male			V		V		V	V
Director	Chang Ming-Chan	68	Male	V		V	V	V		V	V
Director	Liang Mao-Sheng	78	Male			V	V	V		V	V
Independent Director	Liang Jung-Hui	70	Male			V		V	V	V	V
Independent Director	Lin Chiung-Ying	61	Male			V		V		V	V
Independent Director	Wang Hsing-Min	46	Female			V		V		V	V

5. Continuing education of directors

Title	Name	Date of continuing education	Organizer	Course title
Director	Hong Chien-Fong	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/05/05	Taiwan Corporate Governance Association	Trump 2.0, the Demise of Globalization, and Regional Warfare
Director	Hong Jenn-Pan	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/05/05	Taiwan Corporate Governance Association	Trump 2.0, the Demise of Globalization, and Regional Warfare
Representative of a Corporate Director	Lai Chee-Lee	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/05/05	Taiwan Corporate Governance Association	Trump 2.0, the Demise of Globalization, and Regional Warfare
Representative of a Corporate Director	Chang Shu-Hua	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/05/05	Taiwan Corporate Governance Association	Trump 2.0, the Demise of Globalization, and Regional Warfare
Director	Chang Ming-Chan	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/05/05	Taiwan Corporate Governance Association	Trump 2.0, the Demise of Globalization, and Regional Warfare
Director	Liang Mao-Sheng	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/05/05	Taiwan Corporate Governance Association	Trump 2.0, the Demise of Globalization, and Regional Warfare
Independent Director	Liang Jung-Hui	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/05/27	Taiwan Corporate Governance Association	Anti-Money Laundering and Countering the Financing of Terrorism: Insights from Illicit Cases
		2025/05/27	Taiwan Corporate Governance Association	Competitiveness vs. Viability: ESG Trends and Strategies
		2025/05/05	Taiwan Corporate Governance Association	Trump 2.0, the Demise of Globalization, and Regional Warfare
Independent Director	Lin, Chiung-Ying	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/07/29	Securities & Futures Institute (SFI)	Practical Training Course for Directors, Supervisors (including Independent Directors), and Corporate Governance Officers
Independent Director	Wang Hsing-Min	2025/12/08	Taiwan Corporate Governance Association	Current Global Economic Trends and the Implications of the New Trump Administration
		2025/07/29	Securities & Futures Institute (SFI)	Practical Training Course for Directors, Supervisors (including Independent Directors), and Corporate Governance Officers

(II) Information of the President, Vice Presidents, Assistant Vice Presidents, and heads of various departments and branches

April 25, 2026 Unit: Shares

Title	Nationality	Name	Gender	Date elected	Shareholding		Spouse, minor Shares held by children		Shares held in the names of others Shareholding		Major education and experience	Currently concurrently serving in other companies	Spouse or relatives within second degree of kinship who are other managers of the Company		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relations
Chairman and Vice President of Operations	Taiwan (R.O.C.)	Hong Chien-Fong	Male	2022.06	688,195	0.88%	0	0	0	0	B.S. Computer Science and Engineering, Yuan Ze University MBA, Claremont Graduate University	Corporate Director and Chairman, and President, Reliant Real Estate Development Co., Ltd. Director, Taiwan Benefit Company Corporate director, Taiwan Benefit Autotech (Suzhou) Co., Ltd. Corporate director, LNT TECHNOLOGY CO., LTD.	None	None	None
President	Taiwan (R.O.C.)	Chang Ming-Chan	Male	2016.06	106,909	0.14%	0	0	0	0	Department of Resource Engineering, United Engineering Institute MBA, Chaoyang University of Chaoyang University of Technology Assistant Vice President of Kang Chuan Engineering Co. , Ltd.	Corporate Director and Chairman and President of Hong Siang Construction Development Co., Ltd. Corporate Director of Reliant Real Estate Development Co., Ltd. Corporate Director and Responsible Person, King Polytechnic (Texas) Corporation	None	None	None
2nd Engineering & Business Group Vice President	Taiwan (R.O.C.)	Chun-Hsien Kao	Male	2001.07	0	0	0	0	0	0	Department of Agricultural Machinery, Pingtung College of Agricultural Science and Technology Pipeline design engineer, Fu-Tai Engineering Co., Ltd. Engineer of FORMOSA CHEMICALS & FIBRE CORPORATION	None	None	None	None
Head of 1st Engineering & Business Group and Assistant Vice President of Project Department	Taiwan (R.O.C.)	Cheng-Chuan Lu	Male	2016.01	0	0	0	0	0	0	Department of Chemical Engineering, Feng Chia University EMBA, National Taiwan Normal University Project Manager, Chihsin Technology Co., Ltd. Liquefied Gas Assistant Manager, Tung Ting Gas Corp. Engineering Engineer, CTCI CORPORATION	Supervisor, LNT TECHNOLOGY CO., LTD.	None	None	None
1st Engineering & Business Group Assistant Vice President of Project Dept.	Taiwan (R.O.C.)	Ping-Ching Huang	Male	2024.02	0	0	0	0	0	0	Department of Mechanical Engineering, National Taiwan University of Science and Technology Construction Supervision Manager / Construction Site Superintendent, Hongping Construction Co., Ltd. (Class A Constructor)	None	None	None	None
2nd Engineering & Business Group President's Office	Taiwan (R.O.C.)	Yung-Hsi Chen	Male	2014.04	0	0	1,348	0%	0	0	Department of Electrical Engineering, National Taipei University of Technology Deputy Factory Affairs Manager, CMC MAGNETICS CORPORATION	None	None	None	None
Associate General Manager, Construction Business Group	Taiwan (R.O.C.)	Cho Jui-Feng	Male	2025.04	0	0	0	0	0	0	Master of Science in Civil Engineering, Chung Hua University Vice President, Hong Shen Construction Co., Ltd.	None	None	None	None
Associate Vice President of Special Projects	Taiwan (R.O.C.)	Wen-Cheng Hu	Male	2026.01	0	0	0	0	0	0	Mechanical Engineering, National Chin-Yi Institute of Technology Deputy Section Chief of Tower and Tank Section, Kang Chuan Engineering Co., Ltd.	None	None	None	None
Assistant Vice President of Procurement Dept.	Taiwan (R.O.C.)	Hsien-Chao Chang	Male	2019.07	81,000	0.10%	0	0	0	0	Department of Shipbuilding, National Taiwan Ocean University Purchasing Manager, General Administration Division, Formosa Plastic Group Deputy Division Chief, CONTRACT RESOURCES (TAIWAN) CO., LTD.	None	None	None	None
Assistant Vice President of Sales Department	Taiwan (R.O.C.)	Chun-Hung Lee	Male	2023.04	0	0	0	0	0	0	Department of Industrial Management, Chung Hua University Department of Business Administration, East China University of Science and Technology, Shanghai Special Assistant to President of Micropac Precision Technology Co., Ltd.	None	None	None	None

Title	Nationality	Name	Gender	Date elected	Shareholding		Spouse, minor Shares held by children		Shares held in the names of others Shareholding		Major education and experience	Currently concurrently serving in other companies	Spouse or relatives within second degree of kinship who are other managers of the Company		
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relations
1st Business Group Associate General Manager, Engineering Design Department	Taiwan (R.O.C.)	Chi-Tseng Tseng	Male	2024.08	0	0	0	0	0	0	Department of Naval Architecture, National Taiwan Ocean University Associate General Manager, Engineering Technology Department, Kang Chuan Engineering Co., Ltd.	None	None	None	None
2nd Business Group Associate General Manager,	Taiwan (R.O.C.)	Lien-Tsai Kuo	Male	2024.08	0	0	5,250	0.01%	0	0	Department of Mechanical Engineering, Tungnan University General Manager, Ji Fa Electrical and Plumbing Engineering Co., Ltd.	None	None	None	None
Senior Vice President of General Administration Division and Chief Financial Officer and Head of Accounting	Taiwan (R.O.C.)	Chin-Pi Hsu	Female	2001.07	39,959	0.05%	0	0	0	0	MBA, University of Wisconsin Vice President of Finance and Accounting, TAIWAN BENEFIT COMPANY Finance and Accounting Manager, TAIWAN DEVELOPMENT CO., LTD.	Corporate Director, King Polytechnic (Texas) Corporation Senior Vice President of Finance and Accounting Dept., TAIWAN BENEFIT COMPANY Corporate director of Taiwan Benefit (Suzhou) Co., Ltd. Corporate director, Taiwan Benefit Autotech (Suzhou) Co., Ltd.	None	None	None
Associate Vice President of Finance and Accounting Department	Taiwan (R.O.C.)	Huang Kuo-Shu	Male	2026.02	0	0	0	0	0	0	Master of Science in Accounting, Chung Yuan Christian University CFO, Inpaq Technology Co., Ltd. CFO, Tatung Company of America, Inc.	None	None	None	None
Internal Audit Manager	Taiwan (R.O.C.)	Huang Cheng-Ming	Male	2025.08	0	0	0	0	0	0	Master of Business Administration (MBA), National Central University Certified Internal Auditor (CIA) Head of Internal Audit, Achem Technology Corporation	None	None	None	None

(III) Remuneration to Directors, President and Vice Presidents

(1) Remuneration to general directors and independent directors

Unit: New Taiwan Dollars

Job title	Name	Remuneration to directors								Sum of A, B, C, and D as a % of the net income after tax		Remuneration received for serving as an employee concurrently								Sum of A, B, C, D, E, F, and G and as a % of the net income after tax		Is there remuneration from investees other than subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Remuneration, bonus, and allowance (E)		Severance and pension (F)		Employee remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company (%)	All companies in the financial statements (%)	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company (%)	All companies in the financial statements (%)	
																Cash amount	Stock amount	Cash amount	Stock amount			
Director and Group President	Hong Jenn-Pan	-	-	10,197,915	10,197,915	7,041,337	7,041,337	106,000	106,000	17,345,252 4.7%	17,345,252 4.7%	18,557,664	19,060,648	108,000	108,000	9,511,476	-	9,511,476	-	45,522,392 12.34%	46,025,376 12.49%	None
Chairman and Vice President of Operations	Hong Chien-Fong																					
Director-cum-President	Chang Ming-Chan																					
Corporate director	Chuan Lun Investment Co., Ltd.																					
	Representative: Lai Chee-Lee																					
Corporate director	Neptune Investment Co., Ltd.																					
	Representative: Chang Shu-Hua																					
Director	Chang, Pang-Yen (5)																					
Director	Liang Mao-Sheng (5)	1,080,000	1,080,000	-	-	3,250,669	3,250,669	276,000	276,000	4,876,669 1.32%	4,876,669 1.32%	-	-	-	-	-	-	-	-	4,876,669 1.32%	4,876,669 1.32%	None
Independent Director	Hui-You Hsu (5)																					
Independent Director	Jung-Hui Liang																					
Independent Director	Lin Chiung-Ying (5)																					
Independent Director	Wang Hsing-Min (5)																					

1. Please specify the policy, system, standard and structure of the remuneration for independent directors, and describe the correlation between the remuneration and the amount of remuneration based on the responsibilities, risks, time invested and other factors: None.
2. Except as disclosed in the above table, the remuneration received by the Company's directors for providing services to all companies in the financial statements (such as serving as a consultant in a non-employee capacity) in the most recent year: None.
3. The Company's net profit after tax audited and attested by CPAs for 2025 was $368,945,28. On March 9, 2026, the Board of Directors approved cash profit-sharing remuneration to employees of $42,248,025 and profit-sharing remuneration to directors of $10,562,006. Once approved by the shareholders' meeting this year, the profit-sharing will be distributed in the second half of 2026.
4. The proposed distribution of profit-sharing remuneration to directors and employees for this year is calculated based on the actual distribution ratio of last year.
5. The Company held a full re-election of the Board of Directors on June 16, 2025. Following the re-election, Director Pang-Yen Chang and Independent Directors Hsu-Hui Yu and Mao-Sheng Liang stepped down from office; Director Mao-Sheng Liang and Independent Directors Chiung-Ying Lin and Hsin-Min Wang were newly elected to office.

Remuneration range table

Ranges of remuneration paid to each director of the Company	Name of director			
	Sum of A+B+C+D (Including director remuneration)		Sum of A+B+C+D+E+F+G (Including remuneration to directors and employees, salaries, and bonuses)	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Below NT$1,000,000	Lai Chee-Lee, Chang Shu-Hua, Chang, Pang-Yen, Hsu Hui-You, Lin Chiung-Ying, Wang Hsing-Min	Lai Chee-Lee, Chang Shu-Hua, Chang, Pang-Yen, Hsu Hui-You, Lin Chiung-Ying, Wang Hsing-Min	Lai Chee-Lee, Chang Shu-Hua, Chang, Pang-Yen, Hsu Hui-You, Lin Chiung-Ying, Wang Hsing-Min	Lai Chee-Lee, Chang Shu-Hua, Chang, Pang-Yen, Hsu Hui-You, Lin Chiung-Ying, Wang Hsing-Min
NT$1,000,000 (inclusive) - NT$2,000,000	Hong Chien-Fong, Chang Ming-Chan, Chuan Lun Investment , Liang Mao-Sheng, Neptune Investment, Liang Jung-Hui	Hong Chien-Fong, Chang Ming-Chan, Chuan Lun Investment , Liang Mao-Sheng, Neptune Investment, Liang Jung-Hui	Chuan Lun Investment , Liang Mao-Sheng, Neptune Investment, Liang Jung-Hui	Chuan Lun Investment , Liang Mao-Sheng, Neptune Investment, Liang Jung-Hui
NT$2,000,000 (inclusive) - NT$3,500,000	0	0	0	0
NT$3,500,000 (inclusive) - NT$5,000,000	0	0	0	0
NT$5,000,000 (inclusive) - NT$10,000,000	0	0	Hong Chien-Fong	Hong Chien-Fong
NT$10,000,000 (inclusive) - NT$15,000,000	Hong Jenn-Pan	Hong Jenn-Pan	0	0
NT$15,000,000 (inclusive) - NT$30,000,000	0	0	Hong Jenn-Pan, Chang Ming-Chan	Hong Jenn-Pan, Chang Ming-Chan
NT$30,000,000 (inclusive) - NT$50,000,000	0	0	0	0
NT$50,000,000 (inclusive) - NT$100,000,000	0	0	0	0
Over NT$100,000,000	0	0	0	0
Total	13	13	13	13

(2) Remuneration to independent directors

Unit: NTD

Title	Name	Remuneration to Independent Directors						Sum of A, B, and C and as a % of the net income after tax		Is there remuneration from investees other than subsidiaries or from the parent company
		Base remuneration (A)		Remuneration (B)		Business execution expenses (C)				
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company (%)	All companies included in the financial statements (%)	
Independent Director	Hui-You Hsu	1,080,000	1,080,000	4,107,448	4,107,448	276,000	276,000	1.48%	1.48%	None
Independent Director	Lin Chiung-Ying									
Independent Director	Wang Hsing-Min									
Independent Director	Jung-Hui Liang									
Independent Director	Mao-Sheng Liang									

Remuneration range table

Ranges of remuneration paid to each independent director of the Company	Name of Independent Director	
	Sum of A+B+C	
	The Company	All companies in the financial statements
Below NT$1,000,000	Hui-You Hsu, Lin Chiung-Ying, Wang Hsing-Min	Hui-You Hsu, Lin Chiung-Ying, Wang Hsing-Min
NT$1,000,000 (inclusive) - NT$2,000,000	Hsing-Hui Liang, Mao-Sheng Liang	Hsing-Hui Liang, Mao-Sheng Liang
NT$2,000,000 (inclusive) - NT$3,500,000	0	0
NT$3,500,000 (inclusive) - NT$5,000,000	0	0
NT$5,000,000 (inclusive) - NT$10,000,000	0	0
NT$10,000,000 (inclusive) - NT$15,000,000	0	0
NT$15,000,000 (inclusive) - NT$30,000,000	0	0
NT$30,000,000 (inclusive) - NT$50,000,000	0	0
NT$50,000,000 (inclusive) - NT$100,000,000	0	0
Over NT$100,000,000	0	0
Total	Total of 5 people	Total of 5 people

(3) Remuneration to the President, Vice Presidents, and Assistant Vice President

Unit: In Thousands of New Taiwan Dollars

Job title	Name	Salary (A)		Severance and pension (B)		Bonuses, special allowances (C)		Employee remuneration (D)				Sum of A, B, C, and D and as a % of the net income after tax		Is there remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company (%)	All companies included in the financial statements (%)	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chairman and Operational Vice President	Hong Chien-Fong	23,795	23,795	-	-	18,350	18,792	12,965	-	12,965	-	55,110 14.94%	55,551 15.06%	None
President	Chang Ming-Chan													Yes
Senior Vice President and Head of Accounting, Management Office	Chin-Pi Hsu													None
2nd Engineering & Business Group Vice President	Chun-Hsien Kao													None
1st Engineering & Business Group President's Office	Cheng-Chuan Lu													None
1st Engineering & Business Group President's Office	Ping-Ching Huang													None
2nd Engineering & Business Group President's Office	Yung-Hsi Chen													None
3nd Engineering & Business Group President's Office	Cho Jui-Feng													None
Assistant Vice President of Procurement Dept.	Hsien-Chao Chang													None
Assistant Vice President of Sales Department	Chun-Hung Lee													None
1nd Engineering & Business Group President's Office	Chi-Tseng Tseng													None
2nd Business Group Associate General Manager	Lien-Tsai Kuo													None
Internal Audit	Huang Cheng-Ming													None
Internal Audit	Zhu Zhe-Min													None

Note 1: The proposed cash profit-sharing remuneration to employees approved by the Board of Directors prior to the shareholders' meeting of the Company's 2024 appropriation of earnings amounted to $38,130,659.
Note 2: The amount of employee profit-sharing remuneration expressed above is calculated based on the actual distribution ratio of the previous year to come up with the proposed distribution for 2024.
Note 3: The net profit after tax of the Company's parent company only financial statements audited and attested by CPAs for 2024 was $344,216,900.
Note 4: Zhu Zhe-Min dismissed on March 31, 2025.

Remuneration range table

Range of remuneration paid to the Company's President, Vice Presidents, and Assistant Vice Presidents	Name of President/Vice President	
	The Company	All companies included in the consolidated financial statements
Below NT$1,000,000	Zhu Zhe-Min	Zhu Zhe-Min
NT$1,000,000 (inclusive) - NT$2,000,000	Cho Jui-Feng, Huang Cheng-Ming	Cho Jui-Feng, Huang Cheng-Ming
NT$2,000,000 (inclusive) - NT$2,500,000	Hsien-Chao Chang,	Hsien-Chao Chang,
NT$2,500,000 (inclusive) - NT$3,500,000	Chun-Hsien Kao, Chun-Hung Lee, Chi-Tseng Tseng, Lien-Tsai Kuo	Chun-Hsien Kao, Chun-Hung Lee, Chi-Tseng Tseng, Lien-Tsai Kuo
NT$3,500,000 (inclusive) - NT$5,000,000	Chin-Pi Hsu, Cheng-Chuan Lu, Ping-Ching Huang, Yung-Hsi Chen	Chin-Pi Hsu, Cheng-Chuan Lu, Ping-Ching Huang, Yung-Hsi Chen
NT$5,000,000 (inclusive) - NT$10,000,000	Hong Chien-Fong	Hong Chien-Fong
NT$10,000,000 (inclusive) - NT$15,000,000	-	-
NT$15,000,000 (inclusive) - NT$30,000,000	Chang Ming-Chan	Chang Ming-Chan
NT$30,000,000 (inclusive) - NT$50,000,000	-	-
NT$50,000,000 (inclusive) - NT$100,000,000	-	-
Over NT$100,000,000	-	-
Total	14	14

(4) Names of the managers who receive employee remuneration and the distribution status

Unit: In Thousands of New Taiwan Dollars

Job title		Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Managers	Chairman and Operational Vice President	Hong Chien-Fong	0	12,965	12,965	3.51%
	President	Chang Ming-Chan				
	Vice President	Chun-Hsien Kao				
	Vice President and Head of Accounting	Chin-Pi Hsu				
	Assistant Vice President, Project Business Group 1	Cheng-Chuan Lu				
	Assistant Vice President, Project Business Group 1	Ping-Ching Huang				
	Assistant Vice President, Project Business Group 2	Yung-Hsi Chen				
	Assistant Vice President, Project Business Group 3	Cho Jui-Feng				
	Assistant Vice President of Procurement Dept.	Hsien-Chao Chang				
	Assistant Vice President of Sales Department	Chun-Hung Lee				
	Assistant Vice President, Project Business Group 2	Chi-Tseng Tseng				
	Assistant Vice President, Project Business Group 2	Lien-Tsai Kuo				
	Internal Audit Mamager	Huang Cheng-Ming				
	Internal Audit Mamager	Zhu Zhe-Min				

Note 1: The net profit after tax of the Company's standalone financial statements audited and attested by CPAs for 2024 was $344,216,900.

Note 2: The Company's proposal for the distribution of surplus or make-up for the loss in 2024 has been approved by the board of directors before the shareholders' meeting to distribute cash profit-sharing remuneration of NT$38,968,139 to the employees. After the resolution of the shareholders' meeting this year, it will be assessed and distributed according to the individual contributions of all employees.

Note 3: The amount of employee remuneration expressed above is calculated based on the actual distribution ratio of the previous year to come up with the proposed distribution for this year.

(I) An analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax in the standalone financial report for the most recent two years, and the remuneration policy, standard, and package, the procedure for determining the remuneration, and the correlation between business performance and future risks.

Year	Total amount of remuneration paid (in thousand dollars)		As a percentage of net income after tax	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
2024	47,404	48,074	13.77%	13.97%
2025	55,110	55,551	14.94%	15.06%

The remunerations to the Company's directors, independent directors, President, and Vice Presidents are all paid by the Company. The net income after tax for 2024 and 2024 were NT$344,216 thousand and NT$368,945 thousand, respectively. The percentage of remuneration paid to the directors and senior management account for 13.97% and 15.06%, respectively, of the net income after tax. The remuneration to them are mostly for the travel fees for meetings and the earnings distribution each year in addition to receiving allowance. Their remuneration is allocated based on Article 26 of the Company's Articles of Incorporation. The Article states that when there are earnings from the settlement at the end of the fiscal year, it shall be allocated for provisions of reserves according to the relevant regulations, and the distributable earnings shall be allocated by the Board of Directors at 2% for the remuneration of directors and 8% for the employees' in accordance to the Articles of Incorporation. For 2025, the after-tax earnings as concluded by year-end accounting close amounted to $368,945,028, The Earnings Distribution Statement was approved at the 5th meeting of the 16th Board of Directors and is pending approval by the shareholders' meeting, and the amount of cash profit-sharing remuneration to employees as required is $42,248,025, and profit-sharing remuneration to directors is $10,562,006. The remuneration to the President, Vice Presidents, and AVPs includes salaries, year-end bonus, construction bonus, and employee remuneration, and is determined based on his/her position and level of responsibilities with reference to industry level, and it is to be submitted to the Remuneration Committee and the Board of Directors for review.

Employee remuneration, including salaries, bonuses, and employee remuneration, is determined by the Board of Directors based on the salary level of the position in the industry, the scope of power and responsibility of the position in the company, and the employee's contribution to the company's operating goals. The procedures for determining remuneration are in accordance with the Articles of Incorporation and the authority to approve, the payment of remuneration also takes into account the business risks faced by the Company in the future and the positive correlation between them and business performance, in order to achieve a balance between sustainable operation and risk control.

III. Implementation of corporate governance

(I) The operation of the Board of Directors: The 15th &16 th Term of the Board of Directors of the Company convened meetings for 7 times (A) in the most recent year (2025), the attendance or non-voting participation of directors in the Board of Directors and Audit Committee meetings are as follows:

Title	Name	Number of times for the actual attendance (or non-voting participation) B	Attendance by proxy	Actual attendance (or non-voting participation) rate (%) 【B/A】	Remarks
Director	Hong Jenn-Pan	7	0	100%	
Chairman	Hong Chien-Fong	7	0	100%	
Director	Chang Ming-Chan	7	0	100%	
Director	Chuan Lun Investment Co., Ltd. Representative:Lai Chee-Lee	7	0	100%	
Director	Neptune Investment Co., Ltd. Representative: Shu-Hua Chang	7	0	100%	
Director	Mao-Sheng Liang	7	0	100%	
Independent Director	Jung-Hui Liang	7	0	100%	
Independent Director	Lin Chiung-Ying	4	0	100%	Note 3
Independent Director	Wang Hsing-Min	4	0	100%	Note 3
Director	Chang, Pang-Yen	3	0	100%	Note 4
Independent Director	Hui-You Hsu	3	0	100%	Note 4

Note 1: The re-election of the 16th board of directors was completed at the Shareholders' Annual General Meeting on June 16, 2025, with a term of office from June 16, 2025 to June 15, 2028.

Note 2: The actual attendance (or non-voting participation) rate of directors was calculated based on the number of Board of Directors meetings held during the current term and the number of meetings attended by the directors.

Note 3: Newly elected as a director or independent director at the Annual General Shareholders' Meeting on June 16, 2025; therefore, the number of mandatory attendances is 4 times.

Note 4: Stepped down from office following the full re-election at the Annual General Shareholders' Meeting on June 16, 2025; therefore, the number of mandatory attendances is 3 times.

Additional information:

1. If the operation of the Board of Directors is under any of the following circumstances, the date, session, motion contents, all independent directors' opinions and the Company's handling of their opinions should be described:
   (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The company has established an audit committee in accordance with Article 14-5 of the Securities and Exchange Act, therefore, this is not applicable.
   (2) In addition to the previous matters, other Board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: None.

2. In the implementation of director's recusal due to conflict of interest in a motion, the director's name, the motion contents, reasons for recusal and the director's participation in voting should be stated:

Date of the meeting of the Board of Directors	Session	Director to be recused	Motion contents	Reasons for recusal	Participation in voting
2025/03/10	15th term 15th session	Jenn-Pan Horng Chang Ming-Chan Hong Chien-Fong	Distributions of 2024 profit-sharing remuneration to employees and profit-sharing remuneration to directors	Recusal of directors in accordance with the requirements	Not participating in the discussion and voting
2025/05/05	15th term 16th session	Jenn-Pan Horng Chang Ming-Chan Hong Chien-Fong	Proposal for the adjustments to the salary of managerial officers of the Company for 2024.		
2025/12/08	16th term 4th session	Jenn-Pan Horng Chang Ming-Chan Hong Chien-Fong	Distribution of various bonuses distribution for 2025 by the Company		

3. Execution of the evaluations of the Board of Directors and functional committees.

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once a year	2025/01/01~ 2025/12/31	Board of Directors	Evaluation of Corporate Governance Officer	1. Participation in the operation of the Company 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control
Once a year	2025/01/01~ 2025/12/31	Remuneration Committee Audit Committee	Evaluation of the convener	1. Participation in the operation of the Company 2. Awareness of the duties of the functional committee 3. Improvement of the quality of the functional committee's decision making 4. Composition and member selection of the functional committee 5. Internal control
Once a year	2025/01/01~ 2025/12/31	Individual director	Self-evaluation of Board member	1. Alignment of the goals and mission of the Company 2. Awareness of the duties of directors 3. Participation in the operation of the Company 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal control
Once every three years	2024/01/01~ 2024/12/31	Engaged an external professional institution to conduct an overall Board of Directors performance evaluation	Appointed the Taiwan Board Performance Association	1.Board composition and structure 2.Director election and continuous professional development 3.The Board's degree of participation in the Company's operations 4.Enhancement of the quality of Board decision-making 5.Internal control 6.Sustainable development 7.Value creation

4. Evaluation of the objective for enhancing the functions of the Board of Directors and the implementation status during the most recent year and the current year up to the publication date of the annual report.
   (1) In addition to encouraging directors to pursue continuing education on their own, the Company arranges for lecturers to give courses on a regular basis each year to for directors to continuously acquire new knowledge.
   (2) The Company has established a comprehensive "Rules of Procedure for Board of Directors' Meetings" in accordance with the laws and regulations, and publishes the contents of important resolutions of the Board of Directors' Meetings on the website designated by the competent authorities and the Company's website immediately.

(3) The Company's Audit Committee, comprised of all independent directors, performs supervisory duties and reports regularly to the Board of Directors on its operation.

(4) In order to strengthen corporate governance, the performance of the Board of Directors and Board members had been evaluated in 2024, and the overall evaluation results ranged from good to excellent.

(5) To strengthen corporate governance, a performance evaluation of the Board of Directors was conducted in 2025, and the overall evaluation results indicated good effectiveness.

(II) The operation of the Audit Committee or the participation in the operation of the Board of Directors:

1. Information on the operation of the Audit Committee

The Company's Audit Committee held 4 meetings (A) in the most recent year (2025). The attendance of Audit Committee members is as follows:

Title	Name	Number of times for the actual attendance (or non-voting participation) B	Attendance by proxy	Actual attendance (or non-voting participation) rate (%) 【B/A】	Remarks
Audit Committee member	Jung-Hui Liang	4	0	100%	None
Audit Committee member	Lin Chiung-Ying	2	0	100%	Note 1
Audit Committee member	Wang Hsing-Min	2	0	100%	Note 1
Audit Committee member	Hui-You Hsu	2	0	100%	Note 2
Audit Committee member	Mao-Sheng Liang	2	0	100%	Note 2

Note 1: Newly elected as an independent director at the Annual General Shareholders' Meeting on June 16, 2025; therefore, the number of mandatory attendances is 2 times.

Note 2: Stepped down from office following the full re-election at the Annual General Shareholders' Meeting on June 16, 2025; therefore, the number of mandatory attendances is 2 times.

Additional information:

(I) If the operation of the Audit Committee is under any of the following circumstances, the date, session, motion contents, the objections, reservations or major recommendations of the independent directors, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described: 。

1. Matters listed in Article 14-5 of the Securities and Exchange Act:

Date of the meeting of the Audit Committee	Session	Motion contents	Major recommendations of the Audit Committee	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
2025/03/10	1st term 12th session	The Company's 2024 standalone and consolidated financial statements.	None	Approved as proposed by all the committee members in attendance	Approved as proposed by all the directors in attendance
		The Company's business report			
		The Company's statement of internal control for 2024			
		The Company's 2024 earnings distribution proposal			
		Amendments to part of the "Board Meeting Procedures."			
		Definition of grassroots employees.			
		Amendments to the "Articles of Incorporation."			
		Amendments to internal control procedures related to payroll and grassroots employee definition.			
		Proposal to merge with 100%-owned subsidiary Hong Siang Construction Co., Ltd. via simplified merger.			
2025/05/05	1st term 13th session	The Company's consolidated Financial Statements for 1Q2025			
		Establishment of the Company's "Procedures for Share Repurchase" and "Employee Share Transfer Guidelines"			
		Implementation of the Company's first share repurchase of the year 2025			
2025/08/04	2nd term 1th session	The implementation of the Company's risk management practices			
		The Company's consolidated Financial Statements for 2Q2025			

		Change of the Company’s Chief Audit Executive			
		Revision of the Company’s “Employee Share Transfer Guidelines”			
2025/11/03	2nd term 2nd session	The Company’s consolidated Financial Statements for 3Q2025			
		2026 Internal Audit Annual Plan.			
2026/03/09	2nd term 3rd session	The Company’s risk management implementation for the second half of the year 2025			
		The Company’s 2025 standalone and consolidated financial statements.			
		The Company’s business report			
		The Company’s statement of internal control for 2025			
		Proposal for the General Principles of the Company's Pre-Approval Policy for Non-Assurance Services			
		Evaluation of the independence of the certified public accountant and related professional fees			
		The Company’s 2025 earnings distribution proposal			

2. Other than the matters in the preceding paragraphs, resolution not approved by the Audit Committee but approved by two-thirds or more of all directors: None

(II) For the implementation of an independent director’s recusal due to conflict of interest in a motion, the independent director’s name, the motion contents, reasons for recusal and his or her participation in voting should be stated: None

(III) Communication among independent directors, chief internal auditor and CPAs (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included).

1. The chief internal auditor shall submit the audit report to the Audit Committee before the end of the following month after the completion of the audit report. The Audit Committee shall express opinions when they sign off on the audit report.
2. The chief internal auditor attends the Board of Directors meetings on a regular basis and gives audit reports. The Audit Committee and directors discuss and exchange opinions on the audit items.
3. CPAs attend the Board of Directors meeting as non-voting participants for in-person communication with the Audit Committee members and directors on the financial status of the company.
4. The current year’s communication status is as follows:

Note: The actual attendance (or non-voting participation) rate of directors and independent auditors was calculated based on the number of Board of Directors meetings held during the current term and the number of meetings attended by the directors.

(III) Information on the operation of the Remuneration Committee:

1. Information on members of the Remuneration Committee

Title	Criteria Name	Professional qualifications and experience	Independence status	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Independent Director (Convener)	Jung-Hui Liang	Please refer to page 10 for information on the directors' professional qualifications and independence.		1
Director	Jenn-Pan Horng (Non-voting right)	Please refer to page 9 for information on the directors' professional qualifications and independence.		0
Others	Lin Chiung-Ying	Please refer to page 10 for information on the directors' professional qualifications and independence.		1
Others	Hui-You Hsu	Director-General of the National Security Bureau; Minister of the Coast Guard Administration, Executive Yuan; Vice Chairman and Secretary-General of the Straits Exchange Foundation; Judge of the Taiwan Taipei District Court. Head of Shi-Fang Law Firm. Possesses practical work experience required for company operations, including expertise in commerce, legal affairs, finance, and business management.	1. The director/supervisor, his/her spouse, or relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or any of the Company's affiliated companies. 2. The director/supervisor, his/her spouse, and relatives within the second degree of kinship neither own any shares of the Company under their own names nor in the names of others. 3. The director/supervisor is not a director, supervisor, or employee of a company specifically related to the Company. 4. The director does not have any business, legal, financial or accounting service provided to the Company or any of its affiliated companies in the last 2 years for any reward.	1

2. Information on the operation of the Remuneration Committee

I. There are three members in the Remuneration Committee.

II. The term of office of the current members: June 16, 2025 to June 15, 2028. The Remuneration Committee held 3 meetings in the most recent year(2025), and the qualifications and attendance of members are as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Attendance (%) (B/A)	Remarks
Convener	Jung-Hui Liang	3	0	100%	None
Committee member	Lin Chiung-Ying	1	0	100%	None
Committee member	Hui-You Hsu	3	0	100%	None
Committee member	Ming-Chun Lin	2	0	100%	None
Non-voting participation	Jenn-Pan Horng	3	0	100%	None

Additional information:

1. Duties of the Remuneration Committee
   Members of the Committee shall exercise the care of good administrators, faithfully perform the following functions and powers, be accountable to the Board of Directors, and submit their suggestions to the Board of Directors for discussion: (1) Formulate and regularly review the performance evaluation of directors and managers and the remuneration policies, systems, standards, and structures for them. (2) Periodically evaluate and prescribe the remuneration of directors and executive officers.
2. If the Board of Directors did not adopt or amend the Remuneration Committee’s suggestions, the date of the board

meeting, the session, the content of the proposal, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified): None.

3. For proposals resolved by the Remuneration Committee, if any members expressed objection or reservation with a record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, all members' opinions, and the response to the members' opinions shall be specified: None.

(IV) Information and Operation of the Nomination Committee Members:

To enhance the functions of the Board of Directors and strengthen the management mechanism, the Company resolved at the Board meeting on December 16, 2024 to establish the "Nomination Committee" and adopt the "Organizational Charter of the Nomination Committee." The committee is composed of three directors, including two independent directors.

I. Committee Members Information

Current Position	Name	Committee Role	Expertise
Independent Director	Liang Jung-Hui	Chairperson	Please refer to page 10 for information on the directors' professional qualifications and independence.
Independent Director	Lin Chiung-Ying	Member	
Director	Hong Jenn-Pan	Member	

II. The primary responsibilities and powers are as follows:

1. Formulating the criteria for diversity in backgrounds (including professional knowledge, skills, experience, gender, etc.) and independence requirements for Board members (including independent directors) and senior executives, based on which candidates for directors and senior executives are selected, reviewed, and nominated. Senior executives refer to those holding the positions of President and Vice President.
2. Structuring and developing the organizational framework of the Board of Directors and its committees; conducting performance evaluations of the Board, committees, and individual directors; and assessing the independence of independent directors.
3. Establishing and periodically reviewing the continuing education programs for directors and the succession plans for directors and senior executives.
4. Other matters instructed by the Board of Directors to be handled by this Committee.

III. Operation of the Nomination Committee:

1. The Company's Nomination Committee consists of 3 members.
2. Tenure of the 2nd term of members: From June 16, 2025 to June 15, 2028. One meeting was held in the most recent year (2025), and the attendance status is as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Attendance (%) (B/A)	Remarks
Chairperson	Hong Jenn-Pan	1	0	100%	None
Member	Liang Jung-Hui	1	0	100%	None
Member	Hsu Hui-You	1	0	100%	None

Additional information:

1.Circumstances where the Board of Directors does not adopt or amends the recommendations of the Nomination Committee: None.

2.Matters resolved by the Nomination Committee where members have expressed dissenting or qualified opinions that are documented on record or by written statements: None.

3.Meeting dates, sessions, and contents of primary proposals:

Date	Motion contents	Resolution of Committee
2025/3/10	Proposal for the review and nomination of candidates for the 16th term of Directors and Independent Directors	Approved as proposed

The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	◎		Since its inception, the Company has been adhering to the principle of respecting and caring for people with excellent corporate governance systems, transparency in operations, and attention to shareholders' interests. The Corporate Governance Best Practice Principles have been approved by the Board of Directors. The Company was ahead of its industry peers in establishing a comprehensive corporate governance structure and related policies and internal regulations. The entire Board members come with various professional backgrounds and experiences. It is believed that the Company's emphasis on professional management and implementation for its governance philosophy could bring about operations performance. The Company has won numerous awards from the industry and the government at home and abroad.	None
II. The Company's shareholding structure and shareholders' equity				
(I) Has the Company formulated internal operating procedures for handling shareholders' suggestions or questions or disputes and litigation with them and complied with the procedures?	◎		(I) The Company appoints a spokesperson to be responsible for stock affairs in accordance with its internal procedures. The President's Office is responsible to handle shareholders' suggestions and doubts. If there are legal questions, the matter will be transferred to the company's legal consultants according to the procedures.	(I) None
(II) Does the Company have a list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders?	◎		(II) The Company has a list of the Company's major shareholders and their controllers.	(II) None
(III) Has the Company established and implemented a risk control and a firewall mechanism between itself and affiliates?	◎		(III) The Company has established the "Operational Procedures for Financial and Business Transactions with Group Enterprises, Specific Companies, and Related Parties" and the "Subsidiary Supervision Procedures," and operates in accordance with these regulations, serving as mechanisms for risk control and firewalls. In line with the "Corporate Risk Management Best Practice Principles for TWSE/TPEx Listed Companies," the Company's Board of Directors approved the addition of the "Risk Management Policy and Procedures" on November 4, 2024. To strengthen information and communication security management and corporate governance mechanisms, the Company has formulated comprehensive policies for information security and the protection of confidential information. It continues to implement various cybersecurity measures, including the establishment of firewalls, security equipment, antivirus software, and other systematic security mechanisms, to ensure stable operation of information systems and proper protection of corporate secrets.In December 2022, the Company completed the registration of its "Chief Information Security Officer and Cybersecurity Personnel," thereby enhancing dedicated manpower allocation and reinforcing the implementation of the information security management system.Furthermore, in November 2024, the Company established a "Network and System Backup Mechanism," adopting a geographically distributed approach to build backup environments and equipment, thereby reducing the impact of natural disasters or human factors on critical data and services, and further ensuring the stability of company operations and the transparency of information.	(III) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			During 2025, the Company did not experience any major information security incidents, indicating that the overall cybersecurity governance and risk control mechanisms have been effective.	
(IV) Has the Company formulated internal regulations to prohibit insiders from using information undisclosed in the market to buy and sell securities?	◎		(IV) The Company has established the "Procedures for Handling Material Internal Information and Prevention Measures" to regulate all employees and prohibit any conduct that may constitute insider trading. Regular internal education and awareness campaigns are conducted accordingly. In accordance with the internal procedures for handling material information, the General Manager's Office holds internal education sessions on the prevention of insider trading for the Chairman, President, and department heads during the management meetings every six months. Additionally, a bulletin promoting the prevention of insider trading is issued semi-annually by the General Manager's Office. In 2024, the Company continued to strengthen its internal education by conducting two rounds of training sessions targeting all employees, department heads, and key management personnel. Currently, announcements and awareness campaigns are the main methods used to reach suppliers and employees. However, Qingbang is proactively planning to incorporate anti-corruption training into the education programs for both suppliers and employees in the future.	(IV) None
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board of Directors have a diversity policy formulated, with specific management goals and guidelines, and their implementation?	◎		(I) The nomination of the Company's directors has gone through a rigorous selection process, which not only considers diverse backgrounds, professional abilities and experiences, but also attaches great importance to their personal reputation for ethical behavior and leadership. There are currently nine members of the Board of Directors of the Company, all of whom have experience in the Company's operational or professional fields. The Company's board members have diverse backgrounds, including different industry, academic, and legal professional backgrounds. The number of independent directors is three.	(I) None
(II) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?	◎		(II) The Company has established the Audit and Risk Management Committee and the Remuneration Committee. Additionally, on December 16, 2024, the Board of Directors resolved to establish the Nomination Committee and adopted its organizational regulations. The Nomination Committee is composed of three directors, including two independent directors.	(II) None
(III) Has the Company formulated board performance evaluation regulations and evaluation methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the board of directors, and adopted such results as a reference for deciding the remuneration of and nominating candidates for individual directors?	◎		(III) The Company established the "Board Performance Evaluation Procedures" on August 5, 2019, and amended them on March 14, 2022, with approval from the Board of Directors. According to the procedures, internal performance evaluations are conducted annually after the end of each fiscal year through self-assessment questionnaires completed by members of the Board and functional committees. In addition, Article 3 of the procedures stipulates that external performance evaluations shall be conducted at least once every three years. The evaluation results serve as a reference for the	(III) None

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Operations</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td></td><td></td><td></td><td>selection or nomination of directors. The Company completed its internal board performance evaluation for the year 2025 and, in December 2024, appointed the Taiwan Corporate Governance Association to carry out the external performance evaluation.</td><td></td></tr>
<tr><td>(IV) Does the Company regularly assess the independence of the CPAs?</td><td>◎</td><td></td><td>(IV) The Company conducts an annual evaluation of the independence and competence of its certified public accountants (CPAs) through the Audit and Risk Management Committee, and submits the results to the Board of Directors for approval. The evaluation is based on the "Independence Declaration" provided annually by the signing CPA, and is conducted with reference to the CPA Act, Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants—"Integrity, Objectivity, and Independence"—as well as Audit Quality Indicators (AQIs).
Accordingly, the Company has established specific evaluation criteria for CPAs. The most recent assessment was approved by the Board of Directors on December 16, 2024. No violations of independence were identified, and the rotation of signing CPAs was conducted in accordance with applicable regulations.Obtained the "Declaration of Independence of CPA" from CPAs in 2023.
<table>
<tr><th>Evaluation Criteria</th><th>Results</th></tr>
<tr><td>The signing CPA has no direct or material indirect financial interest in the Company.</td><td>YES</td></tr>
<tr><td>The signing CPA has no significant close business relationship with the Company.</td><td>YES</td></tr>
<tr><td>There is no potential employment relationship between the signing CPA and the Company during the audit engagement.</td><td>YES</td></tr>
<tr><td>The signing CPA has not engaged in any borrowing or lending of funds with the Company.</td><td>YES</td></tr>
<tr><td>The signing CPA has not accepted any gifts or presents of significant value from the Company or its directors or managers (i.e., gifts exceeding the norms of ordinary social etiquette).</td><td>YES</td></tr>
<tr><td>The signing CPA has not provided audit services to the Company continuously for seven years.</td><td>YES</td></tr>
<tr><td>The signing CPA does not hold any shares in the Company.</td><td>YES</td></tr>
<tr><td>Neither the signing CPA, their spouse or dependents, nor any members of the audit team have served as a director, manager, or held any position with significant influence over the audit engagement in the Company during the audit period or within the past two years, and it is confirmed they will not assume any such roles during the future audit period.</td><td>YES</td></tr>
<tr><td>The signing CPA complies with the independence requirements set forth in Statement No. 10 of the Code of Professional Ethics for Certified Public Accountants and has submitted an "Independence Declaration."</td><td>YES</td></tr>
</table>
</td><td>(IV) None</td></tr>
<tr><td>IV. Has the Company has appointed an appropriate number of competent</td><td>◎</td><td></td><td>The Board of Directors appoints the Chairman to assign</td><td>None</td></tr>
</table>

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?			the General Management Office and the President's Office to be responsible for the legal affairs and compliance of the Company, and report to the Board of Directors on related corporate governance affairs, including matters related to convening meetings of the Board, Remuneration Committee and shareholders. It is responsible in supporting the inauguration and continuing education of directors; providing directors with the materials needed to execute their duties; assisting directors in complying with laws and regulations.	
V. Has the Company has established communication channels with stakeholders and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern?	◎		Depending on the situation, the Company instructs its finance, stock affairs, customer service, and procurement departments to communicate with stakeholders, and has a stakeholder section on the Company's website to properly respond to stakeholders' concerns, including corporate social responsibilities and related issues.	None
VI. Does the Company appoint a professional stock affairs agency to handle the affairs related to shareholders' meetings?	◎		The Company has appointed the Share Registration Agency Department of Fubon Securities Co., Ltd. to handle the affairs of the Shareholders' Meeting.	None
VII. Information disclosures (I) Has the Company set up a website to disclose information on financial business and corporate governance?	◎		(I) The Company has disclosed financial, business, and corporate governance information through the Company's website: www.kpec.com.tw.	(I) None
(II) Does the Company adopt other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceeding of investor conferences on the Company website)?	◎		(II) The Company has established a spokesperson system, and the Shareholder Affairs Division and other relevant units have designated the spokesperson to collect information at any time, and disclose the Company's information on the Market Observation Post System and on the Company's website or during investor conferences.	(II) None
(III) Does the Company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year and announce and submit the financial reports for the first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?	◎		(III) The Company shall, in accordance with Paragraph 1 Article 36 of the Securities and Exchange Act, publish and declare the annual financial report that has been audited and verified by the CPA and approved by the Board of Directors within three months after the end of each fiscal year; Within 45 days after the end of the first, second, and third quarters of a fiscal year, the financial statements reviewed by the CPAs and reported to the Board of Directors; and before the 10th day of each month, announce and file the monthly operations status.	III) The Company shall proceed with the transaction in accordance with the Securities and Exchange Act.
VIII. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of client policies, and the Company's purchase of directors and supervisors liability insurance)?	◎		The Company's management actively promotes corporate governance, and the Company's website discloses relevant adopted systems, measures, and implementation summaries as follows: (I) Employees' rights and interests: The Company protects the legitimate rights and interests of its employees in good faith and in accordance with the Labor Standards Act.	(I) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
	◎		(II) Social Inclusion and Employee Care Measures: Under the proactive efforts of the Social Inclusion Subcommittee of the Sustainability Development Committee, employees voluntarily participate in community service activities, such as volunteering at rural elementary schools to help improve educational resources, and actively care for disadvantaged groups, thereby fulfilling corporate citizenship and demonstrating social impact. To support employee mental and physical well-being, the Company has organized essential oil therapy sessions to relieve stress and enhance quality of life. The Employee Welfare Committee also actively provides comprehensive welfare programs, including regular health checkups, professional training, and holistic care initiatives to ensure employees' overall well-being.	(II) None
	◎		(III) Investor Relations, Supplier Relations, and Stakeholder Rights The Company is committed to information transparency and discloses financial and operational information in a timely and appropriate manner in accordance with applicable laws and regulations. Dedicated contact windows and email addresses are provided to facilitate communication and feedback from investors, suppliers, and stakeholders. To protect the rights and interests of both domestic and international investors, the Company has established a Corporate Governance section on its official website in both Chinese and English, offering diversified information to investors.	(III) None
	◎		(IV) Director Training All directors of the Company have undertaken relevant training courses in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies." For details regarding the director training in 2024, please refer to page 13 of the Annual Report.	(IV) None
	◎		(V) Implementation of Risk Management Policies and Risk Assessment Standards: Continuing education for directors and supervisors: In order to keep up with international trends, the Company arranges professionals to conduct continuing education for directors and supervisors and obtain relevant certifications every year.	(V) None
	◎		(VI) Customer Policy Implementation The Company maintains stable and good relationships with its customers to achieve a win-win and harmonious situation. The General Management Office conducts annual customer satisfaction surveys and provides various channels for two-way communication with customers.	(VI) None
	◎		(VII) The Company has purchased Directors and Officers Liability Insurance from Mega Insurance Co., Ltd.	(VII) None

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
IX. Please specify any improvements made as per the results of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange Corporation, in the most recent year and put forth prioritized measures to improve those that have not yet improved:	◎		The Company prepares a corporate governance self-evaluation report at the end of each year, and the audit unit evaluates the results and submits the report to the Board of Directors and Supervisors meeting. Improvements are tracked every quarter for the defects stated in the self-evaluation.	None

(V) The promotion of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor:

Item	Status of execution (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the board of directors, which supervises the implementation?	◎		(I) Sustainability Development Policy: To promote sustainable development, the Company established the "Corporate Social Responsibility Best Practice Principles" on May 10, 2016, which were amended and renamed the "Sustainable Development Best Practice Principles" in 2023, serving as the highest guiding principles for the Company's economic, environmental, and social initiatives, while continuously aligning with international sustainability development trends. (1) Governance Structure and Promotion Mechanism: In August 2022, the Board of Directors approved the establishment of the "Sustainable Development Committee" (dedicated unit), chaired by the Chairman of the Board, with the administrative head of the General Administration Division serving as Executive Secretary. The Board authorized senior management to oversee and implement sustainable development strategies and execution plans. The Committee consists of sub-groups responsible for corporate governance, environmental protection, social inclusion, and sustainable engineering, each carrying out relevant duties within their respective scopes of responsibility and regularly reviewing implementation progress during management meetings. In May 2023, the Board further approved the "Organizational Regulations of the Sustainable Development Committee" to enhance the ESG governance structure and operational mechanism. (2) Management and Review Mechanism: Through stakeholder communication and material issue risk assessment mechanisms, the Company regularly reviews and adjusts its sustainable development strategies and objectives, while continuously improving management measures. The Company also engages professional consultants to assist in greenhouse gas inventory implementation and sustainability report preparation. In 2025 (Year 114), the Company completed the greenhouse gas inventory and obtained a verification statement on April 1, 2026, marking the fourth consecutive year of verification and demonstrating the stability of its environmental management system. The Company expects to complete the assurance and publication of the sustainability report by August 2026, thereby continuously enhancing the quality of information disclosure. (3) Board Supervision and Implementation Results: The Board of Directors places great importance on sustainable development issues. On August 4, 2025, the Board received a report on the implementation status of sustainability initiatives and provided guidance and recommendations regarding ESG strategies. The Board also supervised management in executing the relevant initiatives to ensure alignment between sustainability strategies and the Company's operational direction, while progressively deepening ESG integration into	None.

			(4) Implementation Results: 1. Talent Development and Employee Care:In 2025 (Year 114), the recruitment achievement rate reached 86% (exceeding the target of 75%), while the proportion of employees aged 20–29 increased from 7% to 10%, reflecting continuous optimization of the talent structure. Overall employee satisfaction improved to 80.4 points (+7.3 points), and satisfaction with education, training, and career development increased from 70.9% to 80.6% (+9.7%). The average annual training hours reached 39.7 hours per employee. On-site physician and nurse (including physical therapist) services totaled 12 and 72 sessions, respectively, comprehensively enhancing employee care quality. 2. Workplace Safety and Health:The Company implemented occupational safety and health management systems and promoted health enhancement and unlawful infringement prevention measures. In 2025 (Year 114), the numbers of major occupational accidents and workplace violence incidents were both zero, maintaining a safe and friendly workplace environment. 3. Environmental Aspect:The Company completed the 2025 (Year 114) greenhouse gas inventory and obtained a verification statement, achieving a 100% verification coverage rate. In accordance with its plan, the Company will complete the assurance and publication of the sustainability report in 2026 (Year 115), continuously strengthening environmental information disclosure and management transparency. 4. Social Aspect:In 2025 (Year 114), the Company contributed 7 volunteer participations and took part in 2 rural education initiatives, accumulating a total of 56 service hours and benefiting 72 students. Through practical actions, the Company helped reduce disparities in educational resources while enhancing its social impact. 5. Governance Aspect:Through project reports and strategic guidance, the Board of Directors continuously strengthened the Company’s sustainability governance mechanisms and integration into decision-making processes.	
II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality? Has the Company formulated relevant risk management policies or strategies? (Note 2)	◎		(II) The Company's Board of Directors approved the establishment of the "Corporate Sustainability Committee" in August 2022. The risk assessment boundary is mainly set as the head office and does not include subsidiaries so far. The Company plans to implement the "Compilation of Sustainability Reports and Development of Sustainability Strategy" in July 2023. Based on the GRI Standards and the AA 1000 Stakeholder Engagement Standard, the Company applies the four principles of Identification, Analysis, Confirmation, and Inspection to identify material issues in the three aspects of environmental, social, and corporate governance, and formulates related risk management policies or strategies as follows: (1) In accordance with the internal control system and relevant management regulations, the Company has established comprehensive risk management mechanisms to identify, assess, and monitor various risks relating to operations, finance, and information security, serving as the basis for decision-making and execution. Each responsible department carries out	None.

risk management duties according to its assigned responsibilities and regularly reviews changes in risks and the effectiveness of corresponding measures. The implementation status of risk management is reported to the Audit and Risk Management Committee and the Board of Directors at least once annually to strengthen the Company's overall risk control capabilities. In 2025, two meetings were convened, and reports on the Company's risk management implementation were presented to the Board in August and March of the following year, respectively.

(2) With respect to the identification of material issues, the Company follows international standards and frameworks, including the GRI Standards, SDGs, SASB, and TCFD, while also considering industry trends and value chain impacts. Under the coordination of the Sustainable Development Committee, the Company conducts the processes of "identification, analysis, confirmation, and review" by integrating stakeholder concerns and operational risks to assess environmental, social, and corporate governance issues, initially identifying 17 sustainability issues.

In addition, following the AA1000 Stakeholder Engagement Standard (AA1000SES), the Company conducted questionnaire surveys and cross-departmental discussions to identify eight categories of key stakeholders, namely employees, suppliers/contractors, shareholders/investors, customers, government/regulatory authorities, media, non-profit organizations, and communities. The Company further assessed the degree of impact and likelihood of occurrence for each issue. A total of 220 valid questionnaires were collected to establish a materiality matrix, through which 10 material issues were ultimately identified as important references for sustainability strategies, risk management, and resource allocation.

(3) Based on the results of the above materiality assessment, the Company has formulated the following risk management policies and strategies:

1. Environmental Aspect:Following the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company has established climate risk identification and management processes. The Company also conducts regular greenhouse gas inventories in accordance with ISO 14064-1 and continuously promotes energy conservation, carbon reduction, and the development of green engineering technologies to strengthen its low-carbon transformation capabilities.
2. Social Aspect:
   The Company conducts risk assessments on occupational health and safety and has implemented ISO 14001 and ISO 45001 management systems to integrate environmental and occupational safety and health management mechanisms, thereby strengthening overall risk control.
3. Corporate Governance Aspect:
   In accordance with the "Corporate Governance Best Practice Principles," the Company strengthens Board operations and integrity management. The Company also conducts regular educational programs on insider trading prevention (at least once every six months). At the same time, the Company enhances information and communication security

			management by establishing cybersecurity protection and backup mechanisms (completion of cybersecurity officer registration in December 2022 and off-site backup system establishment in November 2024) to reduce operational risks and continuously deepen its culture of ethical management. (4) The Company annually compiles the results of material issue risk assessments and implementation status and reports the outcomes of sustainable development initiatives to the Board of Directors at least once a year (a report was presented to the Board in 2025 (Year 114)). The Board continuously monitors sustainability-related issues and provides guidance and recommendations regarding management policies, strategies, and objectives, while supervising management in implementing relevant initiatives and periodically reviewing implementation effectiveness to ensure that sustainable development is integrated into the Company's operational decision-making. Relevant analyses of material issues, management objectives, and implementation status have been disclosed in the "Sustainability Management" section of the Company's Sustainability Report, and the Company continues to enhance the completeness and transparency of information disclosure.	
III. Environmental issues (I) Has the Company set up an appropriate environmental management system as per its industrial characteristics?	◎		(I) Based on the characteristics of its industry, the Company has established an environmental management system and implemented the ISO 14001:2015 Environmental Management System, which was certified on December 19, 2021, and December 19, 2024. Through systematic management mechanisms, the Company continuously promotes environmental protection and pollution prevention measures. The Company regularly conducts internal and external audits, as well as management reviews, and continuously improves related operations based on audit results to ensure the effective operation and continual enhancement of the environmental management system. In terms of regulatory compliance, the environmental regulatory compliance rate reached 100% in 2025 (Year 114), and no penalties were incurred during the year, demonstrating the Company's effective implementation of regulatory compliance and risk control. 1. Energy Management:The Company continuously promotes energy-saving measures by gradually replacing high energy-consuming equipment, such as air conditioning systems and lighting equipment, and introducing an Energy Management System (EMS) for energy consumption monitoring and data analysis. 2. Construction Site Management:The Company implements dust suppression measures and waste classification and disposal management for construction operations to reduce environmental impacts during construction processes and ensure compliance with environmental regulations and surrounding environmental quality requirements. 3. Climate-related Risk Management and Greenhouse Gas Inventory:Following the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company conducts climate change risk and opportunity assessments and incorporates relevant issues into operational decision-making. In addition, the	(I) None.

			Company regularly conducts greenhouse gas inventories in accordance with ISO 14064-1 standards. In 2025 (Year 114), the inventory was completed, and a verification statement was obtained on April 1, 2026. The Company has obtained verification for four consecutive years (as disclosed on the Company's website), demonstrating the stability and continuous improvement capability of its environmental management system. Relevant environmental data and management targets have been disclosed in the Sustainability Report to continuously enhance information transparency and environmental performance management.	
(II) Is the Company committed to improving energy efficiency and adopting recycled materials with low environmental impact?	◎		(II) The Company actively assists clients in establishing Energy Management Systems and promoting smart factory development. During the design stage, the Company utilizes E3D and BIM 3D modeling for clash detection, accurate material quantity calculation, and pipeline prefabrication to improve construction efficiency and reduce engineering waste. The Company also adopts high-efficiency electrical equipment, such as amorphous transformers, and enhances noise control measures. In daily operations, the Company continues to promote the following major energy-saving and carbon reduction measures internally: 1. Replacement and Upgrade of Air Conditioning Equipment:The Company maintains, upgrades, or replaces old, energy-consuming, or malfunctioning air conditioners with new high-efficiency energy-saving units to improve energy efficiency. 2. Lighting System Optimization:All lighting systems have been replaced with high-efficiency LED panel lights to reduce electricity consumption and achieve energy-saving and carbon reduction goals. 3. Air Conditioning Energy-saving Management:Through scheduled operation, time-based controls, temperature settings, and enhanced energy-saving awareness campaigns, the Company effectively manages air conditioning usage and reduces energy waste. 4. Office Paper-saving Measures:The Company promotes double-sided printing, the use of recycled paper, and paper usage control measures to reduce paper consumption and support resource sustainability. 5. Resource Recycling and Waste Classification:The Company implements clear waste classification and recycling operations within office buildings to promote resource recycling and reuse. 6. Energy-efficient Appliances and Office Management:The Company replaces equipment with inverter-type appliances and energy-saving computer equipment and promotes shutdown practices after work hours and energy-saving awareness to strengthen electricity management. 7. Construction Site Energy-saving Measures:At construction sites, the Company manages air conditioning temperatures and operating hours, combines the use of air conditioners and electric fans, utilizes natural lighting, and adopts equipment with environmental and energy-saving labels to improve energy efficiency. 8. Electrification of Transportation Vehicles:The Company replaces old gasoline and diesel official vehicles and gradually converts large-engine vehicles into smaller-engine models to reduce fuel consumption. Carpooling for official transportation is also promoted to effectively reduce carbon emissions during	(II) None.

			transportation. In the future, the Company plans to introduce fully electric vehicles to further achieve low-carbon transportation goals. 9. Promotion of Digital Operations:The Company has introduced an ERP system to comprehensively digitalize business processes, thereby reducing paper usage and energy consumption. 10. Promotion of Green Office Concepts:The Company actively supports green office initiatives by procuring environmentally friendly office furniture and selecting sustainable and eco-friendly materials to create a low-carbon and sustainable office environment.	
(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	◎		(III) To address the impact of climate change on business operations, the Company has continuously promoted greenhouse gas inventory verification and sustainability report assurance, demonstrating the stability and reliability of its carbon management and information disclosure mechanisms Following the TCFD framework, the Company identifies climate-related risks and opportunities and incorporates them into operational decision-making. Relevant response measures include promoting energy-saving and carbon reduction initiatives, improving energy efficiency, developing green engineering technologies, and strengthening climate risk management and information disclosure. The Sustainable Development Committee regularly reviews climate strategies and reports implementation results to the Board of Directors to ensure effective oversight and execution.	(III) None.
(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?	◎		(IV) The Company's original inventory scope included the 5th and 7th floors of the Century Royal Building headquarters and the 9th floor of the Lijen Building. Due to operational expansion in 2025 (Year 114), four additional construction office sites were incorporated into the inventory scope, resulting in an expanded inventory boundary and affecting the basis for annual emission comparisons. To ensure data comparability, the Company has disclosed the changes in inventory boundaries and continues to strengthen data consistency management. The Company has compiled greenhouse gas emissions, energy usage, and related environmental data for the past two years and has promoted energy-saving, carbon reduction, and resource management measures based on inventory results. 1.Greenhouse Gas Emissions: (as shown in the table below) The Company conducts greenhouse gas inventories in accordance with ISO 14064-1: (1) Scope 1 (Direct Emissions): 2024: 6.7356 tCO_2e; 2025: 151.664 tCO_2e.	(IV) None.

(2) Scope 2 (Indirect Energy Emissions): 2024: 137.2190 tCO_2e (electricity consumption: 289.4916 thousand kWh);
2025: 225.4115 tCO_2e (electricity consumption: 475.5575 thousand kWh).

(3) Scope 3:

The Company has progressively expanded the inventory scope to include business travel and transportation-related items.

The significant increase in greenhouse gas emissions in 2025 compared with the previous year was primarily attributable to the expansion of the organizational boundary. During the year, four additional construction office sites were added, one of which was not connected to the Taiwan Power Company grid and therefore relied on two generators operating 24 hours a day for electricity supply, resulting in an increase of approximately 112.8861 tCO_2e/year in Scope 1 stationary combustion emissions, which was the primary cause of the increase in annual emissions. Furthermore, the increase in operational sites led to corresponding growth in electricity usage and related activities, driving higher Scope 2 emissions. Overall emissions increased from 244.761 metric tons CO_2e in 2024 to 582.725 metric tons CO_2e in 2025, representing a structural increase due to operational expansion rather than a decline in energy efficiency.

Greenhouse Gas Emissions	2025	2024
Scope 1: Direct Emissions (metric tons CO_2e)	151.6640	6.7356
Scope 2: Energy Indirect Emissions (metric tons CO_2e)	225.4115	137.2190
Year-over-Year Growth Rate (Scope 1 + Scope 2)	161.9%	-6.54%
Scope 3: Indirect Emissions – Business Travel (metric tons CO_2e)	111.3356	71.9593
Scope 4: Indirect Emissions – Purchased Goods (metric tons CO_2e)	93.3137	28.8470

Types of Greenhouse Gas Emissions	2025	2024
Carbon Dioxide (CO2) (metric tons CO2e)	567.3548	240.4392
Methane (CH4) (metric tons CO2e)	0.3655	0.0251
Nitrous Oxide (N2O) (metric tons CO2e)	1.0101	0.0819
Hydrofluorocarbons (HFCs) (metric tons CO2e)	13.9944	4.2147
Sulfur Hexafluoride (SF6) (metric tons CO2e)	0	0
Nitrogen Trifluoride (NF3) (metric tons CO2e)	0	0
Perfluorocarbons (PFCs) (metric tons CO2e)	0	0

2. Specific Actions for Greenhouse Gas Reduction

The Company formulates short-, medium-, and long-term decarbonization strategies based on its operational characteristics and continuously promotes energy conservation and efficiency improvements:

(1) Short-term actions (2024–2030):
Improve energy efficiency of office equipment by fully replacing lighting with high-efficiency LED fixtures and installing motion-sensor lighting in corridors. Strengthen energy management by turning off office lighting during lunch break (13:00–13:30) and adjusting air-conditioning settings based on area usage. Reduce transportation-related carbon emissions by encouraging carpooling for business trips to reduce fuel consumption of company vehicles.

(2) Long-term actions (2030–2050):
Promote electrification of official vehicles by gradually replacing fuel-powered vehicles with electric vehicles. Enhance equipment energy efficiency by replacing aging air-conditioning systems and introducing high-efficiency energy-saving systems. Develop low-carbon transformation strategies by building a green supply chain and continuously advancing green engineering technologies.

(3) Energy Management and Usage:
The Company’s Administration Department is responsible for the management and supervision of energy and resource usage. Regular electricity consumption audits are conducted at major operating sites (5th and 7th floors of Century Royal Building headquarters), and energy-saving improvement measures are continuously implemented based on audit results. An Energy Management System (EMS) has been introduced to visualize energy data, integrate equipment operation and energy consumption information, and monitor real-time usage conditions. The system enables analysis of abnormal energy consumption and usage behavior to optimize operational efficiency and energy strategies.

Through systematic management, personnel can monitor equipment operations and overall energy consumption in real time, thereby improving energy efficiency, reducing energy loss, and achieving energy-saving and carbon reduction goals.

The Company conducts annual monitoring of electricity consumption and energy performance across all operating sites and implements energy-saving measures based on analysis results. Employee awareness is enhanced through internal communication, promoting energy-saving behaviors such as switching off lights and managing air-conditioning usage. In terms of equipment management, the Company prioritizes procurement of energy-efficient and certified equipment and regularly maintains air-conditioning and electrical systems to improve operational efficiency. Additional measures include setting photocopiers to energy-saving mode and implementing lights-off policies during lunch breaks to reduce overall electricity consumption.

3.Based on electricity consumption data over the past three years, total electricity usage increased from 297,483 kWh in 2023 to 301,837 kWh in 2025, representing a 4.26% year-over-year increase, mainly due to changes in operating locations. In 2025, the Company added office space on the 7th floor of the Century Royal Building (included in electricity statistics from January 1, 2025) and terminated lease of the 9th floor of the Liren Building on January 31, 2025, resulting in changes in the overall electricity consumption structure.

Overall, although total electricity consumption increased slightly due to operational adjustments, energy intensity (kWh per employee) decreased from 3,233.51 in 2023 to 2,959.19 in 2025, indicating that energy-saving measures have been effective and energy efficiency continues to improve.

Electricity Consumption for Office Operations in the Past 3 Years

	2025	2024	2023
Head Office – Century Treasure 5F (kWh)	205,362	215,963	230,697
Liren Building 9F (kWh)	2,086	60,508	54,400
Liren Building 9F – Shared Electricity (kWh)	388	13,021	12,386
Total Energy Consumption (kWh)	94,001	0	0
Total Energy Consumption (GJ)	301,837	289,492	297,483
Annual Growth Rate (%)	1,086.61	1042.17	1,070.94
Energy Intensity (kWh/person)	4.26%	-3%	0.9%
Total Energy Consumption (GJ/person)	12.4	12.49	11.64

4. Raw Material Management: The Company improves resource efficiency, reduces waste, and controls costs through effective management of raw materials used in office operations and engineering projects. For engineering materials, the Company has gradually implemented tracking of both renewable and non-renewable material usage to understand current consumption and further plan to increase the proportion of renewable materials and introduce circular economy strategies.

5. Water Resource Management: The Company’s office water usage is supplied entirely by Taipei Water Department, with no extraction from other water bodies. Wastewater generated after use is properly discharged into the public sewage system. Water consumption data is regularly monitored and managed by the Administration Department, and water-saving initiatives have been established.

Based on water consumption data over the past three years, total water usage decreased significantly from 407 m³ in 2024 to 29 m³ in 2025, representing a 92.87% reduction year-over-year. Water intensity also declined from 13.13 m³ per person to 1.16 m³ per person, demonstrating significant effectiveness of water-saving measures. The Company continues to implement the following water conservation initiatives:

(1) Priority procurement of water-efficient certified equipment.
(2) Installation of automatic sensor faucets to reduce unnecessary water use.
(3) Internal awareness campaigns (e.g., EDM communications) to enhance employees’ water-saving awareness.
(4) Regular review of water demand to improve usage efficiency.
(5) Recycling and reuse of water used in engineering pressure testing, with classification based on water volume and quality, and continuous quantification of water-saving results.

The Company will continue to strengthen its water resource management system, improve water efficiency, and reduce the operational impact on water resources.

Material Description	2025	2024
Floor Area (ping)	106	106
Total Water Consumption (m³)	29	407
Annual Growth Rate of Water Consumption (%)	-92.87	-4.68
Number of Employees (persons)	25	31
Water Intensity (m³/person)	1.16	13.13

6. Waste Management Specific Actions:
Based on its operational characteristics, the Company classifies waste into general industrial waste and hazardous industrial waste, and has established systems for classification, collection, transportation, and supervision.

Waste generated from office operations is mainly general industrial waste (such as paper, food packaging, and kitchen waste), which is collected through resource recycling classification and handled by qualified cleaning service providers. Construction-related waste includes both general and hazardous industrial waste (such as household waste,

			general construction debris, excavated soil, and demolition residues), all of which are transported by legally qualified third-party contractors. Project teams are responsible for supervising the disposal process and handling results to prevent secondary pollution risks. In the past two years, the Company has not been subject to any environmental penalties, indicating that its waste management system operates effectively. 7. Source Reduction: The Company continues to promote office digitalization to reduce paper consumption. On the construction side, precise design and construction management are adopted to minimize leftover materials and improve resource efficiency. Relevant policies and implementation results regarding greenhouse gas emissions, water usage, and waste management are disclosed in the “Green Operations” section of the Company’s Sustainability Report.	
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	◎		(I) The Company, in fulfilling its corporate sustainability responsibilities, is committed to safeguarding the fundamental human rights of employees, customers, and all stakeholders. It adheres to the core principles of international human rights conventions, including the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the United Nations Global Compact, and the International Labour Organization (ILO), and respects and implements internationally recognized fundamental human rights. The Company places importance on various human rights issues, including freedom of association, prohibition of child labor, prohibition of forced labor, elimination of employment discrimination, diversity, equity and inclusion (DEI), occupational safety and health, reasonable working hours and wages, prevention of sexual harassment, and prevention of workplace misconduct. It also complies with local labor laws to ensure employees’ rights and interests. 1. Management Measures: The Company has established relevant human resources management systems and, in accordance with the Labor Standards Act, implements a retirement system. Employees are covered by group insurance, an employee welfare committee has been established, and regular labor-management meetings are held to strengthen communication and employee care mechanisms. 2. The Company has also established employee grievance and communication channels to provide accessible feedback and complaint mechanisms, as well as workplace misconduct prevention measures to ensure a working environment free from discrimination, harassment, or improper treatment. In 2025 (Year 114), the number of employee complaints was zero. Regular awareness sessions on sexual harassment prevention and grievance handling mechanisms are conducted to enhance employees’ understanding and use of these systems.	(I) None.

			The Company will continue to strengthen human rights risk identification and management mechanisms and progressively integrate human rights issues into training and supply chain management to further enhance corporate human rights governance and sustainability practices.	
(II) Has the Company formulated and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflected business performance or achievements in employee remuneration appropriately?	◎		(II) The Company has established and implemented a comprehensive and flexible employee welfare system covering compensation, leave, and various benefits, and appropriately reflects operating results in employee remuneration. 1. Compensation and performance linkage: Salaries are regularly reviewed and adjusted based on market conditions, economic trends, and individual performance. The bonus system links corporate performance with individual performance evaluation, and employee remuneration is allocated in accordance with the Articles of Incorporation, allowing employees to share in operating results. The Company has strengthened salary protection for junior employees; relevant internal controls and amendments to the Articles of Incorporation were approved by the Board on March 10, 2025 (Year 114) and by the shareholders' meeting on June 16, 2025 (amendment to Article 26). In accordance with these provisions, when distributing employee bonuses for 2024 (Year 113) in October 2025, 2.27% of pre-tax earnings was allocated as bonuses for junior employees with a monthly salary of NT$63,000 or below, meeting the requirement of "not less than 2%," thereby promoting fair compensation and shared success. 2. Talent development and employee care: In 2025 (Year 114), overall employee satisfaction increased to 80.4% (+7.3%), and training satisfaction rose to 80.6% (+9.7%). The average training hours reached 39.7 hours per employee. On-site physician and nursing (including physical therapy) services were provided a total of 12 and 72 sessions, respectively, continuously improving employee healthcare quality and work experience. 3. Welfare and retirement system: In addition to statutory labor conditions, the Company provides group insurance, training programs, and diverse employee care measures. The retirement system is implemented in accordance with regulations, with pension contributions made as required, and a post-retirement reemployment mechanism is available to protect employee rights and sustain professional value. The Company also values employee communication and participation, holding regular employee welfare committee and labor-management meetings, and providing multiple communication channels (such as suggestion boxes and proposal systems) to strengthen labor relations and organizational cohesion.	(II) None.

(III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?	◎		(III) The Company values occupational safety and health and complies with relevant occupational safety and health regulations. Dedicated safety and health personnel are assigned to plan, implement, and supervise safety management operations and training programs, continuously strengthening safety and health management systems and fostering a safe, healthy, and friendly working environment. 1. Training and preventive measures: Regular safety and health training is provided for new and existing employees. The Company also promotes awareness of workplace misconduct prevention, sexual harassment prevention, and health promotion to enhance employees' risk awareness and self-protection capabilities. 2. Employee health and protection: Since December 2022, on-site medical services have been implemented. As of December 31, 2025 (Year 114), a total of 3 health seminars, 32 occupational physician sessions, and 217 occupational nursing (including physical therapy) services have been conducted to help employees prevent occupational health risks and strengthen health management. In addition to statutory labor and health insurance, group insurance is also provided, and biennial health checkups are conducted with differentiated subsidies based on job roles to enhance healthcare quality. 3. Safety performance: From November 1, 2019 to December 31, 2025, the Company accumulated 3,344,514 accident-free working hours (average workforce participation of 318 employees), and has continuously passed fire safety inspections and implemented access control management to ensure workplace safety. 4. Safety management: Regular self-inspections, occupational safety training, and emergency response drills are conducted to enhance employees' awareness of potential hazards and response capabilities, thereby continuously strengthening safety culture.	(III) None.
(IV) Has the Company established an effective career development training program for employees?	◎		(IV) Our company's office building, located within the Neihu Science Park, does not produce emissions related to air pollution, wastewater discharge, or greenhouse gases commonly associated with manufacturing industries. Additionally, the company has conducted a comprehensive review of its electricity contract capacity, resulting in significant cost savings. In August 2022, the Board of Directors approved the parent company's greenhouse gas inventory and verification schedule plan. On August 21, 2024, the company obtained the "Greenhouse Gas Verification Statement." The progress of the 2025 greenhouse	(IV) None.

			gas inventory and verification schedule plan is reported quarterly to the Board to continuously monitor the completion status of greenhouse gas inventory, verification, and disclosure timelines. The company is committed to environmental responsibility and promoting environmental awareness as part of its environmental sustainability management policy and strives to reduce its operational environmental footprint. Furthermore, leveraging its core expertise in design and planning, the company assists clients in energy saving, carbon reduction, zero carbon emissions, and the promotion and implementation of ESG corporate sustainability initiatives.	
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	◎		(V) Customer Rights Protection and Complaint Mechanism: The Company provides customized design planning and integrated engineering services. Issues related to customer health and safety, privacy, marketing, and labeling are managed in compliance with relevant regulations and international standards to safeguard customer rights. 1. Customer health and safety: The Company implements design and construction management in accordance with engineering regulations and ISO 9001 quality management systems to ensure service quality and safety compliance. 2. Customer privacy and information security: Confidentiality policies and data access control mechanisms are established to protect customer information security. 3. Customer rights protection and complaint mechanism: The Company maintains sections on its official website for investors, corporate governance, stakeholders, and ESG. Dedicated communication channels are established for different stakeholder groups. Customers may submit feedback or complaints through the website, which are handled and responded to by responsible departments to ensure proper resolution. The Company continuously reviews its systems and processes to improve service quality and customer satisfaction and regularly compiles customer feedback and satisfaction survey results for continuous improvement.	(V) None.
(VI) Has the Company formulated a supplier management policy, required suppliers to follow applicable regulations on issues, such as environmental protection, occupational safety and health, or labor rights? The implementation thereof? Disclosure of relevant and reliable CSR information?	◎		(VI) The Company has established supplier and subcontractor management policies and related mechanisms requiring suppliers to comply with environmental protection, occupational safety and health, and labor and human rights regulations, as well as Company standards, to jointly achieve sustainability goals. 1. Management measures: Suppliers are required to sign commitment documents, including safety, health, environmental protection, and corporate social responsibility agreements, to ensure compliance during operations. 2. Evaluation mechanism: Possession of ISO 9001, ISO 14001, ISO 45001 certifications or relevant government quality/environmental labels is	(VI) None.

			considered a preferential selection criterion to strengthen supply chain sustainability. 3. Risk control: The Company may terminate contracts with suppliers in case of serious violations related to environment, safety, labor conditions, or human rights to mitigate operational risks. 4. Implementation: Supplier commitments are fully implemented and monitored by responsible departments during project execution. Relevant supplier management policies and implementation status are disclosed in the Sustainability Report to enhance transparency and promote supply chain sustainability.	
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company’s non-financial information? Has a third-party verification entity provided assurance or assurance opinion for said report?	◎		This report is prepared in accordance with the Taiwan Stock Exchange Corporation’s “Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies.” It is compiled based on the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), and also incorporates the Sustainability Accounting Standards Board (SASB) Standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework for information disclosure. The report has obtained assurance or verification opinions from a third-party organization. The Company’s 2023 and 2024 sustainability reports have consecutively obtained independent assurance statements issued by the Taiwan Branch of British Standards Institution (BSI Singapore Pte Ltd.) for two consecutive years, which have been disclosed on the Company’s website. The 2025 (Year 114) sustainability report continues to be verified by BSI and is expected to be completed and published by the end of August 2026.	None.
VI. Where the Company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles, please specified the differences between the implementation and the principles: The Company follows the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" for self-defined operations complying with the requirements of the "Sustainable Development Best Practice Principles." The Company regularly reports the implementation status to the board of directors, reviews the implementation status, and makes improvements accordingly. No significant difference up till this date. The "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" will be revised based on the actual needs of the Company in the future.				

VII. Other important information that facilitates the promotion of sustainable development:

(I) Environmental protection

In order to fulfill the social responsibility of protecting the global environment, the Company does not use environmentally-polluting substances in the production process, and the scrapped items are also processed by a recycling company. There is no impact on the environment.

(II) Promoting Social Inclusion and Fulfilling Corporate Social Responsibility:

The Company periodically participates in social welfare initiatives by leveraging its professional expertise to assist disadvantaged groups and foster a corporate culture of philanthropy. The amount invested in each initiative varies depending on the nature of the activity and is adjusted in accordance with the Company's operating conditions for the year. The Company participates in, sponsors, or co-organizes various domestic and international charitable activities initiated by public welfare organizations, including:

1. Education and Public Welfare Support: The Company donated NT$150,000 each to the Rotary Educational Foundation and the Lin Hung-Yi Cultural and Educational Foundation, totaling NT$300,000, to support the development of outstanding youth, promote public welfare initiatives, and cultivate sustainable talent.
2. Promotion of Volunteer Services:

   In 2025, the Company contributed 7 volunteer participations and took part in 2 rural education initiatives, accumulating a total of 56 service hours and benefiting 72 students. Through practical actions, the Company helped reduce disparities in educational resources and enhance its social impact.
3. Employee Physical and Mental Well-being:The Company organized aromatherapy healing courses to help employees relieve stress, improve quality of life, and strengthen employee well-being.

(III) Promotion of workplace health and safety at work.

Qingbang consistently promotes on-site medical services and periodically disseminates health promotion information. In 2024, the company organized 12 on-site consultations with occupational physicians and a total of 72 on-site sessions with occupational health nurses. These initiatives aim to help employees work in a safer and more appropriate manner, prevent occupational health hazards, and implement personal health protection and management, thereby fostering a healthy and friendly workplace environment.

(IV) Consumer rights

To provide customers with comprehensive services and protection, the Company promptly engages in thorough communication with customers upon receiving complaints, aiming to understand their needs and enhance interaction. Improvement measures are periodically reviewed during management meetings.

The Company's website features a dedicated section for stakeholders, including employees, customers, suppliers, shareholders, and investors. Designated contact points are assigned based on stakeholder categories to establish effective communication channels. The Company continuously listens to stakeholder feedback and identifies key areas of concern. Related communication mechanisms and implementation outcomes are disclosed annually to ensure transparent and efficient information exchange. These mechanisms and results are published on the Company's website.

(V) Human Rights, Safety and Health

1. Upholding the business philosophy of integrity, harmony, innovation, excellence, continuous growth, and sustainability, we attach great importance to employee benefits. We have established an Employee Welfare Committee to contribute monthly welfare funds. The Welfare Committee arranges activities such as various tourism activities, club activities, and welfare events.
2. Provide various welfare subsidies for weddings and funerals, scholarships and emergency assistance, annual health examinations, group life insurance and accident insurance.
3. The Company offers a comprehensive range of employee benefits, including allowances for weddings, funerals, and special occasions, scholarships and emergency relief funds, annual health checkups, group life insurance, and accident insurance, demonstrating our commitment to employee well-being.

   We regularly assess and prioritize the issue of occupational health and safety management. By implementing the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System, we have integrated environmental and occupational health and safety concerns into a unified EHS (Environment, Health, and Safety) management system. This system is fully embedded into our daily operations to ensure effective risk identification and control, thereby safeguarding employee health and maintaining a safe working environment.

Note 1: If you select "Yes" for the implementation, please specify the important policies, strategies, measures and implementations; if you select "No," please explain the deviation and causes of deviation in the column for "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and explain the plans for adopting relevant policies, strategies and measures.

Note 2: The principle of materiality refers to the significant impacts arising from the environmental, social and corporate governance issues on the Company's investors and other stakeholders.

(VI) The Company's implementation of ethical management and any deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor:

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Operations</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td>I. Formulation of ethical management policies and plans
(I) Has the Company formulated an ethical management policy approved by the board of directors and disclosed the policy and practice of ethical management in its regulations and public documents? Are the board of directors and the senior management committed to actively implementing the policy?</td><td>◎</td><td></td><td>(I) The Company incorporates the principles of ethical corporate management in accordance with the Company Act, Securities and Exchange Act, applicable regulations for listed companies, and other relevant business conduct laws and regulations. With the approval of the Board of Directors, the Company has established the “Code of Ethical Corporate Management” and the “Procedures for Ethical Management and Guidelines for Conduct,” which clearly state that individuals with conflicts of interest must recuse themselves from relevant matters.In 2024, all nine directors, along with 12 senior executives and insiders, signed the “Statement of Compliance with the Ethical Corporate Management Policy,” requiring directors and managers to lead by example, adhere to the principles of honesty and integrity, and foster a culture of ethical and trustworthy corporate behavior.</td><td>(I) None</td></tr>
<tr><td>(II) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate the business activities with a higher risk of unethical conduct within the business scope and formulated a prevention plan accordingly, at least covering the prevention measures for the acts under each subparagraph under Article 7, paragraph 2 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?</td><td>◎</td><td></td><td>(II) The Company organizes education, training, and advocacy for directors, supervisors, managers, employees, and parties of de facto control on a regular basis, and invites counterparties engaged in business activities with the Company to participate so that they can fully understand the requirements of the Company's ethical corporate management and its determination, policies, prevention plans, and consequences of unethical practices.</td><td>(II) None</td></tr>
<tr><td>(III) Has the Company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?</td><td>◎</td><td></td><td>(III) No director, supervisor, manager, employee, party with de facto control, or other interested party of the Company shall directly or indirectly offer, promise, request or accept any improper benefits, or other unethical behaviors such as violation of integrity, illegality, or breach of fiduciary obligations, they shall be punished with reprimand or demerit or dismissal depending on the circumstances. Prevention is enhanced through strengthening the company’s internal control system.</td><td>(III) None</td></tr>
<tr><td>II. Implementation of ethical management
(I) Does the Company evaluate each counterparty’s records for ethics? Has the Company specified the terms of ethical conduct in each contract signed with each counterparty?</td><td>◎</td><td></td><td>(I) Before engaging in commercial activities, the Company will check whether the counterparty has any dishonest record (such as Check Credit Inquiry, default records) before trading, and prevent transactions or contracts with parties with a record of unethical behavior. The contract may be terminated or rescinded at any time if the counterparty is found to be involved in unethical conduct.</td><td>(I) None</td></tr>
<tr><td>(II) Has the Company established a dedicated (concurrent) unit under the board of directors to conduct ethical corporate management, regularly (at least once a</td><td>◎</td><td></td><td>(II) To ensure sound ethical corporate management, the Company has designated relevant management departments to be responsible for</td><td>(II) None</td></tr>
</table>

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
year) report to the board of directors on its ethical management policies and prevention plans for unethical conduct, and supervise the implementation?			formulating ethical management policies and prevention programs. The Audit and Risk Management Committee is tasked with supervising the implementation of these measures, and a report was submitted to the Board of Directors on December 16, 2024. The Company has dedicated personnel in charge of legal compliance to conduct regular inspections to ensure that all operations and management rules are updated in a timely manner in compliance with relevant laws and regulations, so that all operating activities comply with laws and regulations, in order to maintain the integrity of the Company, and they report to the Board of Directors regularly.	
(III) Has the Company formulated policies to prevent conflicts of interest, provided appropriate methods for stating one’s conflicts of interest, and implemented them appropriately?	◎		(III) The Company has established guidelines for management, in which all stakeholders shall recuse themselves from matters of conflicting interests, and shall not take advantage of their positions in the Company to obtain any illicit benefits. Those who have personal interest or the interest of the juridical person they represent involved in the proposals on the agenda of the board meetings, which may be detrimental to the Company’s interest, may state their opinions and answer questions and shall recuse themselves from the discussion and voting on a given proposal, and shall not act as a proxy for other directors exercising voting rights on their behalves.	(III) None
(IV) Has the Company has established an effective accounting system and an internal control system for the implementation of ethical management and assigned the internal audit unit to formulate relevant audit plans based on the assessment results of the risk of unethical conduct and audit the compliance with the unethical conduct prevention plan accordingly or commissioned a CPA to perform such audits?	◎		(IV) The Company's accounting system is determined in accordance with the relevant TWSE/GTSM regulations and other relevant laws and regulations, and is determined in accordance with the nature of the accounting affairs, the actual business conditions, and the development and management needs. In terms of internal control, related tasks have been clearly defined. Different departments are used to check and coordinate with each other; all operations are handled in accordance with the Company's internal regulations and external regulations. Operation processes are complied with, the related authority and responsibilities are clarified, and self-audit of each unit and the internal audit by the audit unit are conducted to achieve the purpose of internal control.	(IV) None
(V) Does the Company regularly hold internal and external education and training on ethical management?	◎		(V) The Company has incorporated ethical corporate management topics into training programs for new hires and in-service employees to enhance awareness and implementation of ethical practices. A total of 71 employees participated in the in-service training held on December 9, 2024.	(V) None
III. Implementation of the Company’s whistleblowing system (I) Has the Company formulated a specific whistleblowing and reward system, established a convenient whistleblowing method, and assigned appropriate personnel to handle the party accused?	◎		(I) The Company has set up a report and grievance window to handle any complaints. The Human Resources Department will report the violation of ethical corporate management by any personnel to the Personnel Review Committee for review and approval, and to determine the	(I) None

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Operations</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td></td><td></td><td></td><td>punishment according to the regulations.</td><td></td></tr>
<tr><td>(II) Has the Company formulated standard operating procedures for investigation of reported cases, the follow-up measures to be taken after the investigation is completed, and a confidentiality mechanism?</td><td>◎</td><td></td><td>(II) The Company has established the "Ethical Corporate Management Best Practice Principles." The Company's standard operating procedures for the investigation of reported matters are as follows:
(1) The Company has set up a report and grievance window specifically for handling employees' reports on internal and external parties' illegal (including corruption) and unethical behaviors. The identity of the informants and the content of the report will be kept confidential.
(2) The Human Resources Dept. reports the case to the Personnel Review Committee for review, approval and punishment according to the regulations.</td><td>(II) None</td></tr>
<tr><td>(III) Does the Company take measures to protect whistleblowers from being mistreated due to their whistleblowing behavior?</td><td>◎</td><td></td><td>(III) The Company shall adopt measures to protect whistleblowers from undue treatment as a result of their whistleblowing.</td><td>(III) None</td></tr>
<tr><td>IV. Enhanced information disclosure
Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?</td><td>◎</td><td></td><td>The website address of the Company is: http://www.kpec.com.tw; The Company has disclosed the information related to ethical management on the website. The Company has a spokesperson system in place as a bridge for information collection and disclosure and external communication, and discloses the implementation of the Ethical Corporate Management Best Practice Principles on the Company's website, annual reports and the prospectus.</td><td>None</td></tr>
<tr><td colspan="5">V. If the Company has formulated its own Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, please specify the difference between its operation and the principles: None.</td></tr>
<tr><td colspan="5">VI. Other important information that facilitates the understanding of the Company's ethical management: (e.g., reviewing and amending the Company's corporate governance best practice principles): None.</td></tr>
</table>

(VII) If the Company has established corporate governance best practice principles and related rules and regulations, the methods for inquiring about them shall be disclosed: The Company shall disclose the information on MOPS and in annual reports of the Company in accordance with the “Regulations Governing Information to be Published in Annual Reports of Public Companies” for external inquiries.

(VIII) Other material information that is helpful for understanding the Company's corporate governance may be disclosed: None.

(IX) Matters to be disclosed regarding the implementation of the internal control system:

1. Internal Control Statement: Please refer to page 48.
2. For those who appointed a CPA to review the internal control system, the CPA’s review report shall be disclosed: None.

KING POLYTECHNIC ENGINEERING CO., LTD.

Statement of the Internal Control System

Date: March 9, 2026

The Company's internal control system for 2025 as per the results of our self-assessment is hereby declared as follows:

I. The Company is clearly aware that the establishment, implementation, and maintenance of an internal control system are the responsibility of the Company's Board of Directors and managers, and the Company has established such a system. It aims to provide reasonable assurance for the achievement of the objectives, namely the effectiveness and efficiency of operations (including profitability, performance, and asset security protection), the reliability, timeliness, and transparency of financial reporting, and compliance with applicable laws and regulations.

II. Some limitations are inherent in all internal control systems. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance regarding the achievement of the above three intended objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take action to rectify it.

III. The Company judges whether the design and implementation of the internal control system is effective based on the criteria for judging the effectiveness of the internal control system set out in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). Said criteria under the Regulations are divided into five constituent elements as per the management and control process: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each constituent element includes several items. For said items, please refer to the Regulations.

IV. The Company has adopted the aforesaid judgment criteria for the internal control system to determine whether the design and implementation of the internal control system are effective.

V. Based on the results of the assessment in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of its subsidiaries), including the understanding the effectiveness of operations and the extent to which efficiency targets are achieved, reliable, timely, and transparent reporting, and compliance with applicable rules and applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing objectives.

VI. This statement will form the main content of the Company's annual report and prospectus and will be made public. If the disclosed content above is false or there is material information concealed deliberately or otherwise, the Company will be legally liable pursuant to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement has been approved by the Company's Board of Directors on March 9, 2026. Among the nine directors present (including 1 attending by proxy), none of them expressed objections. All the others agreed with the content of this statement. Therefore, this statement is hereby declared.

KING POLYTECHNIC ENGINEERING CO., LTD.

Chairman: Chien-Feng Hong

President: Ming-Tsan Chang

(X) Penalties imposed against the Company and its internal personnel in accordance with the law, or penalties for violations of internal control regulations imposed by the Company in the most recent year up till the publication date of the annual report, major deficiencies, and improvements made : None.

(XI) Important resolutions by the shareholders' meeting and the Board of Directors in the most recent year and up to the publication date of the annual report:

(1) Important resolutions by the 2025 general shareholders' meeting and implementation:

The Company's 2025 shareholders’ annual general meeting was held on June 16,2025 at No. 2-1, Jinan Road, Sec. 1, Taipei City (NTU Alumni Association). The motions passed by shareholders’ resolution and their implementation status are as follows:

I. Proposed Resolutions

1. 2024 Business Report and Financial Statements.

Implementation: The 2024 business report and financial statements were approved. Consolidated revenue for the year was NT$4,131,669 thousand, net profit after tax was NT$344,217 thousand, and earnings per share were NT$4.41.

2. 2024 earnings distribution proposal.

Implementation status: The 2024 earnings distribution proposal of the Company had been resolved in the 15th meeting of the 15th Board of Directors, and was also approved in the 2025 Shareholders' Annual General Meeting, and the implementation was completed.

II. Items for discussion

1. Amendment to certain provisions of the Company’s Articles of Incorporation.

Implementation: The proposal was approved as proposed and announced on the Market Observation Post System (MOPS) and the Company's website as required.

(2) Major resolutions of the Board of Directors

Serial No.	Types of meeting (Board of Directors/Shareholders' Meeting)	Date of meeting	Important resolutions
1	The 15th Term 15th term	2025.3.10	1. Approval of individual and consolidated financial statements for 2024. 2. 2024 Business Report. 3. 2024 Internal Control Declaration. 4. 2024 Earnings Distribution Proposal. 5. Distribution of employee compensation and director remuneration for 2024. 6. Amendments to part of the “Board Meeting Procedures.” 7. Definition of grassroots employees. 8. Amendments to the “Articles of Incorporation.” 9. Amendments to internal control procedures related to payroll and grassroots employee definition. 10. Proposal to merge with 100%-owned subsidiary Hong Siang Construction Co., Ltd. via simplified merger. 11. Determination of time, venue, and agenda for the 2025 Annual General Shareholders’ Meeting; acceptance period and location for shareholder proposals. 12. The term of the current (15th) Board of Directors and Independent Directors is expiring; reelection to be carried out accordingly. 13. Nomination and qualification review of candidates for the 16th Board of Directors and Independent Directors. 14. Announcement of nomination period, number of seats, and location for submission of nominations for the 2025 AGM. 15. Proposal to lift non-competition restrictions for newly elected directors at the upcoming shareholders’ meeting.
2	The 15th Term 16h term	2025.5.5	1. The Company's consolidated financial statements for Q1 of 2025. 2. Establishment of the Company’s “Procedures for Share Repurchase” and “Employee Share Transfer Guidelines” 3. Implementation of the Company’s first share repurchase of the year 2025 4. 2025 salary adjustment plan for employees and managers.
3	The 16th Term 1st term	2025.6.16	1. Election of the Chairman and Vice Chairman of the Board 2. Appointment of the Company’s General Manager 3. Appointment of members of the Company’s 2nd Audit and Risk Management Committee 4. Appointment of members of the Company’s 6th Compensation Committee 5. Appointment of members of the Company’s 2nd Nomination Committee
4	The 16th Term 2nd term	2025.8.4	1. Report on the Company’s sustainability initiatives and operational practices 2. Report on the Company’s stakeholders, key concerns, communication channels, and response mechanisms 3. Report on the implementation of the Company’s risk management practices 4. The Company’s consolidated financial statements for Q2 of 2025. 5. Change of the Company’s Chief Audit Executive 6. Revision of the Company’s “Employee Share Transfer Guidelines” 7. 2024 Sustainability Report.
5	The 16th Term 3rd term	2025.11.3	1. The Company’s consolidated financial statements for Q3 of 2025. 2. 2026 Internal Audit Annual Plan.

			3. Sponsorship of the establishment fund for the “New Taipei City KING POLYTECHNIC Group Education Foundation” in the amount of NT$1,000,000.
6	The 16th Term 4th term	2025.12.8	1. Report on the Company’s information and communication security risk management implementation for the year 2025 2. Approval of various bonus distributions for 2025. 3. Application for the retirement pension of President Mr. Chien-Pang Hong 4. 2026 Business Goals and Budget Report.
7	The 16th Term 5th term	2026.3.9	1. Report on the Company’s risk management implementation for the second half of the year 2025 2. Approval of individual and consolidated financial statements for 2025. 3. 2025 Business Report. 4. 2025 Internal Control Declaration. 5. The Company’s advance approval of general principles for non-assurance services policy 6. Evaluation of the independence of the certified public accountant and related professional fees 7. 2025 Earnings Distribution Proposal. 8. Distribution of employee compensation and director remuneration for 2025. 9. Determination of time, venue, and agenda for the 2026 Annual General Shareholders’ Meeting; acceptance period and location for shareholder proposals.

(XII) During the most recent year and up to the date publication of this annual report, if the directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

(XIII) During the most recent year and up to the date publication of this annual report, a summary of the resignation and dismissal of related persons to the Company (including the Chairman, President, chief accounting officer, chief financial officer, chief internal auditor, corporate governance officer, or R&D officer):

Job title	Name	Inauguration date	Date of dismissal	Reason for resignation or dismissal
Chief Auditor	Zhe-Min Zhu	August 14, 2023	March 31, 2024	Resigned due to career planning.

IV. Information on the Company’s CPA audit fees

Unit: In Thousands of New Taiwan Dollars

Name of Accounting Firm	Name of CPA		Audit period	Audit fees	Non-audit fees	Total	Remarks (Note)
KPMG	Chia-Chien Tang	Ya-Lin Chen	2025/01/01～2025/12/31	2,980	900	3,880	None

Please specify the non-audit expenditure services: Tax certification and salary information checklist for full-time non-managerial employees.

Note: If the Company has replaced its CPAs or accounting firm this year, please state the audit period separately, explain the reason for the replacement in the remark column, and disclose the audit and non-audit fees paid.

V. Replacement of CPAs: None.

VI. The Company's Chairman, President, or any managerial officer in charge of financial or accounting affairs that has worked in the accounting firm or any of its affiliated company in the most recent year: None.

VII. Transfer or change in pledge of equity shares by directors, managers, or shareholders holding more than 10% of the shares issued by the Company in the most recent year and the current year up to the publication date of this annual report:

1. Changes in shareholdings of directors, managerial officers, and major shareholders

Unit: Shares

Title	Name	2025		The current year up to April 18	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Director and Group President	Jenn-Pan Horng	0	0	0	0
Chairman and Operational Vice President	Hong Chien-Fong	0	0	0	0
Director	Chuan Lun Investment Co., Ltd. Representative: Lai, Chi-Li	0	0	0	0
Director	Neptune Investment Co., Ltd. Representative: Shu-Hua Chang	0	0	0	0
Director and President	Chang Ming-Chan	0	0	0	0
Director	Chang, Pang-Yen	0	0	0	0
Independent Director	Hui-You Hsu	0	0	0	0
Independent Director	Jung-Hui Liang	0	0	0	0
Independent Director	Mao-Sheng Liang	0	0	0	0
General Administration Division Vice President/Chief Financial Officer	Chin-Pi Hsu	0	0	0	0
Vice President	Chun-Hsien Kao	0	0	0	0
Assistant Vice President	Cheng-Chuan Lu	0	0	0	0
Assistant Vice President	Yung-Hsi Chen	0	0	0	0
Assistant Vice President	Hsien-Chao Chang	0	0	0	0
Assistant Vice President	Chun-Hung Lee	0	0	0	0
Assistant Vice President	Ping-Ching Huang	0	0	0	0
Assistant Vice President	Lien-Tsai Kuo	0	0	0	0
Assistant Vice President	Chi-Tseng Tseng	0	0	0	0

1.Information on share transfer

Name	Reason for equity transfer	Transaction date	Counterparty of transaction	Relationship between counterparties and the Company, directors, independent directors, managerial officers, and shareholders with more than 10% ownership interest	Number of shares	Transaction price
None	None	None	None	None	None	None

2.Information on equity pledge:

Name	Reason for change in pledge	Date of change	Counterparty of transaction	Relationship between counterparties and the Company, directors, independent directors, managerial officers, and shareholders with more than 10% ownership interest	Number of shares	Pledge (redemption) amount
None	None	None	None	None	None	None

VIII. Information about the top ten shareholders with shareholding ratio, and their relationship with each other or their spouses or relatives within the second degree of kinship:

Relationship among the Top 10 Shareholders

April 25, 2026

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Spouse and relatives within the second degree of kinship among the top ten shareholders who are related to each other as described in SFAS No. 6 related party, the names and their relationships.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title	Relations	
TAIWAN BENEFIT COMPANY	3,050,979	3.91%	-	-	-	-	1. Jenn-Pan Horng 2. Chuan Lun Holding Co. Ltd.	1. Chairman of Taiwan Benefit Company 2. Corporate Director of Taiwan Benefit Company	
Representative: Jenn-Pan Hong	2,947,077	3.77%	879,570	1.13%	-	-	1. TAIWAN BENEFIT COMPANY 2. Lai Jen-Jen 3. Chee-Lee Lai 4. Lai Chi-Peng	1. Chairman of Taiwan Benefit Company 2. Spouse 3. Spouse's younger brother 4. Spouse's older brother	
Jenn-Pan Hong	2,947,077	3.77%	87,9570	1.13%	-	-	1. TAIWAN BENEFIT COMPANY 2. Lai Jen-Jen 3. Chee-Lee Lai	1. Chairman of Taiwan Benefit Company 2. Spouse 3. Spouse's younger brother	
Chuan Lun Holding Co. Ltd.	2,517,203	3.22%	-	-	-	-	TAIWAN BENEFIT COMPANY	Corporate Director of Taiwan Benefit Company	
Representative: Chee-Lee Lai	-	-	765,343	0.98%	-	-	1. Jenn-Pan Hong 2. Lai Jen-Jen	1. Brother-in-law 2. Sister	
Jia Bang Investment Co. Ltd.	1,579,402	2.02%	-	-	-	-	-	-	
Representative: Lai Jen-Jen	879,570	1.13%	2,947,077	3.77%			1.Jenn-Pan Hong 2. Chee-Lee Lai	1. Spouse 2. Brother	
King Polytechnic Engineering Co., Ltd.	1,558,000	2.00%					the Company	the Company	
Neptune Investment Co., Ltd.	1,545,429	1.98%	-	-	-	-	-	-	
Representative: Shu-Hua Chang	-	-	-	-	-	-	Yang Ming Investment Co., Ltd.	Representative of Yang Ming Investment Co., Ltd.	
Zhang Li-Jie	1,310,000	1.68%							
Yang Ming Investment Co., Ltd.	941,684	1.21%	-	-	-	-	-	-	
Representative: Shu-Ming Chang	-	-	-	-	-	-	Neptune Investment Co., Ltd.	Director of Neptune Investment Co., Ltd.	
Lai Jen-Jen	879,570	1.13%					1.Jenn-Pan Hong 2. Chee-Lee Lai	1.Spouse 2. Brother	
Pulibang Investment Co., Ltd.	878,000	1.12%	-	-	-	-	-	-	
Representative: Chang Yi-Hui	10,695	0.01%	-	-	-	-	-	-	

Note 1: The top 10 shareholders shall be listed. For corporate shareholders, the name of the corporate shareholder and the name of the representative shall be listed separately.

Note 2: The shareholding ratio is calculated in the name of own name, spouse, underage children, or shareholding in the name of others.

Note 3: The relationship among the above-mentioned shareholders, including juristic persons and natural persons, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Issuers.

IX. The total number of shares held and the consolidated shareholdings in any single investee by the Company, its directors, managerial officers, or any companies controlled either directly or indirectly by the Company

December 31, 2025 Unit: Shares: %

Investee	The Company's investment		Investment by directors, managerial officers, or any companies controlled either directly or indirectly by the Company		Comprehensive investment	
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %
BIOTEQUE CORPORATION (Note 1)	304,219	0.44%	-	-	304,219	0.44%
TAIWAN BENEFIT COMPANY (Note 1)	4,472,182	11.75%	7,902,129	20.77%	12,374,311	32.53%
LEAD DATA INC. (formerly known as Yili Technology) (Note 1)	63,087	0.04%	-	-	63,087	0.04%
LNT TECHNOLOGY CO., LTD. (Note 2)	400,000	40.00%	-	-	400,000	40.00%
RELIANT REAL ESTATE DEVELOPMENT CO., LTD. (Note 3)	5,250,000	100.00%	-	-	5,250,000	100.00%
King Polytechnic (Texas) Corporation (Note 3)	270,000	100.00%	-	-	270,000	100.00%

Note 1: Financial assets measured at fair value through other comprehensive income

Note 2: Re-invested companies accounted for using the equity method

Note 3: Reinvested subsidiary wholly held by the Company

Note 4: The Company’s Board of Directors resolved on March 10, 2025 to approve a simplified merger between the Company and its wholly owned subsidiary, HONG SIANG CONSTRUCTION CO., LTD., with April 14, 2025 designated as the merger record date. Following the merger, KING POLYTECHNIC ENGINEERING CO., LTD. shall be the surviving company, while HONG SIANG CONSTRUCTION CO., LTD. shall be the dissolved company. The merger was approved and completed pursuant to the Ministry of Economic Affairs letter Ref. No. Jing-Shang-Zi No. 11430056440 dated May 5, 2025.

Three. Fundraising Status

I. Source of share capital

1. Formation of share capital: April 18, 2025, Unit: NTD: Shares

Year/ Month	Face value per share (NTD)	Authorized capital		Paid-in capital		Remarks						
						Source of share capital					Capital increased by assets other than cash	Others
		Number of shares	Amount	Number of shares	amount	Conversion of corporate bonds	Cash capital increase by	Capitalization of earnings to increase the capital by	Capitalization of capital surplus	Total		
1982.08	10	1,000,000	10,000,000	600,000	6,000,000	-	6,000,000	-	-	6,000,000	None	-
1989.03	10	2,000,000	20,000,000	1,000,000	10,000,000	-	4,000,000	-	-	4,000,000	None	-
1989.05	10	5,000,000	50,000,000	2,750,000	27,500,000	-	17,500,000	-	-	17,500,000	None	-
1989.12	10	5,000,000	50,000,000	5,000,000	50,000,000	-	22,500,000	-	-	22,500,000	None	-
1998.03	10	20,000,000	200,000,000	10,000,000	100,000,000	-	50,000,000	-	-	50,000,000	None	Note 1
1998.07	10	20,000,000	200,000,000	19,990,000	199,900,000	-	99,900,000	-	-	99,900,000	None	Note 2
1999.07	10	35,000,000	350,000,000	23,846,399	238,463,990	-	-	18,573,990	19,990,000	38,563,990	None	Note 3
2000.06	10	35,000,000	350,000,000	27,626,096	276,260,960	-	-	23,489,130	14,307,840	37,796,970	None	Note 4
2001.07	10	35,000,000	350,000,000	30,907,750	309,077,500	-	-	29,501,410	3,315,130	32,816,540	None	Note 5
2002.09	10	50,000,000	500,000,000	33,864,797	338,647,970	-	-	29,570,470	-	29,570,470	None	Note 6
2005.10	10	50,000,000	500,000,000	34,600,068	346,000,680	7,352,710	-	-	-	7,352,710	None	Note 7
2006.01	10	50,000,000	500,000,000	35,198,090	351,980,900	5,980,220	-	-	-	5,980,220	None	Note 8
2006.04	10	50,000,000	500,000,000	40,913,721	409,137,210	57,156,310	-	-	-	57,156,310	None	Note 9
2006.07	10	80,000,000	800,000,000	41,011,760	410,117,600		-	-	-	980,390	None	Note 10
2006.10	10	80,000,000	800,000,000	43,103,833	431,038,330	-	-	20,920,730	-	20,920,730	None	Note 11
2007.01	10	80,000,000	800,000,000	43,983,078	439,830,780	8,792,450	-	-	-	8,792,450	None	Note 12
2007.04	10	80,000,000	800,000,000	46,280,831	462,808,310	22,977,530	-	-	-	22,977,530	None	Note 13
2007.10	10	80,000,000	800,000,000	49,052,192	490,521,920			27,713,610		27,713,610	None	Note 14
2008.03	10	80,000,000	800,000,000	49,145,411	491,454,110					932,190	None	Note 15
2008.08	10	80,000,000	800,000,000	50,662,352	506,623,520	15,169,410				15,169,410	None	Note 16
2008.09	10	80,000,000	800,000,000	51,992,806	519,928,060			13,304,540		13,304,540	None	Note 17
2008.11	10	80,000,000	800,000,000	52,586,025	525,860,250	5,932,190				5,932,190	None	Note 18
2009.02	10	80,000,000	800,000,000	52,642,099	526,420,990	560,740				560,740	None	Note 19
2009.04	10	80,000,000	800,000,000	58,090,640	580,906,400	5,448,541				5,448,541	None	Note 20
2009.07	10	80,000,000	800,000,000	61,342,957	613,429,570	3,252,317				3,252,317	None	Note 21
2009.08	10	80,000,000	800,000,000	61,370,994	613,709,940	28,037				28,037	None	Note 22
2009.09	10	80,000,000	800,000,000	62,950,257	629,502,570			15,792,630		15,792,630	None	Note 23
2010.10	10	80,000,000	800,000,000	64,838,764	648,387,640			18,885,070		18,885,070	None	Note 24
2011.09	10	80,000,000	800,000,000	68,729,089	687,290,890			38,903,250		38,903,250	None	Note 25
2012.07	10	100,000,00	1,000,000,0	68,729,089	687,290,890						None	Note 26
2020.10	10	100,000,00	1,000,000,0	70,790,961	707,909,610			20,618,720		20,618,720	None	Note 27
2022.12	10	100,000,00	1,000,000,0	72,206,780	722,067,800			14,158,190		14,158,190	None	Note 28
2023.09	10	100,000,00	1,000,000,0	74,372,983	743,729,830			21,662,030		21,662,030	None	Note 29
2024.09	10	100,000,00	1,000,000,0	78,091,632	780,916,320			37,186,490		37,186,490	None	Note 30
2025.07	10	150,000,00	1,000,000,0	78,091,632	780,916,320						None	Note 31

Note 1: Approved by the Ministry of Economic Affairs under Letter Ref. No. (87)-Shang-Zi 108185.
Note 2: Approved by the Ministry of Economic Affairs under Letter Ref. No. (87)-Shang-Zi 087125052.
Note 3: Approved by Letter Ref. No. (88) Tai-Cai-Zheng (I) 57892 dated July 5, 1999 from Securities and Futures Commission, Ministry of Finance.
Note 4: Approved by Letter Ref. No. (89) Tai-Cai-Zheng (I) 47517 dated June 1, 2000 from Securities and Futures Commission, Ministry of Finance.
Note 5: Approved by Letter Ref. No. (90) Tai-Cai-Zheng (I) 148299 dated July 25, 2001 from Securities and Futures Commission, Ministry of Finance.
Note 6: Approved by Letter Ref. No. Tai-Cai-Zheng (I) 0910152313 dated September 23, 2002 from Securities and Futures Commission, Ministry of Finance.
Note 7: Approved by Letter Ref. No. Fu-Jian-Shang 09423328120, dated October 26, 2005 from Taipei City Government.
Note 8: Approved by Letter Ref. No. Fu-Jian-Shang 09571884210, dated January 24, 2006 from Taipei City Government.
Note 9: Approved by Letter Ref. No. Fu-Jian-Shang 09575576100, dated April 12, 2006 from Taipei City Government.
Note 10: Approved by Letter Ref. No. Fu-Jian-Shang 09579623900, dated June 16, 2006 from Taipei City Government.
Note 11: Approved by Letter Ref. No. Fu-Jian-Shang 09583860210, dated October 12, 2006 from Taipei City Government.
Note 12: Approved by Letter Ref. No. Fu-Jian-Shang 09680441710, dated January 17, 2007 from Taipei City Government.
Note 13: Approved by Letter Ref. No. Fu-Jian-Shang 09683208900, dated April 17, 2007 from Taipei City Government.
Note 14: Approved by Letter Ref. No. Fu-Jian-Shang 09690681800, dated October 18, 2007 from Taipei City Government.
Note 15: Approved by Letter Ref. No. Fu-Jian-Shang 09783516410, dated April 29, 2008 from Taipei City Government.
Note 16: Approved by Letter Ref. No.Bei-Shang-I 0970029628, dated August 4, 2008 from Taipei City Government.
Note 17: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09701216640, dated August 29, 2008.
Note 18: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09701265330, dated October 24, 2008.
Note 19: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801016420, dated February 2, 2009.
Note 20: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801074690, dated April 17, 2009.
Note 21: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801158180, dated July 20, 2009.
Note 22: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801177430, dated August 6, 2009.
Note 23: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09801200110, dated September 2, 2009.
Note 24: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 09901221380, dated October 1, 2010.
Note 25: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 10001215730, dated September 27, 2011.

Note 26: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 10101137020, dated July 13, 2012.
Note 27: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 10901187860, dated October 19, 2020.
Note 28: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 11101234000, dated December 9, 2022.
Note 29: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 11230174850, dated September 15, 2023.
Note 30: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 11330161290, dated September 6, 2024.
Note 31: Approved by the Ministry of Economic Affairs under Letter Ref. No. Jing-Shou-Shang 11430094360, dated July 23, 2025.

2. Type of shares:

April 25, 2026 Unit: Shares

Shares / Type	Authorized capital			Remarks
	Number of shares issued	Number of shares unissued	Total	
Registered ordinary shares	78,091,632	71,908,368	150,000,000	

II. Shareholder structure

April 25, 2026

Shareholder structure	Government agencies	Financial institutions	People from Mainland China	Other juridical persons	Foreign institutions and natural persons	Individual	Total
Number of people	0	5	1	212	67	36,860	37,145
Number of shares held	0	405,572	1	13,808,986	2,355,021	61,522,052	78,091,632
Percentage of ownership %	0.00%	0.52%	0.00%	17.68%	3.02%	78.78%	100.00%

III. Equity dispersion

April 25, 2026

Shareholding range	Number of shareholders	Number of shares held	Shareholding
1--------999	27,706	793,005	1.02%
1,000------5,000	7,331	14,441,605	18.49%
5,001-----10,000	1,054	7,489,351	9.59%
10,001-----15,000	396	4,808,685	6.16%
15,001-----20,000	177	3,189,219	4.08%
20,001-----30,000	165	4,119,947	5.28%
30,001-----50,000	158	6,100,044	7.81%
50,001----100,000	94	6,307,399	8.08%
100,001----200,000	30	4,024,070	5.15%
200,001----400,000	15	3,752,989	4.81%
400,001----600,000	3	1,455,235	1.86%
600,001----800,000	6	4,256,739	5.45%
800,001--1,000,000	3	2,723,254	3.49%
1,000,001 shares or more	7	14,630,090	18.74%
Total	37,145	78,091,632	100.00%

IV. List of major shareholders

Names, shareholdings, and percentages of shareholders holding at least 5% of the shares or top 10 shareholders.

April 25, 2026

Share Name of major shareholder	Number of shares held	Percentage of ownership %
TAIWAN BENEFIT COMPANY	3,050,979	3.91%
Jenn-Pan Hong	2,947,077	3.77%
Chuan Lun Investment Co., Ltd.	2,517,203	3.22%
Jia Bang Investment Co. Ltd.	1,701,402	2.18%
King Polytechnic Engineering Co., Ltd.	1,558,000	2.00%
Neptune Investment Co., Ltd.	1,545,429	1.98%
Zhang Li-Jie	1,310,000	1.68%
Yang Ming Investment Co., Ltd.	965,684	1.24%
Lai Jen-Jen	879,570	1.13%

V. Market price and net asset value per share, earnings, dividends, and relevant information in the most recent two years

Unit: NTD; Thousand shares

Year Items			2024	2025
Market price per share	Highest		73.80	54.90
	Lowest		47.95	37.05
	Average		57.53	48.77
Book value per share	Before distribution		23.37	24.53
	After distribution		20.17	21.63
Earnings per share	Weighted average number of shares		78,092	78,092
	Earnings per share	Before adjustment	4.41	4.78
		After adjustment	4.36	4.72
Dividend per share	Cash dividends (Note 1)		3.2	3.4
	Stock dividend	Distribution of earnings (Note 1)	-	-
		Distribution of capital surplus	-	-
	Cumulative unpaid dividends		-	-
Analysis of return on investment	Price-earnings ratio (Note 2)		13.05	10.20
	Price-dividend ratio (Note 3)		17.98	14.34
	Cash dividend yield (Note 4)		5.56	6.97

Note 1: The 2025 earnings distribution proposal is pending approval by the shareholders' annual general meeting for the current year.

Note 2: Price to earnings ratio = Average closing price per share for the year/earnings per share.

Note 3: Price to dividends ratio = Average closing price per share for the year/cash dividend per share.

Note 4: Cash dividends yield = Dividend per share/average closing price per share for the year.

VI. Dividend policy and implementation

1. The Company's dividend policy:

   The Company's dividend policy is implemented in accordance with the Company Act and the Company's Articles of Incorporation, while maintaining balance in order to ensure the normal operation of the Company and protect the rights and interests of investors.

   Any profits made in the current year shall be retained to cover accumulated losses, and then 8% of the pre-tax profits shall be appropriated as remuneration to employees. The distribution will be distributed in shares or cash upon resolution of the board of directors, and the recipients of the payment include employees of subordinate companies that meet certain criteria; The board of directors may resolve to appropriate no more than 2% of the above-mentioned profit as remuneration to directors. Employee remuneration and directors' remuneration distribution proposals shall be reported to the shareholders' meeting.

   If the Company has earnings at the end of the year, it shall pay taxes according to laws, make up the accumulated losses, and then appropriate 10% as the legal reserve to the extent that it is of the same amount as the paid-in capital. Allocate the remainder as provision or reversal of special reserves according to laws and regulations; if there is any remaining balance, together with undistributed earnings, the board of directors will draft an earnings appropriation proposal and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

   The Company's dividend policy is implemented in accordance with the Company Act and the Company's Articles of Incorporation, in response to the Company's long-term development needs, and in consideration of the Company's capital structure and long-term financial plans, the Board of Directors has formulated the principles for the distribution of dividends. The engineering service business of the Company is a capital- and technology-intensive industry. In order to consider the operating principles of a sound financial structure and the life cycle of each business, the retained earnings must be used to meet operational growth and investment needs. At this stage, a residual dividend policy is adopted. The ratio of stock dividends (including distribution of earnings and capital surplus) to cash dividends is determined based on the principle of earnings distribution according to the Company's capital needs, but the ratio of cash dividends shall not be less than 20%.

   When the board of directors resolves to distribute dividends, if the closing price of the Company's common shares on the previous day is lower than the par value, the company may distribute cash dividends in whole or in part. The amount of earnings distribution, the type and percentage of dividends may depend on the actual profit and funding status of the year, and after the resolution of the board of directors, it is proposed to the shareholders' meeting for resolution.

2. Dividend distribution proposed in the current shareholders' meeting:

   The Board of Directors of the Company resolved on March 9, 2026 to approve the Company's 2025 earnings distribution proposal, which is subject to the approval of the annual general shareholders' meeting for the current year.

Unit: New Taiwan Dollars

Items	Total
Undistributed earnings at beginning of period	404,888,772
Add (subtract): Change of re-measurement of defined benefit plan for the current period	2,734,000
Net profit after tax	368,945,028
Subtract: 10% legal reserve	(37,167,903)
Earnings available for distribution	739,399,897
Items for distribution:	
Cash dividend to shareholders at NT$3.4 per share	260,214,349
Undistributed earnings at the end of the period	479,185,548

Note: The aforesaid cash dividend distribution ratio is calculated based on the Company’s total issued shares of 78,091,632 shares as of December 31, 2025, after deducting 1,558,000 treasury shares, resulting in 76,533,632 outstanding shares. The cash dividend distribution from current earnings amounts to NT$3.4 per share.

3. Expected effect of major changes in dividend policy: The Company's dividend policy is not expected to be changed significantly, so it is not affected.

VII. The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

VIII. Profit-sharing remuneration to employees and directors

1. **The percentages of profit and ranges of profit-sharing remuneration to employees and directors as stated in the Company's Articles of Incorporation:**

   If there are earnings from the annual settlement of the Company, an amount to cover the accumulated deficits shall first be reserved from the earnings. Subsequently, allocate 8% and not more than 2% from the pre-tax income as remuneration for employees, and directors, respectively. The distribution proposal shall be reported to the shareholders’ meeting.

2. **Basis for estimation of employee remuneration and directors’ remuneration in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount distributed is different from the estimated amount:**
   (1) The amount of remuneration to directors and employees is estimated in accordance with Articles 26 and 26-1 of the Company's Articles of Incorporation.
   (2) The estimated remuneration to directors and employees is not based on the method for the distribution of shares.
   (3) The accounting treatment if the actual amount distributed is different from the estimated amount: It will be treated as a change in accounting estimate and adjusted for book entry in the year of actual distribution.

3. **The distribution of remuneration approved by the Board of Directors:**
   (1) Amount of profit-sharing remuneration to employees and directors
   The earnings distribution proposal approved by the 16th meeting of the 5th Board of Directors of the Company on March 9, 2026, with cash profit-sharing remuneration to employees of $42,248,025 and profit-sharing remuneration to directors of $10,562,006, which shall be reported to the annual general shareholders' meeting this year.
   (2) Employees' remuneration distributed in shares and its ratio to the net income after tax and the total employees' remuneration: Not applicable.
   (3) The imputed earnings per share after taking into account the proposed employees' remuneration and directors' remuneration:
   Remuneration to employees, and directors to be distributed in 2024 are in cash and are recognized as expenses for the year according to laws, with no impact on earnings per share.

4. **Where there is a difference between the actual distribution of the employees remuneration, and directors remuneration and the estimated amounts for the prior year (including the number of shares distributed, amount, and stock price), the amount of the difference, reason, and accounting treatment shall also be specified:**

   In accordance with the resolution of the shareholders' meeting, the Company will distribute profit-sharing remuneration to employees in the amount of NT$38,130,659 and profit-sharing remuneration to directors in the amount of NT$9,532,665 for 2024. There was no such difference.

IX. The repurchase of the Company's shares:.

Repurchase tranche	First
Purpose of repurchase	Transfer of shares to employees
Repurchase period	May 5, 2025 to July 5, 2025
Repurchase price range	NT$35 to NT$75
Class and number of shares repurchased	Common shares, 1,558,000 shares
Total amount of shares repurchased	NT$79,864,393
Percentage of shares repurchased to planned repurchase quantity	51.93%
Number of shares canceled or transferred	0 shares
Cumulative number of shares held by the Company	Common shares, 1,558,000 shares
Ratio of cumulative shares held by the Company to total issued shares	2%

X. Issuance of corporate bonds: None.

XI. Issuance of preference shares: None.

XII. Issuance of depository receipts: None.

XIII. Issuance of employee stock warrants: None.

XIV. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies:

The Company’s Board of Directors resolved on March 10, 2025 to approve a simplified merger between the Company and its wholly owned subsidiary, HONG SIANG CONSTRUCTION CO., LTD., with April 14, 2025 designated as the merger record date. Following the merger, KING POLYTECHNIC ENGINEERING CO., LTD. shall be the surviving company, while HONG SIANG CONSTRUCTION CO., LTD. shall be the dissolved company.

As this is a merger with a wholly owned subsidiary, no share exchange ratio applies, and there is no impact on shareholders’ equity. It also has no effect on net asset value per share or earnings per share.

XV. The plan for the use of funds, including the contents of the plan and the progress: Not applicable.

Four. Overview of Operations

I. Operation of the Company

(I) Information on business

1. Scope of business

(1) Main business activities of the Company

① Plant planning, design, and construction for the petrochemical and chemical industries

② Planning, design, and construction of public works industry

③ Plant planning, design, and construction of high-tech industries such as electronics, semi-conductor, photoelectric communication, sterile clean room, and data center

④ Planning, design, and construction of clean energy and environmental protection industries

⑤ Residential and commercial building construction and electrical and mechanical engineering

⑥ Planning, design, and construction of smart factories, smart buildings, and smart healthcare-related industries

⑦ Plant planning, design, and construction for the biotechnology, medical, and pharmaceutical industries

(2) Weight of business

The Company's main business activities in 2024 and their shares of sales:

Unit: In Thousands of New Taiwan Dollars

Main business activities	2025	
	Amount	Percentage
Petrochemical and chemical engineering	2,324,242	55.50%
MRT, power plants, air-conditioning electromechanical systems, and public works	1,780,335	42.51%
Others	83,111	1.98%
Total	4,187,688	100.00%

(3) The products and services provided by the Company

Based on the different types of services provided, the Company provides the following main services:

① Plant planning, design, and construction of plants for petrochemical and chemical industries

This item is aimed at providing industrial plants such as petrochemical, chemical, electronic grade chemicals, power plants, and steel plants with design and construction services including civil engineering/steel structure, pipelines, equipment, instrument and electricity, fire protection, and environmental protection. The Company also provides customized services in accordance with the relevant standards and regulations and customer requirements.

② Various types of works in the public works industry

Public works refer to cases subject to public bidding by government agencies, including mass rapid transit system, UHV and cable tunnel works, public buildings and public housing, school buildings and dormitory.

③ Mechanical and electrical system integration of the plant in the construction of high-tech industrial plants

This item provides the planning, design, and construction services for clean room engineering, pipelines, I&C, electrical, air conditioning, fire prevention, water supply and drainage, and weak current required for plant construction in the electronics, semi-conductor, optoelectronic, communication, and data center industries, and to provide installation, testing, operation and follow-up maintenance services.

④ Design and construction of clean energy and environmental protection related industries

Clean energy and environmental protection related industries are such as hydrogen energy, geothermal, energy Storage,offshore wind power, waste incineration plants, natural gas receiving stations and other related facilities. The Company uses its system integration ability for EPC turnkey projects for joint collaborations with international professional manufacturers, upgrading our technical levels to win various clean energy and environmental protection related projects.

⑤ Construction and mechanical and electrical engineering of residential buildings, commercial buildings and general buildings

By utilizing the precision specifications and rapid construction experience of high-tech plants in the past, coupled with the rigorous project and quality management of traditional industrial plants, the Company is suitable for the construction projects of residential buildings, commercial buildings, hotels, resorts and general buildings, providing the best service.

⑥ Planning, design, and construction of smart factories, smart buildings, and smart healthcare

Due to the accelerated innovation in the information and communication industries, the smart factories, smart buildings, and smart medical care industries will develop rapidly, and will eventually gather and develop toward smart city. The Company has applied its expertise in Electrical and Mechanical (E&M) system integration to introduce smart solutions into new venues integrating disciplines such as architecture, information and communication, automatic control, air conditioning, and lighting energy conservation to digitize the storage and transportation information in the plant. The Situation Room will conduct big data analysis on the massive data of the production process and utility system that are visualized, and provide services such as planned diagnosis and predictive maintenance.

⑦ Plant planning, design, and construction for the biotechnology, medical, and pharmaceutical industries

This item involves applied biotechnology in the fields of pharmacy, medical equipment, agriculture, food, specialty chemicals, and environment. Taiwan's pharmacy industry is in conformity with international PIC/S GMP standards, and it has grasped the business opportunities to explore export markets. The government has set the goal for: Taiwan as the Asia-Pacific biotechnology and pharmaceutical R&D industry center. The Company has accumulated experience in many biotech plant projects and will actively strive for related plant construction business.

(4) New products and services planned to be developed

① Smart Factory
② Smart building
③ Smart healthcare

In response to the system technology evolution of various IoT products and the advent of the 5G and AI era, we will utilize our professional techniques in mechatronic systems integration engineering in combination with the self-developed energy management system by LNT Technology Co., Ltd. invested by the Group, and integrate related light-current and information communication system manufacturers to provide customers with comprehensive intelligent services in order to accelerate business development through EPC + intelligent value-added integrated services.

2. Overview of the industry

(1) Current status and development of the industry

Despite the global economy experiencing sluggish growth since 2024 due to geopolitical tensions, the US-China trade dispute, the Russia-Ukraine war, high inflation, weak end-market demand, and industry inventory adjustments, coupled with the continued uncertainties arising from the re-election of former President Trump and the ongoing trade conflicts starting from 2025, the demand for chips remains strong. This demand is driven by accelerated advancements in AI applications and advanced semiconductor manufacturing processes both domestically and internationally, fueling the global development of the Internet of Things, artificial intelligence, electric vehicles, robotics, cloud data centers, smart manufacturing, smart cities, and smart healthcare industries—sectors that continue to present robust long-term business opportunities.

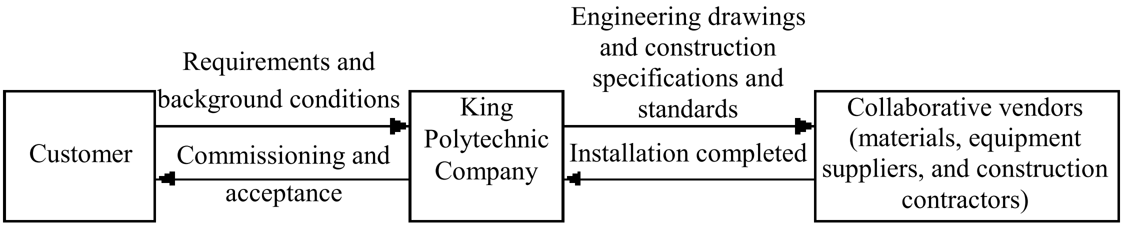
Moreover, to respond to the global net-zero carbon emission trend, the government has accelerated the implementation of ESG policies. Leading enterprises across industries are placing greater emphasis on carbon neutrality and green manufacturing. Petrochemical companies are also accelerating their transformation by investing in high-value and specialty chemical products, energy storage battery materials, and increasing investments in clean energy sources such as wind power, solar energy, hydrogen, and carbon capture, utilization, and storage (CCUS) technologies.

Therefore, our company will continue to strengthen the aforementioned core competencies and integrate corporate social responsibility and sustainability thinking into our business development strategies. We aim to enhance value-added innovative businesses and actively expand into related fields such as environmental energy, sustainable development, and the circular economy.

(2) Interrelationship among the upstream, midstream, and downstream industries

The Company mainly specializes in engineering services (including design and construction) and its customer base covers petrochemical, chemical, electronics, semi-conductor, solar/renewable energy, electricity, and public works fields. It is required that the basic and detailed design process of various professional engineering personnel (process, mechanical, electrical, instrument and control, pipeline, air-conditioning, and civil/structural) be converted into relevant engineering drawings (including design and construction). The relevant third-parties must complete the construction work according to the engineering drawings. During the period, in addition to continuous discussions with customers, all materials and equipment supplies, construction standards and specifications need to be confirmed to ensure that the requirements are met and the construction period can be completed within the deadline .

Figure 1. Relationship among the upstream, midstream and downstream of King Polytechnic



(3) Product development trends

① The continuous innovation of the information and communication industry has driven the development of the Internet of Things, artificial intelligence, electric vehicles, robots, cloud data centers, smart manufacturing, smart cities, and smart medical care worldwide. The related industries are booming, and the challenges that system integration will face in the future will be higher. It is no longer just for the connection of parallel systems like in the past. What is needed is more vertical integration. In particular, new products and technologies brought about by the Internet age need to be incorporated into the overall planning from the very beginning. Therefore, the system integration will become a new engineering platform, and all parties involved in the engineering construction process must engage in integrated interaction and cooperation in a transparent, non-interface, and non-sequential manner.

② In response to the diversification of 5G IoT applications, the Company will make use of the advantages and features mentioned in ① to jointly develop the high-quality data streaming of the mobile device for its full utilization. The aim is to satisfy the various needs of the customers and to offer better experiences.

③ In addition to cooperating with IoT technology, the Company will also establish its own smart design function for planning and design to further construct the integrity of the smart system.

④ As mentioned above, products and technologies based on intelligence and artificial intelligence (AI) are bound to become an integral part of future engineering construction. The Company will construct the 3T (IT+OT+ET) in one EPC + innovative services to its own professional engineering to provide substantive and complete solutions for our customers.

(4) Competition

Due to the advent of the Internet era, the division of labor in engineering construction is no longer differentiated in terms of priority and sequence. The Company will use its decades of professional experience and foundation in engineering integration to establish a new engineering platform that incorporates smart design tools to complete the connection of all engineering interfaces, in order to achieve specific results with smart functions as the goal. To achieve this goal, it is necessary to have professional knowledge in the fields of civil engineering, structure, electromechanical, air conditioning, fire prevention, I&C, and weak current. The Company already has certain advantages on the existing foundation and will further strengthen its competitiveness. Establish strategic alliances with related third parties to provide solutions that meet actual needs. Although some IoT product technology vendors have also pursued system integration as their goal, they have not been able to achieve full success. IoT is only a tool, and system integration still requires contextual processes and experience to be the key. For example, both the production processes in manufacturing and the experience of senior technicians are essential. Therefore, the Company is fully confident that it will be able to stand out from the crowd when faced with the competitive environment.

Furthermore, the scope of engineering works will not only be more diverse and complex, but also larger in scale. The key to the success of a construction project management and professional technology will be closely combined with the smart design and management tools mentioned above, in order to be able to respond to the operation of huge and complex projects, and survive and grow in the ever-changing construction industry market.

3. Technology and R&D overview

(1) The technical level and research and development of the business

① Smart factory

It has been nearly 40 years since the Company's establishment, and it has completed the construction of many industrial plants for different production processes. The Company has a wealth of industrial processes and related data. In addition to using the accumulated experience in the past to help customers optimize production processes, we also introduced applied Computational fluid dynamics (CFD) at the design stage for simulation planning, Aveva E3D Design (formerly known as AVEVA PDMS), Building Information Modeling (BIM) and other 3D software modeling as the reference for construction and maintenance, so that customers can improve production efficiency and reduce costs in plant construction. and operating costs . In addition, with the rise of 5G, more products and technology applications will appear. The Company will work with other related product and technology supply partners, and use the engineering, procurement, and construction (EPC+) concept to achieve the goal of integrating information technology (IT). The combination of IT and operation technology (OT) equipment forms the ET engineering technology which enables us to provide customized smart manufacturing complete solutions based on customer characteristics.

② Smart buildings

As mentioned above, the buildings of the future will need to be as friendly to the environment and society as possible, while at the same time achieving the goal of sustainability. Under this premise, energy conservation and a circular economy will inevitably become issues of concern. Therefore, in addition to adopting BIM software modeling as the reference for construction and maintenance from the early stage, the Company also made full use of its professional strength in system integration to integrate construction, M&E, weak current, and EMS energy management system projects on the same engineering platform, including the construction of smart buildings, smart campuses, and smart cities with better efficiency.

③ Smart healthcare

In the future, IoT products and 5G technology will be widely used in the medical field, especially in remote diagnosis and nursing. Based on the basic electromechanical system for hospital construction, the Company will link with information and network related vendors to propose the best tailor-made solution. Meanwhile, the facility will be upgraded in accordance with the JCI standard.

(2) Successfully developed technologies or products

① Construction for petrochemical/chemical engineering/biotech industries:

In addition to the continued execution of the expansion project of the Carbon Fiber Plant of Formosa Plastics in Renwu, the turnkey engineering project of specialty chemicals for the semiconductor industry of the Southern Taiwan

Plant of a German company, the 12 oil tanks in Zone 1 of the CPC Dalin Petrochemical Oil Storage and Transportation Center, the large chemical engineering project of Formosa Plastics Group's Mailiao Plant, following the completion of the design project of Nanya's blood bag plant in Shulin last year, we successful acquired the Grape King Biotech Longtan Park Phase II Expansion Project this year, which allows us to continue to expand our business into biotech industry. . The major projects completed so far include SHINY CHEMICAL's Storage and Transport Fire Prevention EPC Engineering at Kaohsiung Intercontinental Container Terminal, the design project of Nanya's blood bag plant in Shulin, the installation of hydrogen equipment at Taichung Port West Wharf by MGC Pure Chemicals Taiwan (MPCT); the expansion of new Huntsman plant; the turnkey project for upgrading the EDR equipment at Linyuan of CPC; big contract project for the installation of MGGH & WESP machinery at FP2 of MAI-LIAO POWER CORPORATION; rust remover and paint big contract project (multiple contracts) of Formosa Petrochemical Corporation (FPCC); turnkey project for the construction of new PET plant of Huntsman; Hua Yun Kaohsiung Intercontinental Oil Center; Indonesia Indofood Dairy Factory; Formosa Petrochemical Mailiao maintenance engineering; CPC compressor turnkey project; Taishan 20 tons aerobic fermentation system of Chang Gung Biotechnology Co., Ltd.; Formosa Plastics USA Texas HDPE Plant steel structure and equipment installation project; Formosa Petrochemical Mailiao MTBE #2 unit construction turnkey project; Taichung nitric acid plant turnkey project of TAIWAN FERTILIZER CO., LTD.; Taichung Port liquid ammonia freezer phase I and II project of TAIWAN FERTILIZER CO., LTD.; Taichung Plant public pipeline system of TAIWAN FERTILIZER CO., LTD.; Formosa Plastics' Mailiao SAP Plant mechanical construction project; TPCC's Linyuan Plant Revamping EPC project; FPCC's FGR&TO turnkey project for OL-1, 2, and 3 plants; civil engineering of boiler area for PTA#3 plant in Taoyuan of Oriental Petrochemical (Taiwan) Co., Ltd.; renovation project of NO.6/7/8 boiler denitrification equipment of Kaohsiung Plant of China Steel Corporation.

② Electronics, semi-conductor, clean room and other high-tech industry engineering:

In recent years, driven by the ongoing trend of advanced semiconductor packaging, the expanding demand for generative AI, and the continuous increase in demand for high-bandwidth memory (HBM) in AI server construction, major semiconductor technology companies and their related supply chains have been further expanding their investments. Our company has recently secured several turnkey projects that are nearing completion, including the specialty chemicals turnkey project for the German South Plant semiconductor industry, the new MEP and fire protection engineering for Formosa Plastics Shenggao Mailiao's second 12-inch wafer fab, and the Phase 9-3 nitrogen plant expansion turnkey project for Nanya Technology in Taishan. Additionally, this year we obtained the electromechanical engineering contract for MediaTek's new manufacturing and office building, which will significantly contribute to our company's continued deepening and expansion in the semiconductor and specialty chemicals industries. The projects completed by the Company in the past include the following: Clean room construction of Zhunan Factory of TacBright Optronics Corporation; M&E/air-conditioning/clean room construction of Yuanli Factory of Everlight Electronics Co., Ltd.; construction/E&M/clean room turnkey project for Bade Plant of UBRIGHT OPTRONICS CORPORATION; Nanke Fab 5 (TFT-LCD) of Chimei Innolux Corporation; wafer crystal growing fab of Episil-Precision Inc. in Hsinchu Science Park; Zhunan Fab of INPAQ TECHNOLOGY CO., LTD.; mechatronics/clean room of iTEQ; new clean room of Tripod (Wuxi) Electronic Co.,Ltd.; expansion of Kunshan Factory of Wus Printed Circuit (kunshan) CO.,LTD.; construction of Hefei Factory of Radiant Innovation Inc.; plant M&E/air conditioning/clean room of Singapore Gaode Electronics (Wuxi) Co., Ltd.; M&E/air conditioning/clean room of Fujifilm Imaging System (Suzhou) Co., Ltd.; mechanical and electrical engineering of ASE ChungLi Plant.

③ Public works:

In order to promote economic development, the government has also continued to increase investment in public works and accelerate budget execution, resulting in a significant increase in the number of engineering procurement tenders. The Company used the various experiences and advantages it has accumulated in various engineering industries in the past to successfully win the water, electricity, fire, and air conditioning project of the new construction of Taichung City Government Stadium, the Taichung Shuinan International Convention and Exhibition Second Phase; Taipower Zhongshan D/S reconstruction and Daan-Zhongshan 161kv line buried shield tunnel construction project-ancillary mechanical and electrical equipment engineering and Taipei City Government's No. 1 Fruit and Vegetable Market and Wanda Fish Wholesale Market electrical and air conditioning turnkey project. Other ongoing and completed projects: Taichung Shuinan International Convention and Exhibition Center Phase 1 - mechanical and electrical engineering, MRT 3rd ring road 3-Wanda Line M&E project; environmental control turnkey project; Taoyuan Airport tower and overall park new M&E turnkey project; Taipower Gaogang-Dalin high-voltage cable tunnel M&E turnkey project; Zhuyuan Extra-High Voltage Substation Export 161KV cable tunnel M&E turnkey project; Daan-Songhu 345KV tunnel M&E turnkey project; Taipei Port multi-purpose warehouse construction; MRT Songshan Line G19 Station Entrance B and utility power facilities and G18 Station Entrance B/Vent Shaft X (including connecting passages), water, electricity, environmental control engineering, elevator and escalator engineering; and, remote digital surveillance system construction for New Taipei City Police Department, and electrical and mechanical engineering and environmental control system engineering for Xinzhuang and Songshan MRT lines.

④ On residential buildings, commercial buildings, hotels and general construction projects:

The projects in progress and completed include the following: The new construction of the Science and Technology Laboratory Building of Fu Jen Catholic University; the new M&E turnkey project of the Environmental Change Research Building of Academia Sinica; the M&E turnkey project of the D/S multi-purpose complex of Taipower Fu-Ho D/S; the new M&E fire safety turnkey project of the Taichung Headquarters Building of Giant Manufacturing Co. Ltd.; new International Tourist Hotel of Cosmos Hotel in Hualien; new Huiguo Commercial Building in Taichung; new construction of Wong Chio’s More in Xinzhuang; White Jade Bieyuan Residence by Dajie Construction Co., Ltd.; apartment complex in Zhongping Section, Taoyuan, Taipei Office M&E and renovation works for MediaTek Inc.; new construction of international student dormitory for Chung Yuan Christian University and Yang-Ming University; new construction of Taichung City Center Building; air-conditioning engineering of Learning Resource Building of National Tsing Hua University; and mechanical and electrical engineering of hotel in Taitung of Papago International Resort.

⑤ Clean energy, environmental protection, and intelligence:

In recent years, in response to the global climate change, net zero carbon emission target, circular economy and corporate sustainability, ESG will be regarded as a new opportunity to strengthen corporate competitiveness and enhance corporate value. The Company has long been committed to the R&D of green projects and circular economy technologies. In addition to introducing the energy-saving solutions developed by the Company into various fields, the Company also applies the professional and technical system integration accumulated over the years to practical experience and cooperates with its partners, and continue to provide customers with more services that are in line with the concept of corporate sustainability and the circular economy to help customers achieve their carbon neutrality goals and strive for more potential ESG engineering business opportunities.

The Company has successfully entered the arena of energy and environmental protection for the development of EPC turnkey project for the resource recovery furnace by acquiring the construction of the new resource recovery furnace plant from Chi Mei Corporation. This support our work in assisting customers and the Company to realize social sustainable development and corporate goals for friendly acts to the earth. In addition, in the field of intelligence, the Company has already acquired the electrical and water supply and drainage engineering project for the new construction of the Tucheng AI Park by BES Engineering Inc.. We will utilize our professional techniques in mechatronic systems integration engineering in combination with the self-developed energy management system by LNT Technology Co., Ltd. invested by the Group, and integrate related light-current and information communication system manufacturers to provide customers with comprehensive intelligent services in order to accelerate business development through EPC + intelligent value-added integrated services.

A. Energy management system:

The Company assists customers with the introduction of energy management systems to provide monitoring of in-plant equipment and instruments. Through energy information visualization, the Company collects energy data and integrates information. This helps to detect losses arising from abnormalities of equipment operation, mistakes by personnel during use, and raises efficiency for energy-saving strategies. Concurrently, the managing personnel can get hold of the real-time equipment operation status, comprehensive energy consumption analysis, and abnormal operation information to achieve the goal of energy efficiency improvement.

After the introduction of the energy management system, we can continue to strengthen the monitoring of various production process such as water, steam, electricity and raw material transportation to ensure a smooth supply, and optimize monitoring and adjustment within the controllable range to meet the needs of the process. This can also improve product quality and realize the automation of production and product management, to achieve the goal of reducing energy use and moving towards a smart factory.

B. Intelligent system:

Energy management system is the foundation for further introducing factory intelligence. The Company assists customers in introducing related technologies for factory intelligence, such as IoT, artificial intelligence, big data, cloud computing, and network security. Obtain the energy consumption and usage status of in-plant systems and equipment, integrate ERP, MES and other in-plant system information, and store it in the back-end big data database system. Cloud computing technology is used for compilation and analysis, and artificial intelligence is introduced to improve production efficiency. Reduce wasteful energy consumption in factories and improve equipment efficiency.

In addition to the integrated energy management system, the Company has developed a smart factory system that includes smart factory management, situation room, optimization of processes and utilities, predictive maintenance, and environmental quality and safety management. In the future, we will continue to assist customers in energy conservation and emission reduction, aiming at carbon balance and net zero emissions, reducing the use of energy such as oil, gas, water, electricity, coal, improving energy efficiency (load factor), and reducing energy costs. Optimized solutions to help customers achieve the global task of energy conservation and carbon reduction, and obtained ISO50001, ESG, RE100 and other related certifications.

4. Long-term and short-term business development plans

(1) Short-term development plans

The Company is one of the few contractors in Taiwan that can undertake EPC turnkey projects for medium-to-large-scale industrial process plants and public works. Its industries cover petrochemical/chemical, high-tech, public works, energy and environmental protection, and biotech and pharmaceutical fields, with professional background spanning over production process, civil engineering, construction, machinery, chemical engineering, instrument control, water, electricity, fire protection, air conditioning, clean rooms, and light-current. We have accumulated years of practical experience in project management in the professional technology of system integration from planning and design, procurement services, construction supervision, system integration, commissioning to operation and maintenance.

In response to the global net-zero carbon reduction trend, petrochemical companies have gradually transformed by investing in high-value and specialty chemical products, energy storage battery materials, and increasing investments in other clean energy sources. Additionally, due to continuous innovation in the information and communication technology industry and the ongoing trend of advanced semiconductor packaging, the global development of the Internet of Things, artificial intelligence, electric vehicles, robotics, cloud data centers, smart manufacturing, smart cities, and smart healthcare is being driven, with these related industries holding abundant long-term business opportunities. Therefore, our company will continue to strengthen the aforementioned core competencies and integrate corporate social responsibility, sustainability thinking, and business development strategies to enhance value-added innovative services and expand in areas related to environmental energy, sustainable development, and the circular economy.

A. Core business areas

① Petrochemical/chemical industry

Due to the gradual increase in petrochemical raw materials and chemical product production in Mainland China, the global market demand is nearing saturation, and large-scale expansion in the petrochemical and chemical industries is unlikely to reoccur. However, driven by the still burgeoning demand for advanced semiconductor processes and generative AI, the market for specialty chemicals remains strong. Consequently, petrochemical and chemical companies have recently begun transforming toward high-value specialty chemicals, electronic-grade chemicals, gas supply, and recycling development.

Moreover, in response to Taiwan's energy transition policies, industries related to hydrogen power generation, carbon capture, utilization, and storage (CCUS), environmental waste reduction, circular economy, and renewable energy are emerging as future construction demand trends. The petrochemical and chemical industries serve as foundational sectors for these emerging trends.

Our company has been deeply rooted in the petrochemical and chemical engineering field for over 40 years, boasting a strong professional service team. We continuously enhance process optimization technologies and various professional design capabilities, strengthen procurement and supply chain management, and improve on-site supervision and construction management. In recent years, we have actively advanced toward plant-wide digitalization and intelligent design, constructing modern smart factories and smart manufacturing with Industry 4.0 technologies. Through EPC plus value-added services, we help clients improve production efficiency, reduce construction costs, create greater value, and enhance their industrial competitiveness, ultimately achieving ESG sustainable operation goals.

② High-tech industry

Although the high-tech industry has faced multiple uncertainties and challenges since 2024 due to weak end-market demand and industry inventory adjustments, advanced packaging trends continue, generative AI demand is expanding, and the need for high-bandwidth memory (HBM) will keep increasing. As a result, major semiconductor technology companies and related supply chains will continue to expand investments, driving a recovery in the overall semiconductor sales market in 2025. Additionally, with the expanding applications of AI, there will be a corresponding boost in engineering opportunities for data centers.

After several years of capacity adjustments in the memory market, the proportion of high-bandwidth memory (HBM) is expected to gradually increase in response to rising AI and server demand, while conventional DRAM products will continue inventory destocking. The market is expected to gradually stabilize in the second half of 2025.

Our company will leverage the near-completion of the Formosa Shenggao 12-inch wafer fab Phase 2 MEP and fire protection turnkey project, along with semiconductor specialty chemical-related projects, and the newly awarded MediaTek Motech new factory office building electromechanical project this year. These will help us continuously build industry achievements and enhance related expertise to deepen our presence in the semiconductor and high-tech industries.

Moreover, during the construction process, our company has fully adopted BIM technology to improve spatial review capabilities, reduce pipeline clashes during construction, enhance construction accuracy, and achieve improvements in project quality and shortened schedules.

③ Public works

To stimulate economic growth, the government continues to increase investment in public infrastructure. In fiscal year 2025, the government's major public construction plans have allocated a total of NT$292.25 billion in central government funds and the fifth phase of the Forward-Looking Infrastructure Development Program special budget, setting a new record high.

In addition to projects in public works fields where our company has long been deeply involved—such as mass rapid transit systems, ultra-high voltage underground cable tunnels, and public buildings—procurement and bidding for projects related to Taiwan Power Company's resilient power grid plan, CPC Corporation's net-zero transition constructions, and digital infrastructure soft public works have also gradually commenced, presenting abundant business opportunities.

In 2023, our company was honored with the Ministry of Economic Affairs' highest public works quality award for the turnkey project involving auxiliary equipment piping for twelve oil tanks in Area One of CPC Dalin Petrochemical's oil storage and transportation center. Additionally, in 2024, we received the Gold Quality Award and the Gold Safety Award for the second phase of the Taichung Shui-Nan International Exhibition Center project, establishing an excellent reputation. Consequently, we have continued to win bids such as the electromechanical, fire protection, and air conditioning works for the new Taichung Arena, as well as the subcontract for electromechanical and environmental control works (CF624F) under the CF690B contract of the Taipei Metro Circular Line Y27-29 civil and electromechanical project.

Going forward, our company will continue to leverage our existing strengths and carefully select suitable bidding projects to pursue with full effort.

④ Clean energy and environmental protection related industries

In response to the government's energy transition policies and the global trends of net-zero carbon reduction and ESG development, leading enterprises across various industries are placing greater emphasis on investments in clean energy and low-carbon engineering projects. Industries related to liquefied natural gas (LNG) storage and transportation facilities, hydrogen power generation, carbon capture, utilization and storage (CCUS), and renewable energy are expected to become key drivers of future plant construction demand.

In addition, projects aligned with carbon reduction and circular economy principles—including waste resource recovery, reclaimed water and waste solvent recycling, air pollution control facilities, and zero-waste centers—are expected to continue expanding. The Company will closely monitor opportunities arising from the global energy transition, leverage partnerships with domestic and international technology providers, and utilize its EPC turnkey project management and system integration capabilities to actively pursue renewable energy and environmental protection projects.

⑤ Biotechnology, Medical, and Pharmaceutical Industries

As the global population continues to age, Taiwan entered a super-aged society in 2025. In 2026, demand for healthcare and long-term care services is expected to continue increasing, driven by advances in biotechnology, precision medicine, and digital health applications, thereby supporting the growth of the biotechnology, healthcare, and pharmaceutical industries.

Taiwan's biotechnology industry encompasses applied biotechnology, pharmaceuticals, and medical devices. In the post-pandemic era, heightened public health awareness and ongoing supply chain restructuring have contributed to the steady expansion of market demand. The adoption of artificial intelligence in medical diagnostics, drug development, and health management has accelerated the development of smart healthcare, driving demand for system integration solutions. At the same time, the pharmaceutical industry continues to shift toward the Contract Development and Manufacturing Organization (CDMO) model, increasing the need for high-specification facilities and cleanroom environments.

In addition, the Ministry of Health and Welfare continues to promote hospital renovation and expansion projects and has launched the Next-Generation Digital Healthcare Development Platform to integrate healthcare data and facilitate digital transformation across the healthcare sector. Overall, the industry outlook remains positive and stable.

B. Value-added innovative services

Driven by the global trend toward energy conservation, carbon reduction, and environmental sustainability, the smart factory, smart building, and smart healthcare sectors have experienced rapid growth and are progressively advancing toward the development of smart cities. The Company has successfully developed an Energy Management System (EMS) through the integration of various intelligent system providers and is actively promoting digitalized and intelligent plant design to support the development of modern smart factories.

By leveraging energy data visualization, big data analytics, and artificial intelligence technologies, the Company assists customers in improving energy efficiency, identifying abnormal energy losses in real time, and establishing energy-saving optimization strategies. Going forward, the Company will continue to apply advanced technologies to facilitate the transition toward net-zero carbon emissions, expand green engineering business opportunities, and enhance customer value through EPC+ value-added services. These efforts aim to improve production efficiency, reduce plant construction costs, create overall operational value, strengthen industry competitiveness, and achieve ESG sustainability objectives.

C. Sustainable Development, Resource Integration, Circular Economy

Corporate sustainability and net-zero emissions have become critical global priorities. The Company has established a Sustainability Development Committee covering four key areas: Sustainable Engineering, Environmental Protection, Social Inclusion, and Corporate Governance. The Company has also completed ISO 14064 greenhouse gas verification and issued Sustainability Reports for consecutive years.

To support the transition toward a low-carbon economy, the Company will continue to develop green technologies, invest in sustainable engineering solutions, and collaborate with business partners to build a low-carbon supply chain. By providing net-zero EPC value engineering services, the Company aims to achieve energy conservation, carbon reduction, and carbon neutrality objectives.

In addition, the Company remains committed to occupational health and safety management. It has implemented the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System and has received multiple occupational safety awards. These efforts ensure a safe and healthy working environment for employees and business partners.

With operations spanning a wide range of industries, the Company will continue to leverage its expertise in electromechanical system integration, energy management, equipment maintenance, and predictive maintenance technologies. Through the execution of engineering projects, the Company actively promotes green and sustainable development while fulfilling its environmental and social responsibilities.

(2) Long-term development plan

① Development of new technologies, new construction methods, and expansion into new fields

In response to the global climate change, net zero carbon emission target, circular economy and corporate sustainability, ESG will be regarded as a new opportunity to strengthen corporate competitiveness and enhance corporate value. The Company has long been committed to the research and development of green projects and circular economy technologies. In addition to introducing the energy-saving solutions developed by the Company into various fields, we also use our own system integration capabilities for EPC turnkey projects, combined with collaborations with professional and international suppliers, we continue to upgrade and develop new technologies, and provide customers with more services that are in line with the concept of corporate sustainability and the circular economy. We help customers to achieve carbon neutrality goals, and then strive for more potential ESG engineering business opportunities and step into new fields.

② Develop EPC+ system integration value-added innovative services to create competitive differentiation in the market

In recent years, the Company has grown into a medium-to-large-scale EPC engineering contractor. In the future , 5G, AIoT, and AI products and technologies will inevitably become an integral part of engineering construction. The Company will apply its decades of engineering experience integrating professional experience and foundation, connect all related engineering interfaces, establish a new engineering platform, and use smart design tools to closely combine project management and professional technology to maximize work execution efficiency and strengthen overall team synergy. The framework (IT+OT+ ET) 3T integrated EPC+ system integration value-added innovative services provide customers with substantive and complete solutions and demonstrate the difference from competitors.

II. Overview of the market and production and sales

(I) Market analysis

1. Regions where major products or services are sold or provided

In Thousands of New Taiwan Dollars

Items \ Year	2024		2025	
	amount	%	amount	%
Domestic sales	4,131,669	100.00%	4,187,688	100.00%
Export sales	0	0.0%	0	0.0%
Net sales revenue	4,131,669	100.00%	4,187,688	100.00%

2. Market share

As mentioned above, the Company's business focus is the petrochemical industry, high-tech electronics industry, and public works business. In recent years, the Group has reinvested and established Grade-A construction plants and construction companies, and expanded its business to hotels, stores, and high-rise commercial/residential areas. Not only has the Company further expanded the scope of engineering services to include M&E turnkey construction, it has also allowed the Company to transform and respond appropriately when the macro environment changes.

However, as the Company's business fields are quite diverse and their competitiveness is different from each other, it is impossible to clearly determine the market share.

3. Supply and demand and growth potential of the market in the future

Due to the impacts of geopolitical tensions, the China-US trade conflict, the Russia-Ukraine war, high inflation, weak end-market demand, and industry inventory adjustments, economic growth remains sluggish. However, driven by the continued trend of advanced semiconductor packaging, expanding demand for generative AI, and the ongoing increase in demand for high-bandwidth memory (HBM) in AI server construction, major semiconductor and technology companies along with their supply chains will continue to expand investments. The related industries are expected to maintain robust long-term growth prospects. The market outlook is as follows:

(1) Companies in the petrochemical/chemical industries have begun to invest in high-value products and semiconductor technology giants, and related supply chains. Many well-known enterprises are subsequently increasing their scale of investments in Taiwan in addition to the returning of Taiwanese businesses. Investments in new construction or expansion of production capacity present potential business opportunities.

(2) The promotion of commercial buildings and public works is the engine that drives the domestic economy. To promote economic development, the government continues to expand investment in public works and accelerate budget execution. In addition, the government also channeled private funds into public works and made good use of BOT and OT to complete many projects. Public construction projects have also increased significantly.

(3) Benefited from the government's continued promotion of clean energy policies, the European Union will introduce a carbon tax on imported goods in the near future, and ESG sustainability issues, domestic and foreign manufacturers have invested heavily in renewable energy and environmental protection industries, including waste incineration facilities, LNG natural gas receiving station, energy storage ,offshore wind power related facilities, geothermal energy, biogas, and biomass energy. In addition, the petrochemical industry is a source of high-emission pollution, and in the future, it is bound to actively research and develop to improve and optimize processes to achieve net-zero carbon emissions and the goal of a circular economy. Energy saving and carbon reduction, carbon capture, utilization, and storage (CCUS), environmental protection and waste reduction, circular economy,

semiconductor specialties, and renewable energy and other process-related industries will be the future trend of demand for plant construction, and will create more opportunities for industrial innovation and engineering services.

(4) Due to the rapid innovation in the information and communication technology (ICT) industry in recent years. Coupled with the rapid innovation of the information and communication industry, the smart factory, smart building, and smart medical industry are developing rapidly. In this way, the power of technology can reduce corporate operational risks, improve production efficiency, and reduce production costs. The complete solution of EPC + innovative service that integrates (IT+OT+ET) into 3T based on professional engineering capabilities will become a new trend in the future.

4. Competitive niche

(1) Excellent reputation and outstanding engineering performance

It has been over 40 years since the Company was founded. As one of the few domestic contractors capable of undertaking mid-to-large-scale industrial process plant EPC turnkey projects and public works in the fields of petrochemical/chemical, high technology, public works, energy and environmental protection, and biotechnology and pharmacy, our professional technology of system integration has accumulated from many years of practical experience in project management. We are also one of the few engineering companies in Taiwan that can step into different industries at the same time. Compared with other peers, it can effectively reduce the economic cycle of operation risk. In addition, the Company has obtained the ISO-9001 quality management certification and also continues to implement safety and health management, and has introduced the ISO-14001 environmental management system and combined with the ISO-45001 Occupational Safety and Health Management System to ensure that all employees, collaborators and other work partners can work in a safe and friendly working environment making smooth completion of the construction.

(2) Professional engineering and technical personnel and strict cost control

The Company mainly provides services to business owners in the form of projects. The core supervisors have more than 20 years of experience in the industry and have accumulated considerable experience in project management. A complete and detailed database of related projects is established through the case closure reports, in order to reduce the design cost of the connection. In addition, the Company also attaches great importance to the control of construction costs, and adopts a systematic approach from bidding cost estimation to procurement outsourcing mode and timing control. In addition to improving work efficiency, it can also effectively control risks.

(3) Continue to strengthen core professional capabilities and enhance value-added innovative services

The Company has focused its development on two major areas: Core business areas and value-added innovative businesses. In addition to continuing to strengthen existing competitive advantages, we have also worked with partners to respond to changes in the external environment. Expand the integration of professional technical services such as energy management, equipment networking, smart factory, and smart buildings, and successfully integrate the circular economy with social responsibility and environmental protection to realize the Company's value and innovation, and to add value through EPC + smart integrated services expediting business opportunities.

5. Favorable and unfavorable factors for the development prospect and countermeasures

(1) Favorable factors

Amid the global wave of technological innovation and industrial restructuring, Taiwan continues to demonstrate strong growth momentum, supported by its critical position in the semiconductor industry and related supply chains. The rapid expansion of AI applications has not only driven a new cycle of growth across the global technology supply chain but has also increased capital expenditures and facility upgrade demands in the semiconductor, memory, and PCB industries. Through its long-term commitment to diversified industry development, the Company has established strong cross-industry integration capabilities through vertical specialization and horizontal integration, enabling it to effectively capture expanding investment opportunities from leading semiconductor and chemical manufacturers and maintain a competitive advantage in a rapidly growing market.

In addition, with the government actively promoting public infrastructure, biotechnology and healthcare, and environmental and energy-related industries, the overall business outlook remains cautiously optimistic. As global supply chains continue to evolve, customers are placing greater emphasis on engineering quality and ESG sustainability, which aligns closely with the Company's strategic focus on environmental protection, energy conservation, green building solutions, and intelligent integration technologies. Leveraging its extensive professional expertise and flexibility in responding to market changes, the Company integrates advanced project management tools with seasoned engineering experience to maintain its competitive edge in sustainable engineering markets and transform emerging opportunities into long-term, stable operating performance.

(2) Unfavorable factors and countermeasures

① Low price competition

Due to the large number of participants in various engineering fields in Taiwan, the proprietors still choose the lowest bidder to win the bid, resulting in increasingly fierce competition in the operating environment of the engineering industry.

Countermeasures:

Provide owners with process optimization and smart manufacturing production line process planning solutions to help achieve the goal of net zero carbon emission and a circular economy, thereby reducing operational risks and costs for owners. The Company offers good construction management capabilities and quality engineering services, strengthening the trust and acknowledgement by the owners. In addition, the Company will increase the contracting rate of construction projects with higher grades or larger amount of money to increase the bid-winning rate and maintain individual case profit. In addition, the Company also strengthens its competitiveness through the establishment of stable cooperative relations with suppliers and effective cost control.

② Raw material prices continue to fluctuate

In recent years, due to the impact of global inflation, the U.S.-China trade war, and geopolitical factors, raw material prices have fluctuated greatly, making it difficult to control costs, resulting in an increase in management risks.

Countermeasures:

Shorten the design process, grasp the quantity of materials purchased as soon as possible, and shorten the procurement process to speed up the order signing time. In addition, the Company has adopted exchange rate hedging measures for purchased equipment to reduce procurement costs.

(II) Important uses and production processes of the main products

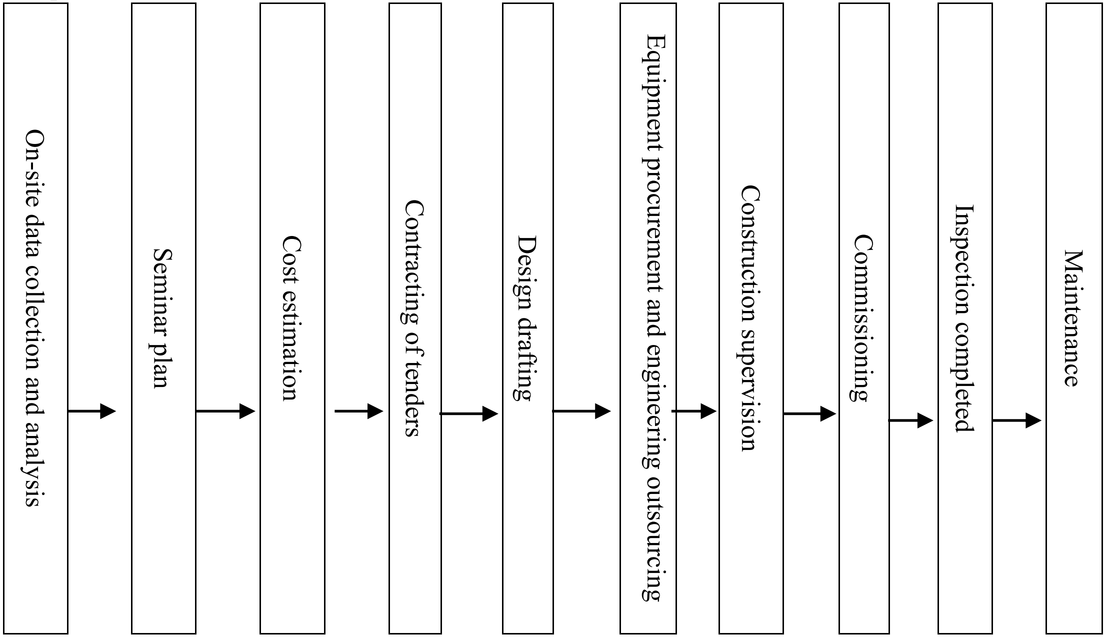
1. Important uses of the main products

Main products	Purpose
Petrochemical, chemical engineering and public works	Planning, design, construction, and construction of petrochemical, chemical and public works.
Construction of hotels, stores, commercial offices, and residences	Design and construction of water, electricity, air conditioning, fire protection and intelligent weak current systems.

Electronics, Semiconductor and Clean room projects	Plant construction evaluation, planning and design of mechanical and electrical systems; water, ultra-pure water, wastewater and waste gas treatment engineering planning, design and construction; whole plant planning and design of air-conditioning sterile clean room projects for electronic high-tech industries and semiconductor industries, and construction and building.
Solar/renewable energy	System design, planning, and construction of turnkey projects, and parallel connection with the Taiwan Power Company (TPC) power supply system and subsidies application.
Environmental engineering	Pollution prevention and purification.
Biotechnology Engineering	Production method design, basic/detailed design, fermentation tank, sterile room design and construction, whole plant design and construction
Clean room equipment	Design and manufacturing of clean room equipment

The Company's main products are the provision of professional and technical services related to factory construction to owners, such as assessment, planning, design, supply of equipment, construction supervision, construction, commissioning, and maintenance. For the owner, if the engineering company has experienced professionals, excellent design ability, exquisite construction technology, strict quality control, perfect progress control and stable financial status, the construction business undertaken by the company is guaranteed. It can be successfully completed under the principle of economy, and can achieve the goals of good quality and best efficiency. Therefore, with the abundant experience accumulated over the years and the continuously updated and advanced technology, the Company can provide the owners with the most complete engineering and technical services, so that the factory can complete the production smoothly within the budget, achieve the investment benefits as soon as possible, create profits, create employment opportunities, and enable the country's economy to grow steadily.

2. Production process



(III) Supply of main raw materials

Category	Main raw materials	Supply status
Civil engineering	Ready-mix concrete, rebar	Domestic supply, normal
Steel structure	Steel and iron products	Domestic supply, normal
Electricity	Switchboard, components in the board, cables, transformers	Domestic supply, normal
Dashboard	Detection component, control component	Domestic and foreign supply, normal
Pipeline	Plastic pipes, iron and steel pipes, valves	Domestic supply, normal
Equipment	Pump, compressor	Domestic and foreign supply, normal
Equipment	Motor	Domestic and foreign supply, normal
Equipment	Generator	Domestic and foreign supply, normal
Equipment	Fire-fighting equipment	Domestic supply, normal
Equipment	Inverter	Domestic supply, normal
Equipment	Water chiller	Domestic and foreign supply, normal
Equipment	Tower and trough	Domestic supply, normal

The Company undertakes the turnkey construction projects commissioned by the owners to perform these professional operations. Therefore, in addition to the design, it is also responsible for the procurement of equipment, construction, and construction machinery and tools. Although the supply of equipment and construction labor are often in shortages due to market changes, the equipment purchased by the Company are all from reputable suppliers, and the direct labor required is supplied by the contractors that have cooperated with the Company for a long time. Therefore, there has been no circumstances of shortages in equipment and material supply or labor that affect the construction period.

(IV) Names, purchase (sales) amounts, and proportions of customers that accounted for more than 10% of total purchases (sales) in any of the previous two years, and explain the reasons for such changes

1. Suppliers whose purchases accounted for more than 10% of the total purchases in any one of the past two years:

Information of major suppliers in the past two years

Unit: In Thousands of New Taiwan Dollars

2024				2025			
Title	amount	As a percentage of the annual net purchase 〔%〕	Relations with the issuer		amount	As a percentage of the annual net purchase 〔%〕	Relations with the issuer
Others	3,157,190	100	—	Others	3,061,673	100	—
Net purchase	3,157,190	100	—	Net purchase	3,061,673	100	—

More than 90% of the Company's operating income comes from the engineering business. Since the Company undertakes various turnkey projects and subcontracts them to various subcontractors, the suppliers who accounted for more than 10% of the total purchases are the sub-contractors. Furthermore, as the contracted works are in different regions, under the limits of geographical conditions, the sub-contractors are different too based on the different project locations. Hence, the differences as a result.

Customers whose sales accounted for more than 10% of the total sales in any one of the past two years

Information on major customers in the past two years

Unit: In Thousands of New Taiwan Dollars

2024				2025			
Title	amount	As a percentage of the annual net sale 〔%〕	Relations with the issuer	Title	amount	As a percentage of the annual net sale 〔%〕	Relations with the issuer
B	352,913	8.54	None	B	684,941	16.36	None
C	279,104	6.76	None	C	418,917	10.00	None
T	956,434	23.15	None	T	343,039	8.19	None
F	691,513	16.74	None	F	349,900	8.36	None
D	555,784	13.45	None	D	312,164	7.45	None
Others	1,295,921	31.37	—	Others	2,078,727	49.64	—
Net revenue	4,131,669	100.00	—	Net revenue	4,187,688	100.00	—

The Company provides mechanical and electrical system engineering integration services in the form of projects. Since the service targets of individual projects are mostly different and scattered in various places, the customers who have accounted for more than 10% of the total sales in any one of the recent two years are the construction projects undertaken by the Company and vary from case to case.

(V) Production volume and value in the past two years

Unit: In Thousands of New Taiwan Dollars

Year / Production volume and value / Major commodities	2024			2025		
	Capacity	Volume	Value	Capacity	Volume	Value
MRT, power plants, air-conditioning electromechanical systems, and public works	-	-	1,896,684	-	-	1,744,113
Petrochemical and chemical engineering	-	-	1,591,547	-	-	1,760,104
Others	-	-	115,553	-	-	69,682
Total	-	-	3,603,784	-	-	3,573,899

Note: Unable to list the production capacity and volume due to the fact that the design, system assembly and construction of the cases undertaken were carried out by the Company according to the specifications required by the client. As each case is not similar in nature, each has its own independence, and there is no consistent statistical unit for the quantity.

(VI) Sales volume and value in the past two years

Unit: In Thousands of New Taiwan Dollars

Year / Sales volume and value / Major commodities	2024				2025			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
MRT, power plants, air-conditioning electromechanical systems, and public works	-	2,001,682	-	0	-	1,780,335	-	0
Petrochemical and chemical engineering	-	1,993,331	-	0	-	2,324,242	-	0
Others	-	136,656	-	0	-	83,111	-	0
Total	-	4,131,669	-	0	-	4,187,688	-	0

Note: Unable to list the sales volume due to the fact that the design, system assembly and construction of the cases undertaken were carried out by the Company according to the specifications required by the client. As each case is not similar in nature, each has its own independence, and there is no consistent statistical unit for the quantity.

III. The number, average years of service, average age, and distribution of education attainment of in-service employees during the most recent two years

Year		2024	2025
Number of employees (person)	Direct personnel	205	237
	Indirect personnel	36	41
	Total	241	278
Average age		46.31	46.29
Average years of service		7.37	6.98
Distribution of education attainment (%)	Doctoral degree	0.00%	0.00%
	Master's degree	14.94%	14.03%
	Bachelor degree	46.89%	49.64%
	Junior College	26.56%	23.74%
	Below Junior College Degree	11.62%	12.29%

IV. Information on environmental protection expenditure

The Company's business is mainly engaged in high-tech clean rooms and turnkey projects of industrial plants, which are not major polluting industries and are not likely to cause major environmental pollution. For the wastes generated during the construction process, we have contracted qualified waste clearance operators to handle them. We also strictly urge transportation suppliers to comply with the relevant waste disposal regulations to prevent any violation of the Waste Disposal Act.

(I) Total losses and penalties for environmental pollution in the most recent two years up till the publication date of this annual report: None.

(II) Countermeasures and possible expenditures in the future:

1. Future countermeasures (corrective measures): Supervise and cooperate with waste clearance vendors to clean up waste
2. Possible future expenditures (possible losses, penalties, and compensation if no responsive measures are taken): None.

Note: The Company is a construction service business, not a major polluting industry. The fines may arise only when the waste clearance operator fails to clean up the construction waste in a timely manner. Hence, there is no impact on the Company's earnings, competitive position and capital expenditure.

(III) Disclosure of ROHS-related information:

Given the characteristics of the industry, the Company is not affected by the European Union's Restriction of Hazardous Substances Directive (ROHS).

V. Work environment and employee personal safety protection measures

(I) Access control safety:

The Company has an access monitoring system installed during the day and at night, and a security company is in place to maintain security.

(II) Maintenance and inspection of various equipment:

1. Pursuant to the Regulations Governing Public Safety Inspection, Certification and Declaration of Buildings, commission a professional company to conduct public safety inspections every two or four years.
2. According to the Fire Services Act, the Company outsources fire inspections every year.

(III) Disaster prevention measures and response:

There are "Emergency Management Regulations" and "Safety and Health Code of Practice" in place and other precautions for disaster prevention and rescue, and procedures for reporting accidents.

(IV) Physiological hygiene:

1. Health checkup: New recruits undergo physical checkups. Incumbents undergo regular health checkups in accordance with the Labor Safety and Health Act.
2. Promote on-site medical care services to assist employees in safer and appropriate work, avoid health hazards in the workplace or at work, implement personal health protection and health management, and create a healthy and friendly workplace environment.
3. Hygienic working environment: Smoking is prohibited in all business premises, health seminars, CPR first aid training are held, and the office environment is regularly cleaned and disinfected.

(V) Mental health:

1. Education and training: The Company organizes courses on stress (emotion) management, communication skills, and creative thinking. It also provides employees with seminars on psychological adjustment, strengthening intellectual ability, and E-oriented education and training.
2. Expression of opinions: An exclusive web page has been created to provide employees with a discussion area, a proposal area, a download area for worksheets and various manuals, a learning area, and an education and training announcement area. It provides employees with a channel for expressing opinions, venting their feelings, and engaging in interactive learning.
3. Sexual harassment prevention: Complaints and punishment clauses have been established.

(VI) Insurance and medical care:

1. Purchase labor insurance (including occupational hazard insurance) and health insurance according to laws. In addition, contact insurance companies to provide employee accident insurance and accident medical insurance.
2. Condolences to employees hospitalized due to illness or accident.

VI. Labor-management relations

(I) Implementation of important employee welfare measures and labor-management agreements

The Company has not experienced any labor disputes since its inception. In terms of welfare measures, in addition to complying with the Labor Insurance Act, an "Employee Welfare Committee" has been established in accordance with the law to strive for the well-being of employees.

1. Employee welfare measures:
   (1) All employees of the Company are covered by employee accident group insurance, labor insurance, and national health insurance, and insured against maternity, injury, disability, old age, and death benefits.
   (2) In addition to establishing the Employee Welfare Committee, the Company has appropriated employee welfare funds in accordance with its organizational regulations since its establishment. Furthermore, the Company contributes 0.5% of its monthly operating revenue to the welfare fund, with all such funds deposited in a bank account to generate interest income.On January 9, 2026, the Department of Labor of the Taipei City Government approved the amendment to the Committee’s organizational regulations through Letter No. Bei-Shi-Lao-Zi-1156002107. Under the amended regulations, the contribution rate based on operating revenue was increased to 0.75%, and the contribution rate from proceeds generated through the disposal of scrap materials was adjusted to 40%.This adjustment is expected to enhance the adequacy of employee welfare resources and have a positive impact on employee welfare programs.
2. Continuing education and training of employees

   The Company has established the "Education and Training Regulations" since 2002 to invest in the cultivation and training of employees' work skills and functions according to their professional needs. This has always been the direction of the Company for the overall development of the Company.

   The expenditure for employee training was NT$1,716thousand for the whole year, and the average number of training hours for employees in 2025 was 39.7 hours (11,296.9 hours/ 284.5 employees).

   The training hours and fees are as follows:

Category	Total hours	Total headcount	Total expenses (NT$)
Professional license	1,339.0	111	185,232
Professional skills	8,554.9	511	1,219,462
Business Administration	155.0	18	166,950
General Studies	1,140.5	795	144,079
Training for new recruits	107.5	88	-
Total	11,296.9	1,523	1,715,723

3. Retirement system and its implementation

   In compliance with the regulations, the Company contributes 6% of the monthly salary to the individual pension accounts of the Bureau of Labor Insurance for new employees after July 2005 and existing employees who have opted for the new pension system. Existing employees under the old pension plan and those who have opted for the new pension plan will be subjected to the old pension plan and appropriated the appropriate amounts of pension reserves to a special account at Bank of Taiwan in accordance with the pension payment standards for employees under the old pension plan.
4. Agreements between labor and management and various employee rights protection measures:

   Both labor and management operate successfully with respect to labor-management ethics. Regular labor-management meetings are held in which representatives from both employers and employees are appointed to engage in two-way communication on the various company systems and work environment and health and safety issues. These can become important source of references for management and administration aspects. In addition, the Employee Welfare Committee meetings are also set up. Employees who are enthusiastic about public welfare and good at communication participate in various meetings. In response to the Company's various welfare measures, various activities to promote a harmonious working atmosphere between the Company and employees and to build solidarity are proposed.

(II) Losses suffered as a result of labor disputes in the most recent year up till the publication date of this annual report, and disclose the estimated amounts that may occur currently and in the future and countermeasures. If the amount cannot be reasonably estimated, please specify the fact that it cannot be reasonably estimated.

1. The Company has not suffered any loss due to labor disputes in the most recent year and up to the publication date of this annual report.
2. Estimated amount of money that may be incurred currently and in the future and responsive measures: None.

VII. Cyber security management

1. Cyber security policy:

   The Company has established an information security policy to ensure the confidentiality, integrity and availability of information assets, in order to comply with the Cyber Security Management Act and its subsidiary laws and other relevant laws and regulations, and to protect the Company from internal or external deliberate or accidental attacks and threats. The policy framework covers: Purpose, scope of application, goals, responsibilities, management indicators, management review, and implementation.

2. Specific management plans:

   In terms of information security protection, the Company has invested in the hardware and software required for cyber security management to strengthen multi-layer protection for information security, including complex account password verification, host and client anti-virus, online behavior management/malicious website protection, and firewall, hosting data backup, data encryption, and network IP management. In terms of personnel investment, one information security supervisor and one information security person in charge are allocated to assist in the promotion of the Company's related information security services.

3. Resources invested in cyber security management:

   (1) Sound cyber security management mechanism: To improve employees' cyber security awareness and self-protection awareness, the cyber security management review meeting will be held less than once a year to supervise and control related information security systems and incidents during the year. At least 3 hours of safety promotion and 1 cyber security incident reporting drill are conducted each year to raise the information security awareness of the Company's personnel.

   (2) Participation in the information security joint defense mechanism: In order to strengthen the proactive defense strategy, the Company has joined the Taiwan TWCERT/CC information security alliance to exchange cyber hacking intelligence through this platform from time to time. This joint defense mechanism can expand the breadth of the Company's information security defense.

4. Resources invested in cyber security management:

   In November of the 2024, our company established a "Network Equipment Redundancy and System Backup Mechanism," employing geographically separated backup environments and equipment. This approach aims to reduce the impact of natural disasters or human factors on critical data and services, thereby further ensuring operational stability and information transparency. Additionally, on December 16, 2024, the Board of Directors was reported on the execution status of information security risk management for the 2024.

In the most recent year up to the publication date of this annual report, the Group's losses due to major cyber security incidents, possible impacts, and countermeasures shall be stated. If unable to provide a reasonable estimation, the facts for it shall be stated: There was no loss due to information security issues as of the publication date of the annual report. The Group continues to implement information security management policies and targets, and regularly implements recovery plans and exercises to protect the security of the Company's important systems and data.

VIII. Material contracts

In addition to long-term borrowing contracts, the Company has many supply and sales contracts, technical cooperation contracts, and construction contracts that are still valid as of the printing date of this report and reaching maturity in the most recent year. Therefore, only representative projects in progress are listed as follows:

Nature of contracts	Parties concerned	Start and end dates of contract	Main content	Restrictive covenants
Construction contract	KAJIMA CORPORATION TAIWAN BRANCH (JAPAN)	The milestone dates for the Company's assistance to the owner after the contract was signed	Cable line shield of Kajima Corp.-Taipower	Cooperate with the owner in construction
Construction contract	Taipower North Region Construction Office	2015/08 - Cooperated with the owner in construction	New construction of Fu He D/S and multi-purpose complex	Cooperate with the owner in construction
Construction contract	DACIN Construction Co., Ltd.	2018/05-2028/07	MRT-Wanda Line (Phase 1) CQ870 Tender Project	Cooperate with the owner in construction
Construction contract	Formosa Petrochemical Corporation	2018/08 - Cooperated with the owner in construction	Formosa Plastics Refining Common Pipe Rack Derusting and Paint Package Project 2	Cooperate with the owner in construction

Nature of contracts	Parties concerned	Start and end dates of contract	Main content	Restrictive covenants
Construction contract	Construction Bureau, Taichung City Government	2019/01-Coordinated with the owner's construction	New construction of Shuinan International Convention and Exhibition Center of Taichung City Construction Bureau	Cooperate with the owner in construction
Construction contract	CPC CORPORATION, TAIWAN (CPC)	2020/02 - Cooperated with the owner in construction	Ancillary equipment and pipeline engineering of Dalin Oil Storage and Transportation Center, CPC	Cooperate with the owner in construction
Construction contract	BES Engineering Inc.	2020/03- Cooperated with the owner in construction	Reconstruction of No. 1 Chunghwa Fruit and Vegetable Market and Wanda Wholesale Fish Market	Cooperate with the owner in construction
Construction contract	Formosa Petrochemical Corporation	2020/10-2023/03	Rust removal and paint work for the combustion area of Formosa Plastics Refinery Utility Plant	Cooperate with the owner in construction
Construction contract	Formosa Petrochemical Corporation	2021/03-2025/06	Rust removal and paint encapsulation project for Formosa Plastics Refinery Utility Plant	Cooperate with the owner in construction
Construction contract	CHIMEI Corporation	2022/02-2024/02	Chimei Tainan New Recycling Furnace EPC Project	Cooperate with the owner in construction
Construction contract	Construction Bureau, Taichung City Government	2022/05-2024/04	Taichung International Convention and Exhibition Center Phase II Project	Cooperate with the owner in construction
Construction contract	Nanya Technology Corporation	2022/04-2024/07	Nanya Ke Taishan 9-3 nitrogen field supply system EPC turnkey project	Cooperate with the owner in construction
Construction contract	KAJIMA CORPORATION TAIWAN BRANCH (JAPAN)	2022/01- Cooperating with the owner in construction	Reconstruction of Kajima Zhongshan DS and buried shield tunnel of Daan-Zhongshan 161kV line	Cooperate with the owner in construction
Construction contract	Formosa Sumco Technology Corporation	2022/10-2023/12	New MEP system construction for Formosa Plastics Shengkao's Mailiao No. 2 12-inch Plant	Cooperate with the owner in construction
Construction contract	BES Engineering Inc.	2023/01-2026/05	New construction of BES Cloud Universal Park - Electrical and Water Supply and Drainage Works	Cooperate with the owner in construction
Construction contract	German Client	2023/11~2025/06	Kaohsiung OS3 EPC Turkey Project	Cooperate with the owner in construction
Construction contract	German Client	2023/10~2025/06	Kaohsiung TMA EPC Project	Cooperate with the owner in construction
Construction contract	New Construction Project for Taichung City Government	2024/01-2029/09	Construction project of Taichung Arena	Cooperate with the owner in construction
Construction contract	Formosa Plastics Corporation	2024/02-2024/10	Mechanical Engineering for the Expansion of Renwu Plant, Formosa Plastics	Construction contract
Construction contract	GRAPE KING BIO LTD	2024/04-2025/04	Extension Project for Longtan Park Phase II, GRAPE KING BIO	Construction contract
Construction contract	Formosa Plastics Corporation	2024/05-2024/12	Structural Steel and Fire Protection Works for the Frozen Storage Area at Formosa Plastics Kaohsiung Intercontinental Terminal	Cooperate with the owner in construction
Construction contract	Formosa Grandseas Bunkering and Trading Corporation	2024/07-2026/12	Mechanical and Electrical General Contracting for Taishun Kaohsiung Port Oil Barge Base	Cooperate with the owner in construction

Nature of contracts	Parties concerned	Start and end dates of contract	Main content	Restrictive covenants
Construction contract	CPC CORPORATION, TAIWAN (CPC)	2024/07-2025/07	Temporary Pipeline Installation for Liquefied Natural Gas at CPC Taichung Plant	Cooperate with the owner in construction
Construction contract	Continental Engineering Corporation	2024/12-2035/03	Electrical, Plumbing, and Environmental Control Works for the Northern Section of Circular Line CF624F Contract	Cooperate with the owner in construction
Construction contract	MediaTek Inc.	2025/02-2027/12	Hsinchu Headquarters Office Building Project	Cooperate with the owner in construction
Construction contract	EMC (Elite Material Co., Ltd.)	2025/04-2026/12	Taoyuan Dayuan Plant M&E Project	Cooperate with the owner in construction
Construction contract	Dechang Plastics Co., Ltd.	2026/03-2030/08	Innovation Center M&E & Fire Protection Project	Cooperate with the owner in construction
Construction contract	Beikang Medical Foundation	2025/09-2027/09	New Hospital M&E Project	Cooperate with the owner in construction
Construction contract	EMC (Elite Material Co., Ltd.)	2025/04-2026/12	Taoyuan Dayuan Plant M&E Project	Cooperate with the owner in construction
Construction contract	Advantech Co., Ltd.	2025/06-2026/06	Cloud Guardian Industrial Park ELV Project	Cooperate with the owner in construction
Construction contract	German Client	2025/11-2027/06	Kaohsiung Dragon EPC Turnkey Project	Cooperate with the owner in construction
Construction contract	Formosa Idemitsu Petrochemical Corp.	2025/08-2026/08	IPA Recovery Area Equipment & Steel Structure Project	Cooperate with the owner in construction
Construction contract	Hotai Toyota Logistics Co., Ltd.	2025/10-2027/12	Xinzhuang Factory & Office Building Project	Cooperate with the owner in construction
Construction contract	SMC Corporation	2026/03-2028/08	Hsinchu Corporate Headquarters Project	Cooperate with the owner in construction
Construction contract	MediaTek Inc.	2026/02-2026/06	Tongluo Data Center Phase I Stage II M&E Project	Cooperate with the owner in construction
Construction contract	U-Chin Advanced Material Corp.	2026/02-2026/06	STSP TSA Plant EPC Turnkey Project	Cooperate with the owner in construction
Construction contract	Taipei Agricultural Products Marketing Corp.	2026/02-2031/12	Low-Temperature Unloading Area & Cold Storage Project	Cooperate with the owner in construction
Construction contract	BES Engineering Corporation	2026/02~2031/10	345kV Cable Route EPC Project	Cooperate with the owner in construction
Construction contract	BES Engineering Corporation	2026/02-2026/08	MRT Extension Support Project	Cooperate with the owner in construction

Five. Financial Position and Financial Results Review Analysis and Risk Management

I. Financial position

Comparison and Analysis of Financial Position

Unit: In Thousands of New Taiwan Dollars

Year / Items	December 31, 2025	December 31, 2024	Difference	
			Amount	%
Current asset	4,279,235	4,245,113	34,122	0.80%
Long-term investment	257,077	209,152	47,925	22.91%
Property, plant and equipment	373,405	368,064	5,341	1.45%
Other assets	22,220	30,312	-8,092	-26.70%
Total assets	4,931,937	4,852,641	79,296	1.63%
Current liabilities	2,841,303	2,913,893	-72,590	-2.49%
non-current liabilities	174,695	113,669	61,026	53.69%
Total liabilities	3,015,998	3,027,562	-11,564	-0.38%
Share capital	780,916	780,916	0	0.00%
Additional paid-in capital	10,354	10,354	0	0.00%
Retained earnings	985,114	863,328	121,786	14.11%
Other equity	219,419	170,481	48,938	28.71%
Total equity	1,915,939	1,825,079	90,860	4.98%

Description of major changes:

1. Increase in Long-term investment: Due to the increase in unrealized gains on financial assets.
2. Decrease in current liabilities and total liabilities: Due to the repayment of commercial paper upon maturity..

II. Financial performance

Comparative analysis of financial performance

Unit: In Thousands of New Taiwan Dollars

Items \ Year	2025	2024	Difference	
			Amount	%
Operating revenue	4,187,688	4,131,669	56,019	1.36%
Operating cost	3,573,899	3,603,784	-29,885	-0.83%
Gross profit	613,789	527,885	85,904	16.27%
Operating expenses	138,233	125,870	12,363	9.82%
Operating profit	475,556	402,015	73,541	18.29%
Non-operating income and expense	-36	27,859	-27,895	-100.13%
Pre-tax profit from continuing operations	475,520	429,874	45,646	10.62%
Income tax expenses	106,575	85,657	20,918	24.42%
Net income of continuing operations	368,945	344,217	24,728	7.18%
Net profit for the period.	368,945	344,217	24,728	7.18%

Description of major changes:

1. Inecreases in gross profit, operating profit and net profit for the current period: Due to certain construction contracts in fiscal year 2025 being subject to price index adjustments, allowing for additional contract revenue in line with increases in the price index, as well as improved project profitability during fiscal year 2025, the gross profit margin increased, resulting in higher gross profit, operating profit, and net profit for the period.

III. Cash flow

Analysis and description of cash flow changes in the most recent year

Items \ Year	2025	2024	Percentage of change	
			amount	%
Net cash flow from operating activities	(799,768)	960,170	-1,759,938	-183.29%
Net cash flow from investing activities	(15,577)	(213,535)	197,958	-92.71%
Net cash flow from financing activities	(176,823)	11,911	-188,734	-1584.54%

(I) Analysis of variation up to 20% in the percentage of increase/decrease:

1. Dncrease in net cash flow from operating activities: Due to a net decrease in contract assets and a net increase in contract liabilities during the current period, net cash outflows from operating activities increased.
2. Iecrease in net cash flow from investing activities: Due to higher capital expenditures for property, plant and equipment in 2024 , capital expenditures in the current period were relatively lower.
3. Dncrease in net cash flow from financing activities: This was mainly attributable to the repurchase of treasury shares during the current year, resulting in an increase in net cash outflows from financing activities.

(II) Improvement plan for insufficient liquidity: None.

(III) Liquidity analysis for the coming year

1. Description of cash flow in the next year: No significant effect.

2. Remedial measures for projected cash shortage and liquidity analysis: Not applicable.

IV. Influence of major capital expenditures on financial business in the most recent year: None.

V. The main reasons for the profit or loss of the re-investment policy in the latest year, and its improvement plans, and investment plans for the next year.

Items / Company	Initial investment amount (NTD Thousand)	Policy	Main reason for profit or loss	Improvement plan	Other investment plans in the future
HONG SIANG CONSTRUCTION CO., LTD.	NTD 68,000	To enter the public works, green building, urban renewal and turnkey projects related to construction industry.	The Company began to integrate its resources based on its Grade-A construction license advantage, to provide tender services and expand the Company's business. The synergies are preliminarily emerging, and only a small profit has been made.	The merger has been approved and completed pursuant to the Ministry of Economic Affairs.	—
RELIANT REAL ESTATE DEVELOPMENT CO., LTD.	NTD 52,500	Development and rental of residential buildings and trading of real estate.	Develop business opportunities in related construction projects, and then explore the business market for smart buildings and smart cities in the future. There is no suitable case, so no profit for the time being.	—	—
King Polytechnic (Texas) Corporation	USD 8,438	Co-ordinate the steel structure manufacturing and equipment installation works of Formosa Plastics USA, and win investment from Formosa Plastics USA to expand the petrochemical plant.	Since its establishment, the Company has generated earnings and contributed significantly to the performance and profits of the parent company in Taiwan, while laying the foundation for the U.S. market. However, we will continue to work hard to capture potential business opportunities of Formosa Plastics in the U.S.A..	—	—
LNT TECHNOLOGY CO., LTD.	NTD 60,000	Holding of 40% by KING POLYTECHNIC, the company specializes in the wholesale and installation of electrical appliances, and specializes in the integration and construction of intelligent projects. It can cooperate with KING POLYTECHNIC's EPC projects for co-creation.	Due to the small scale and small number of personnel of the two companies, they mostly undertake small-value projects so far, and no economies of scale have been generated. It is expected that the advantages of the two companies will be combined to compete for projects and create profits.	—	—

VI. Risk analysis and assessment

(I) Impacts of changes in interest rates, exchange rates, and inflation in the most recent year on the Company's profit and loss, and future countermeasures:

Changes in interest rates and inflation have no significant impact on the Company's operations and profit or loss. As for the responsive measures, the Company uses foreign exchange spot and forward transaction contracts as a tool to hedge the exchange rate risk. In addition, the Company maintains close and good interaction with suppliers and customers, and pays attention to changes in market prices at any time, so that the purchase and sale prices can be adjusted in response to market fluctuations and added a clause in major project contracts on adjustment to commodity prices. The increase in the index will lead to additional construction costs, thereby avoiding the impact of changes in inflation.

(II) Policies on high-risk, high-leverage investments, lending of funds, endorsements and guarantees, and transactions of derivatives in the most recent year, main reasons for profit or loss, and countermeasures in the future:

1. The Company does not engage in high-risk or high-leverage investments.
2. Regarding the lending of funds to others, endorsements and guarantees, and derivative product transactions, the Company has formulated the "Procedures for Lending of Funds to Others", "Procedures for Endorsements and

Guarantees", and "Procedures for the Acquisition or Disposal of Assets" to regulate the lending of funds to others, endorsements and guarantees and derivative transactions. The Company's derivative transactions are for the purpose of hedging rather than trading.

(III) R&D plans in the most recent year, the current progress of unfinished R&D projects, the additional R&D expenses to be invested, the estimated time of completion of mass production, and the main factors affecting the success of R&D in the future:

Although the Company had excellent performance in the petrochemical and chemical engineering business and public engineering business in the past, in order to expand the business, we have conducted learnings and exchanges with vendors in the fields of Industry 4.0 and smart process related products and system technologies.We select and cooperate with high-quality parties and make use of the system integration capabilities of KING POLYTECHNIC to form a team to provide customers with complete solutions. In addition, as the pandemic may become the norm in the future, which will force medical institutions to accelerate the renovation and upgrade, the Company utilizes the above-mentioned EPC+smart added-value integrated services complying to the standard for international assessment of hospitals (Joint Commission International, JCI) to offer complete solutions and expand related engineering markets.

(IV) Impacts of important domestic and foreign policies and legal changes in the most recent year on the Company's financial operations, and countermeasures:

The Company's business operations follow the applicable laws and regulations of domestic and foreign countries where it invests. Although fewer people have traveled overseas due to the impact of COVID-19, the Company's personnel from local subsidiaries still transmit important foreign policy and legal information back to Taiwan. It provides the management with a reference, so the Company can effectively respond to and grasp the impact of important policies and legal changes at home and abroad.

(V) Impacts of changes in technology in the most recent year (including cyber security risks) on the Company's financial operations, and countermeasures

The Company has a strong technical service team, and its business scope covers engineering planning, design, procurement, construction, commissioning, engineering management, and whole plant turnkey projects. Therefore, technology research and development and innovation are originally an indispensable plan for operation. This is the Company's main competitive advantage. Therefore, changes in technology have brought more business and profit opportunities to the Company, and have a positive effect on the Company's financial operations. The Company has set up an IT department with dedicated IT personnel in charge of cyber security. They monitor the connection records of the firewall at all times for evaluation. Data is backed up to the mainframe on a daily basis, and the backed up data is moved to a rented computer room on a monthly basis to effectively reduce cyber security risk.

(VI) Impacts of changes in corporate image in the most recent year on corporate crisis management, and countermeasures

The Company's business operations are based on the principle of prudence and integrity. The Company has a good corporate image. On July 14, 1990, the Company was listed for trading with its Class II stock, and it began to trade over the counter with its Class I stock on January 16, 2002. We have accumulated more than 30 years of experience in the industry. Therefore, we will attract more talents to join the company and build up the strength of the management team. The company will fulfill its social responsibilities by returning the results of its operations to the shareholders. Therefore, there was no risk to the corporate image. In the future, the Company will not only pursue the maximization of shareholders' equity, but also fulfill the corporate social responsibilities to further improve the corporate image.

(VII) Estimated benefits and potential risks of M&A and countermeasures: None.

(VIII) Estimated benefits, potential risks of plant expansion, and countermeasures: None.

(IX) Risks of supplier or client concentration and countermeasures: None.

(X) The influence of massive transfer or replacement of shares by the directors or shareholders each holding more than 10 % of the shares issued by the Company, the risk thereof, and countermeasures: None.

(XI) The influence of change in the Company’s management right, the risk thereof, and countermeasures: None.

(XII) For litigations or non-litigations events, in the case of a court case or a non-contentious case, specify the names of the directors, the President, the de facto responsible person, shareholders each holding more than 10% of company shares, and subsidiaries with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders’ equity or stock price, disclose the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and the status as of the publication date of this report:

1. All litigations, non-litigations, or administrative litigations involving the Company in the most recent two years or as of the prospectus' publication date that have been concluded or are in progress and whose results may have significant impact on shareholders' equity or securities prices, the facts of the dispute, amount of money at stake, start date of litigation, main parties involved in the dispute, and the status of the dispute shall be disclosed: None.
2. In the case of a court case or a non-contentious case, specify the names of the directors, the President, the de facto responsible person, shareholders each holding more than 10% of company shares, and subordinate companies with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes in the most recent two years and as of the prospectus' publication date, and where the result thereof may significantly affect shareholders’ equity or stock price: None.

(XIII)Other important risks and countermeasures: None.

VII. Other important matters: None.

Six. Special Matters

I. Relevant information on affiliates

(1) Consolidated Business Report of Related Companies: Relevant materials have been uploaded to the Market Observation Post System (MOPS). Please refer to MOPS > Basic Information > e-Books > Related Companies Three-Document Section.

(2) Consolidated Financial Report of Related Companies: Relevant materials have been uploaded to the Market Observation Post System (MOPS). Please refer to MOPS > Basic Information > e-Books > Financial Reports.

(3) Related Companies Report: Not applicable.

II. Private placement of securities in the most recent year up till the publication date of this annual report: None.

III. Other necessary supplementary information: None.

IV. Any event as specified in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act with a material impact on shareholders' rights and interest or securities prices occurred to the Company during the most recent year and up to the publication date of this annual report: None.

Thank you for attending the AGM!

We welcome your comments and suggestions at any time!

KING POLYTECHNIC ENGINEERING CO., LTD.

Chairman: Chien-Fong Hong