Stock Code：6171

大城地產股份有限公司
TA CHENG REAL ESTATE CO.,LTD.

2025Annual Report

The Annual Report is available at: http://mops.twse.com.tw
http://www.aries-net.com.tw

Published on：May 25,2026

I. Spokesperson and Deputy Spokesperson of the Company:

Spokesperson	Deputy Spokesperson
Name: Chien, Shu-Chin	Name: Teng, Hsiang-Chien
Job Title: Director	Job Title: Manager of Finance Dept.
Tel: (04) 2358-0031	Tel: (04) 2358-0031
Email: chien@bigtown.com.tw	Email: joyce_deng@aries-net.com.tw

II. Address and telephone number of the Company's head office and branches:

Unit	Address	Tel. No.
Head Office	6F., No.839, Sec. 4, Taiwan Blvd., Xitun Dist., Taichung City 407, Taiwan (R.O.C)	(04)2358-0031

III.Name, address, Tel. No. and website of the shareholders' service Agency:

Name: Grand Fortune Securities Co., Ltd.

Address: 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist. (100), Taipei City

Tel: (02) 2371-1658

Tel: (02) 2371-5618

Website: http://www.gfortune.com.tw

IV.Name, Name of Firm, Address, Website and Telephone Number of Independent Auditors:

External Auditor: Huang, Hsiang-Ying, CPA & Tsao, Yong-Jen, CPA

Firm Name: EnWise CPAs & Co.

Address: 8F.-1, No. 130,Taiyuan N. Rd.,North Dist., Taichung City, Taiwan (R.O.C.)

Tel: (04) 2296-6234

Website: http://www.enwise.com.tw

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None

VI. The Company's website: http://www.aries-net.com.tw

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One. Letter to Shareholders

I. 2025 Business Report.

(1) Performance results of the Business Plan

The operating revenue, net recognized by the Company in 2025 was NT$1,175,835 thousand, reduce by 35.35% from NT$1,818,882 thousand in the previous year. The operating income was NT$486,588 thousand, reduce by 31.89% from NT$714,374 thousand in the previous year. The net income was NT$381,982 thousand, reduce by 33.3% from NT$572,663 thousand in the previous year.

(2)Budget implementation status: N/A

(3)Revenues & expenses and profitability analysis

1.Revenues and expenses

Unit: NT$ Thousand

Item	2025	2024	Increase/decrease in amount	Increase/decrease in percentage
Operating revenue, net	1,175,835	1,818,882	(643,047)	-35.35%
Gross profit	549,123	790,240	(241,117)	-30.51%
Operating income	486,588	714,374	(227,786)	-31.89%
Non-operating revenues and expenses	6,498	5,989	509	8.50%
Net income	381,982	572,663	(190,681)	-33.30%

2.Profitability analysis

Item		2025	2024
Return on assets (ROA) (%)		8.53	14.51
Return on equity (ROE) (%)		15.46	26.11
As a percentage of paid-in capital	Operating income (%)	48.65	71.43
	Income before tax (%)	49.33	72.03
Net profit margin (%)		32.48	31.48
Earnings per share (NT$)		3.82	5.73

(4) Overview of business development

The Company will develop its business in the following manners:

1. Evaluate suitable land via the market survey for development and construction, in order to increase the operating revenue.
2. Seek a joint construction partner and launch projects in the form of joint construction, in order to increase the operating revenue.
3. Implement the policy of elimination of remaining houses in the completed individual projects proactively, in order to increase the operating revenue and improve the inventory turnover rate.
4. Seek lessees for the land already acquired but remaining undeveloped, in order to increase the rental revenue.

5. The Company’s projects under construction and scheduled dates of completion thereof are shown in the following chart:

【悅讀大城-雲詠】
Scheduled to be completed in September 2026

【大城知丘】
Scheduled to be completed in October 2026

【大城光年】
Scheduled to be completed in June 2028

【No. 373, Zhenfu Section, Nantun District, Taichung City】
Scheduled to be completed in December 2029

Type of Project	Location	Product Planning	Total Houses	Remark
悅讀大城-雲詠	Intersection of Rongde Rd. and Shanxi Rd., Beitun District, Taichung City	B2-13F congregate housing and shop	48 houses	Self-construction on self-possessed land
大城知丘	Intersection of Xiangshun 2nd St. Sec. 2 and Taihe 2nd St., Beitun District, Taichung City	B4-17F congregate housing	198 houses	Jointly constructed with Ta Cheng Construction Co., Ltd.
大城光年	Beitun District, Taichung City near Dunfu Road and Dunfu 3th Street	B3-18F congregate housing and shop	194 houses	Self-construction on self-possessed land
No. 373, Zhenfu Section, Nantun District, Taichung City	Section 3 of Longfu Road and Section 1 of Liming Road, Nantun District, Taichung City	B2-14F congregate housing and shop	160 houses	Jointly constructed with Ta Cheng Construction Co., Ltd.

II. Summary of 2026 Business Plan

(1) Business policy

1. Robust corporate system: Establish a sound corporate governance system through compliance with laws and ethical codes.
2. Stakeholder communication service: Set up the stakeholder section on the official website to enhance the coordination in communication among shareholders, employees and suppliers, and disclosure of financial information.
3. Risk management system: Implement the system by establishing a sound internal control system and internal audit.
4. Budget management system: Set the budget target and review the achievement of the budget regularly via the budget system.
5. Fine-quality customer service: Uphold the honest and pragmatic service attitude, and design construction projects in line with customers' needs.
6. Responsibility for caring employees: Improve the employees' value and expertise through training and incentive for innovative ideas.

(2)Sales volume forecast and the basis thereof

Type of Project	Estimated houses to be sold	Estimated time of completion
悅讀大城-雲詠	48 houses	September 2026
大城知丘	198 houses	October 2026
大城光年	194 houses	June 2028
No. 373, Zhenfu Section, Nantun	160 houses	December 2029

(3) Production & marketing policy

1. Observe the characteristics and conditions of the land, and implement the land development effects.
2. Break through the architectural framework, integrate into the aesthetics of life, and implement occupants' life quality.
3. Achieve unique artwork and improve the added value of buildings.
4. Insist on legal construction and education and training to improve the construction quality.
5. Uphold the sustainable management philosophy to improve consumers' willingness to purchase.

III. Future development strategy

(1) Production strategy

1. Land development: Vacant land development as the short-term goal, and implementation of the urban renewal plan as the long-term goal.
2. Product planning: With rigorous construction planning and execution work, the Company keeps researching new construction methods and tries to strike a balance among costs, construction period and quality, in order to improve consumers' reliance on the construction quality.
3. Building technology: Aim to improve the seismic strength of buildings, and emphasize the eco-

friendly and energy-conservation space design and planning, and value the revisions to building laws and regulations and effects posed therefore, in order to strengthen the ability to manage construction projects.

(2) Marketing strategy

1. Planning stage: after prudently assessing the location and area of the land, the development department conducts return on investment analysis and evaluates the basis for acquiring land or building jointly with the land owners.
2. Design stage: the research and design department conducts product planning and design based on market demands.
3. Construction stage: the Engineering Dept. supervises the construction by adopt the strict construction planning, to control the quality of projects.
4. Sales stage: the Sales Department prepares product descriptions meeting customers’ needs based on product positioning according to local conditions.
5. Delivery stage: the Customer Service Department, with a professional and careful service attitude, conducts after-sales service from pre-sale to delivery.

In nutshell, the Company has won the recognition of consumers through its prudent corporate culture, and gained social recognition and enhanced corporate competitiveness through its prudent and pragmatic style to achieve the goal of sustainable operation.

IV. Effects of external competition, legal environment, and overall business environment

(1) External competition

According to the Cathay Real Estate Index for Q4 2025, the market exhibited stable prices with increased volume compared to the previous quarter, and stable prices with decreased volume compared to the same period last year. Relative to Q3, asking prices, bargaining rates, and closing prices remained stable this quarter; meanwhile, project launches and sales rates saw moderate growth, with transaction volume increasing significantly. Driven by better-than-expected demand for emerging technologies such as AI bolstering export growth, the Central Bank has revised its 2025 GDP growth forecast upward to 7.31%. Regarding the housing market, the Central Bank maintained its seventh wave of selective credit control measures. Bank lending has returned to internal controls, shifting the policy direction from aggregate volume control to autonomous management. As the market has gradually adapted after one year of credit restrictions, a partial policy adjustment in early September 2025 led to a slight recovery in sidelined buyer interest. Furthermore, developers showed stronger momentum in project launches, partly due to the concentrated release of previously deferred projects toward the end of the year.

In response, the Company will develop tailored product planning and design based on the unique characteristics of each land site to create added value. This includes constructing green buildings that are ecological, energy-saving, waste-reducing, and health-oriented, while enhancing energy efficiency to create a comfortable, healthy, and eco-friendly living environment. Through excellent after-sales service, we aim to strengthen consumer trust, increase product demand, and build brand loyalty to achieve the goal of sustainable operations.

(2) Legal environment

The legal environment involves building laws and regulations, taxation and government policies, e.g. two-in-one tax policy for real estate, exemption from registration of areas occupied by eave rain cover, restrictions on capacity transfer, announced land price and flexible adjustment on the announced present value, and government's efforts in promoting the social housing guarantees and housing justice, charter and escrow policies to activate private vacant houses, housing subsidy resources to assist disadvantaged families, urban renewal to protect adequate housing rights, improvement of the real estate transaction system and construction of the professional leasing mechanism, actual price registration 2.0, and the policy of equalization of land rights. Changes in such laws and regulations will pose certain effects on the building industry's management. The Company will keep paying attention to any study on the laws and regulations to ensure shareholders' equity.

(3) Overall business environment

According to macroeconomic forecasts from the Taiwan Institute of Economic Research (TIER), while the global economy remains resilient, overall growth momentum in 2026 is expected to slow slightly or remain flat compared to 2025. Key factors influencing the economic outlook include the development progress of the AI industry, U.S. tariff policies, and overcapacity issues in China, with varying degrees of impact across major economies. Regarding the real estate sector, the number of building ownership transfers in the six major municipalities recorded a month-on-month increase of 25% in December 2025. This surge was attributed to a large volume of new property completions and year-end deed transfers, as well as the government's rolling policy adjustments in September, which revitalized buying momentum among first-time and upgrade buyers. However, a year-on-year decrease of 7.2% in transfers for the same month reflects that overall transaction volume remains at a low level. Looking ahead, following the Central Bank's decision to return mortgage controls to autonomous bank management, signs of easing in mortgage tightening may emerge. Nevertheless, with the seventh wave of selective credit control measures remaining in effect, the market outlook over the next six months will continue to be influenced by future policy directions, changes in developers' unsold inventory, and improvements in policies regarding the disposal of construction surplus soil and gravel. In the short term, the market is expected to remain in an adjustment phase.

V. Business goals

Looking ahead to the domestic economic performance in 2026, the growth momentum is expected to transition to a 'balanced warming of both domestic and foreign demand.' Private consumption is regaining momentum, and the previously seen divergence in industrial sentiment is showing improvement. Given that net foreign demand, investment, and private consumption have all performed better than originally expected, the latest forecast from the Taiwan Institute of Economic Research (TIER) projects Taiwan's GDP growth rate at 4.05% for 2026. The growth structure is anticipated to feature a steady expansion of foreign demand and investment, which in turn will drive a recovery in domestic consumption. Regarding domestic demand, as corporate profits remain stable, there is greater room for upward adjustments in salaries, bonuses, and dividends. Coupled with a steady labor market and the positive spillover effects from automotive policies and stock market wealth, private consumption momentum is expected to return to normalcy. On the investment front, driven by the continuous expansion of AI, high-performance computing (HPC), and cloud applications, major domestic tech firms are increasing capital expenditures. The semiconductor supply chain is also ramping up high-end capacity and R&D, working alongside the push for net-zero transition and government public infrastructure to maintain steady private investment momentum. In terms of trade, despite the slowdown in global trade growth, the order momentum for tech products remains strong as uncertainty in trade policy diminishes, sovereign AI infrastructure advances, and high-end semiconductor process capacity becomes available. Furthermore, the Taiwan-U.S. tariff agreements and China's 'anti-involution' (anti-excessive competition) policies are helping to alleviate cost and price competition pressures. These factors contribute to narrowing the previous industrial sentiment gap between AI and non-AI sectors.

The Company will continue to accurately collect and monitor market information, including regional development, regulatory changes, demographic shifts, and industry relocation. We aim to enhance our expertise in market analysis and continue to deeply cultivate the Taichung market, launching products tailored to the specific needs of various locations. In the medium to long term, we anticipate that increased price transparency will lead to a more robust real estate market; thus, projects with prime locations and stable investment returns will continue to earn market recognition. Through meticulous product planning and quality control, we are confident in our ability to generate exceptional operational performance and drive future growth. Guided by our professional architectural background and a philosophy of 'Integrity, Sincerity, and Sustainable Operations,' we strive to increase revenue and profitability for the Company.

The management team and all of the Company's colleagues would like to extend appreciation to all of you for your support and encouragement. Meanwhile, the Company looks forward to continuing receiving your guidance and suggestions in the coming year. The Company will still adhere to the consistent management philosophy and service to present and share with your remarkable business results.

Wish all of you health and all the best!

Tacheng Real Estate Co.,Ltd.
Chairman: Lai, Yuan-Chao

Two. Corporate Governance Report

I. Background information about Directors, Supervisors, General Managers, Vice General Managers, Assistant Vice Presidents, and Heads of Departments and Branches

(1) Directors

1. Information about directors

April 28, 2025

Job title	Nationality or place of registration	Name	Gender/ age	Date of (elected to) office:	Term of office	Date first elected	Number of shares held by them at the time of appointment		Current shares		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within 2nd degree of kinship acting as a director, supervisor or other managerial officers			Remark
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
Chairman of Board	R.O.C.	Lai, Yuan-Chao	Male 61~70 years old	June 27, 2024	3 years	May 14, 2012	34,625,530	34.63%	34,625,530	34.63%	1,300,564	1.30%	-	-	Master of Science in Management, National Chung Hsing University Department of Architecture, National United University Taichung City Urban Design Review Member Managing Director of Taiwan Action Bodhisattva Education Association Chairman of the 11th Taichung Real Estate Development Association Taichung City Construction Dispute Review Member Taichung City Land Value and Standard Land Value Review Member Taichung City Real Estate Dispute Mediation Member	Chairman of Board, Ta Cheng Construction Co., Ltd.	Director's juristic person representative	Liang-Cheng,Lai	Father and son	Note 1
																	Director's juristic person representative	Lai, Wen-Ling	Father and daughter	
																	General Manager	Yuchun Liao	Father-in-law and son-in-law	

Job title	Nationality or place of registration	Name	Gender/ age	Date of (elected to) office:	Term of office	Date first elected	Number of shares held by them at the time of appointment		Current shares		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within 2nd degree of kinship acting as a director, supervisor or other managerial officers			Remark
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
Director	R.O.C.	Jin Cheng Investment Co., Ltd.		June 27, 2024	3 years	May 14, 2012	6,502,820	6.50%	6,502,820	6.50%	-	-	-	-	None	None	None	None	None	
		Juristic-person representative: Liang-Cheng,Lai	Male 31~40 years old			June 21, 2018	1,100,000	1.10%	1,100,000	1.10%	-	-	-	-	Master in Monetary Economics, University of Exeter	Special Assistant, Ta Cheng Construction Co., Ltd.	Director Director's juristic person representative	Lai, Yuan-Chao Lai, Wen-Ling	Father and son Sister and brother	
Director	R.O.C.	Jin Cheng Investment Co., Ltd.		June 27, 2024	3 years	May 14, 2012	6,502,820	6.50%	6,502,820	6.50%	-	-	-	-	None	None	None	None	None	
		Juristic-person representative: Chien, Shu-Chin	Female 51~60 years old		3 years	May 14, 2012	-	-	-	-	-	-	-	-	Master of Science in Management, National Chung Hsing University Assistant Officer, EnWise CPAs & Co.	Vice General Manager, Ta Cheng Construction Co., Ltd.	None	None	None	
Director	R.O.C.	Ta You Investment Co., Ltd.		June 27, 2024	3 years	August 27, 2021	3,317,765	3.32%	3,317,765	3.32%	-	-	-	-	None	None	None	None	None	
		Juristic-person representative: Lai, Wen-Ling	Female 41~50years old			August 27, 2021	530,842	0.53%	530,842	0.53%	16,000	0.02%	-	-	Master of Architecture, Feng Chia University Department of Civil Engineering, National United University	Special Assistant, Ta Cheng Construction Co., Ltd.	Director General Manager Director's juristic person representative	Lai, Yuan-Chao Yuchun Liao Liang-Cheng,Lai	Father and daughter Spouse Sister and brother	

Job title	Nationality or place of registration	Name	Gender/ age	Date of (elected to) office:	Term of office	Date first elected	Number of shares held by them at the time of appointment		Current shares		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in the Company and other companies	Spouse or relatives within 2nd degree of kinship acting as a director, supervisor or other managerial officers			Remark
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
Director	R.O.C.	Ta You Investment Co., Ltd.		June 27, 2024	3 years	August 27, 2021	3,317,765	3.32%	3,317,765	3.32%	-	-	-	-	None	None	None	None	None	
		Juristic-person representative: Yuchun Liao	Female 41-50 years old			June 28, 2023	23,080	0.02%	16,000	0.02%	530,842	0.53%	-	-	Construction Economics Management, The Bartlett School of Architecture Associates Current position: President, Tacheng Real Estate Co.,Ltd.	General Manager, Ta Cheng Construction Co., Ltd	Director	Lai, Yuan-Chao	Father in law	
																	Director’s juristic person representative	Lai, Wen-Ling	Spouse	
																	Director’s juristic person representative	Liang-Cheng,Lai	Brother in law	
Independent director	R.O.C.	Yang, Tung-Hsiao	Male 51~60 years old	June 27, 2024	3 years	June 21, 2018	-	-	-	-	-	-	-	-	Doctor of Finance, Louisiana State University Professor of Department of Finance, National Chung Hsing University	None	None	None	None	
Independent director	R.O.C.	Young Weiju	Female 51~60 years old	June 27, 2024	3 years	June 21, 2018	-	-	-	-	-	-	-	-	Doctor of Science in Management, National Yunlin University of Science and Technology Vice Professor of Department of Accounting, Chaoyang University of Technology, Assistant Manager of Deloitte Taiwan, Senior Assistant General Manager of Chinatrust Investment Co., Ltd.	None	None	None	None	
Independent director	R.O.C.	Lin, Chun-Mao	Male 51~60 years old	June 27, 2024	3 years	August 27, 2021	-	-	-	-	-	-	-	-	Doctor of Finance, Feng Chia University. Chairman of Board, Nature platform Construction Co., Ltd. CEO of Dingyu Family Office Vice General Manager of UBS	None	None	None	None	
Independent director	R.O.C.	Wen Yen-Jung	Female 61~70 years old	June 27, 2024	3 years	June 28, 2023	-	-	-	-	-	-	-	-	Department of Business Administration National Open University Manager, Nantun Branch, Land Bank Manager, Zhongqing Branch, Land Bank	None	None	None	None	

Note 1: Where the Company's General Manager and Chairman are relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

(1) The Company's General Manager is the spouse of the daughter of the Company's Chairman. Therefore, they are relatives within the first degree of kinship.

(2) The Company is engaged in business of construction materials and construction. The General Manager's educational background and work experience may benefit the Company's business. Therefore, there is reasonableness and necessity.

(3) According to the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies, if the board chairperson and the general manager or a person holding an equivalent position of a TPEx listed company are the same person or are spouses or relatives within the first degree of kinship, the company shall appoint not less than 4 independent directors by 31 December 2023. The Company already to add 4 independent directors in 2023.

2. Major shareholders of juristic person shareholders

April 28, 2026

Name of juristic person shareholder	Major shareholders of juristic person shareholders
Jin Cheng Investment Co., Ltd.	Lai, Yuan-Chao (57.53%), Lai, Yuan-Min (15.00%), Fu, Chin-Chen (12.46%), Liang-Cheng, Lai (15.01%)
Ta You Investment Co., Ltd.	Lin, Chun-Jen (11.59%), Fu, Chin-Chen (32.08%), Lai, Hsin-Yu (48.08%), Lai, Wen-Ling (8.25%)

Juristic person shareholders' major shareholders who are juristic persons: None.

2. Disclosure of directors expertise and independent directors’ independence information

April 28, 2026

Conditions / Name	Gender	Professional qualifications and experience	Independence	Number of other public companies in which the independent director concurrently serve as an independent director
Lai, Yuan-Chao	Male	Please refer to Page 7 ~ 9 “(1) Directors 1. Information about directors” of this annual report for the professional qualifications and experience of directors. None of the directors has any of the conditions specified in Article 30 of the company act.	A general director, not an independent one.	Not applicable
Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	Male			Not applicable
Representative of Jin Cheng Investment Co.,Ltd.: Chien, Shu-Chin	Female			Not applicable
Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	Female			Not applicable
Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Male			Not applicable
Yang, Tung-Hsiao	Male		All independent directors meet the following conditions: **1.** Comply with the provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and the relevant requirements of the “Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies” (Note 1). **2.** No remuneration has been collected for providing business, legal, financial, accounting, and other services to the Company or its affiliated companies in the last two years.	None
Young Weiju	Female			One
Lin, Chun-Mao	Male			Two
Wen Yen-Jung	Female			None

Note 1:1. Not the government, juristic person, or their representatives as defined in the Company Act
2. Number of public listed companies that he/she also works as an independent director: Not more than three companies.
3. During the two years before being elected or during the term of office, an independent director of the Company may

not have been or be any of the following:
(1) An employee of the Company or any of its affiliates.
(2) A director or supervisor of the Company or any of its affiliates.
(3) The independent director who holds shares, together with those held by his/her spouse, minor children, or held in the name of others, in an aggregate of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
(4) The managerial officer in paragraph (1) or the spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship in paragraph (2) and (3).
(5) The director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates it representative to serve as a director of the Company under Article 27 of the Company Act.
(6) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
(7) If the chairperson, President, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
(8) A director (or governor), supervisor, managerial officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.
(9) A professional individual who, or an owner, partner, director (or governor), supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. Provided, this restriction does not apply to a member of the Remuneration Committee.

3. Directors' diversity policy, management goals, implementation status and independence

(1) Directors' diversity policy:The Board of Directors of the Company has established the "Code of Practice on Corporate Governance", which is formulated in Chapter 3 "Strengthening the Functions of the Board of Directors". The nomination and selection of the Company's board of directors are based on a candidate nomination system, in addition to evaluating the academic experience and qualifications of each candidate, and taking into account the opinions of stakeholders, in accordance with the "Regulations for the Election of Directors" and the "Code of Corporate Governance Practice" to ensure the diversity and independence of board members.

According to the Company's "Code of Practice on Corporate Governance", the composition of the board of directors should consider diversity and formulate appropriate diversity policies based on its own operations, operating styles, and development needs, including but not limited to the following two major standards: (1) Basic conditions and values: gender, age, nationality, culture, etc. (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

(2) Directors' management goals and achieve situation :

Management goals	Achieve situation
It is advisable that the number of directors who also serve as the Company's managerial officers shall not exceed one-third of the total seats of directors	Achieve
Seats of independent directors are more than one-third of the total seats of directors.	Achieve
Independent director not serving more than three consecutive terms	Achieve
One-third of director seats are held by either gender	Achieve

(3)Implementation status: The Company currently has 9 directors, including 4 independent directors and 4 female directors, accounting for 11.11% of the directors with the status of employees of the Company, 44% of independent directors, and 44% of female directors. There is 1 director aged between 31-40, 2 directors aged 41-50, 4 directors aged 51-60, and 2 directors aged 61-70. The board members have professional backgrounds in industry, accounting, marketing, etc., and each has professional capabilities such as business management and leadership decision-making, operational judgment and crisis management, accounting and financial analysis skills, industry knowledge, and international market outlook, demonstrating diverse and complementary results.

Diversified rojects / Director's Name	Basic components					Industry experience			professional skills	
	Country of Cihip	gender	concurrently employed by the company	age	Term of office for independent directors	Business Management	Leadership Decision	Industry knowledge	Financial Accounting	law
Chairman Lai, Yuan-Chao	Republic of China	Male	none	over 60		✓	✓	✓		

Diversified rojects / Director's Name	Basic components					Industry experience			professional skills	
	Country of Cihip	gender	concurrently employed by the company	age	Term of office for independent directors	Business Management	Leadership Decision	Industry knowledge	Financial Accounting	law
Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	Republic of China	Male	none	31-40 years old		✓	✓	✓		
Representative of Jin Cheng Investment Co.,Ltd.: Chien, Shu-Chin	Republic of China	Female	none	51-60 years old		✓	✓	✓	✓	
Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	Republic of China	Female	none	41-50 years old		✓	✓	✓		

Diversified rojects / Director's Name	Basic components					Industry experience			professional skills	
	Country of Cihip	gender	concurrently employed by the company	age	Term of office for independent directors	Business Management	Leadership Decision	Industry knowledge	Financial Accounting	law
Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Republic of China	Male	General Manager	41-50 years old		✓	✓	✓		
Yang, Tung-Hsiao	Republic of China	Male	none	51-60 years old	within 3 terms			✓	✓	
Young Weiju	Republic of China	Female	none	51-60 years old	within 3 terms			✓	✓	

Diversified rojects / Director's Name	Basic components					Industry experience			professional skills	
	Country of Cihip	gender	concurrently employed by the company	age	Term of office for independent directors	Business Management	Leadership Decision	Industry knowledge	Financial Accounting	law
Lin, Chun-Mao	Republic of China	Male	none	51-60 years old	within 3 terms	✓		✓	✓	
Wen Yen-Jung	Republic of China	Female	none	over 60	within 3 terms			✓	✓	

(4) Independence of directors: he Company currently has a total of 9 directors, including 4 independent directors (accounting for 44% of the board members), and more than one-third of the independent directors. The independent directors all comply with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors, and there is no spouse or second-degree relationship between the directors, so there is no situation under Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. In summary, the Board of Directors of the Company is independent.

(2) Profiles of the General Manager, Vice General Managers, Assistant Vice Presidents, and the heads of the departments and branches

April 28, 2026

Job title	Nationality	Name	Gender	Date of (elected to) office	Shares held		Spouse and underage children Shares held by		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in other companies	Spouse or relatives within 2nd degree of kinship acting as other managerial officer			Remark
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
General Manager	R.O.C.	Yuchun Liao	Male	May 1, 2018	16,000	0.02%	530,842	0.53%	-	-	Construction Economics Management, The Bartlett School of Architecture General Manager, Construction Economics Management, The Bartlett School of Architecture Da Rong Architects & Associates architectural designer	None	None	None	None	Note 1
Manager of Management Dept.	R.O.C.	Chou,Mei-Li	Female	January 1,2022	-	-	-	-	-	-	Department of Accounting, Taichung University of Techonology Ta Cheng Construction Procurement outsourcing section manager Xinbang Construction Accounting Director	None	None	None	None	
Manager of Sales Dept..	R.O.C.	Chiu,Hsiao-Ling	Female	September 1,2017	18,752	0.02%	8,750	0.01%	-	-	Department of Information Management Ling Tung University of Technology Ta Cheng Construction Assistant manager of Sales Dept	None	None	None	None	
Manager of Marking & Research and Design Dept.	R.O.C.	Tsai,Chiu-Lan	Female	September 1,2017	-	-	-	-	-	-	Department of Architecture and Urban Design master Chaoyang University of Techology Liu,Pi-Li Construction Accounting Director Liu,Ming-Shue onstruction Accounting Director	None	None	None	None	

Job title	Nationality	Name	Gender	Date of (elected to) office	Shares held		Spouse and underage children Shares held by		Shares held in the name of a third party		Major work experience (educational background)	Concurrent positions in other companies	Spouse or relatives within 2nd degree of kinship acting as other managerial officer			Remark
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Job title	Name	Relationship	
Manager of Finance Dept.	R.O.C.	Teng, Hsiang-Chien	Female	June 4, 2012	-	-	-	-	-	-	Bachelor, Department of Accounting, Tunghai University Chiang Shun Post Co., Ltd.	None	None	None	None	
Supervisor of Corporate Governmance	R.O.C.	Chiu, Yueh-Fei	Female	November 9, 2022	-	-	-	-	-	-	Department of International Trade, Tamsui Institute of Business Administration Tacheng Real Estate Assistant Manager of Finance Department,	None	None	None	None	
Specialist, Audit Office	R.O.C.	Lee, Yi-Hsiu	Female	August 22, 2007	-	-	-	-	-	-	Department of Accounting, Ling Tung University Bauhaus Enterprise Ltd.	None	None	None	None	

Note 1: Where the Company’s General Manager and Chairman are relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

(1) The Company’s General Manager is the spouse of the daughter of the Company’s Chairman. Therefore, they are relatives within the first degree of kinship.

(2) The Company is engaged in business of construction materials and construction. The General Manager’s educational background and work experience may benefit the Company’s business. Therefore, there is reasonableness and necessity.

(3) According to the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies, if the board chairperson and the general manager or a person holding an equivalent position of a TPEx listed company are the same person or are spouses or relatives within the first degree of kinship, the company shall appoint not less than 4 independent directors by 31 December 2023. The Company already to add 4 independent directors in 2023.

II. Compensation to Directors, Supervisors, General Managers, and Vice General Managers in the latest year

(1) Compensation to directors

1. Compensation to directors (including independent directors)

December 31, 2025; Unit: NT$ Thousand

Job title	Name	Compensation to directors								Total amount of items A, B, C, and D and the proportion of net income after tax (%)		Employee compensation received by directors								Total amount of items A, B, C, D, E, F and G and the proportion of net income after tax(%)		Compensation from investees other than subsidiaries or from the parent company
		Return (A)		Retirement pension (B)		Remuneration to directors (C) (Note 3)		Professional practice fees (D)				Salaries, bonuses and special allowances, etc. (E)		Retirement pension (F)		Remuneration to employees (G)						
		The Company	Companies included in the financial	The Company	Companies included in the financial	The Company	Companies included in the financial	The Company	Companies included in the financial	Total Amount of the Company/ Proportion in Net Income after tax	Total Amount of All Companies in Consolidated Financial Statements/ Proportion in Net Income after tax	The Company	Companies included in the financial	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		Total Amount of the Company/ Proportion in Net Income after tax	Total Amount of All Companies in Consolidated Financial Statements/ Proportion in Net Income after tax	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman of Board	Lai, Yuan-Chao	1,750	1,750	0	0	198	198	36	36	1,984/0.5194	1,984/0.5194	0	0	0	0	0	0	0	0	1,984/0.5194	1,984/0.5194	None
Director	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin	0	0	0	0	74	74	36	36	110/0.0288	110/0.0288	0	0	0	0	0	0	0	0	110/0.0288	110/0.0288	None
Director	Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng ,Lai	0	0	0	0	74	74	36	36	110/0.0288	110/0.0288	0	0	0	0	0	0	0	0	110/0.0288	110/0.0288	None
Director	Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	0	0	0	0	74	74	36	36	110/0.0288	110/0.0288	0	0	0	0	0	0	0	0	110/0.0288	110/0.0288	None
Director	Representative of Ta You Investment Co., Ltd.: Yuchun Liao	0	0	0	0	74	74	36	36	110/0.0288	110/0.0288	1,357	1,357	0	0	0	0	0	0	1,467/0.3840	1,467/0.3840	None
Independent director	Yang, Tung-Hsiao	360	360	0	0	0	0	48	48	408/0.1068	408/0.1068	0	0	0	0	0	0	0	0	408/0.1068	408/0.1068	None
Independent director	Young Weiju	360	360	0	0	0	0	48	48	408/0.1068	408/0.1068	0	0	0	0	0	0	0	0	408/0.1068	408/0.1068	None
Independent director	Lin, Chun-Mao	360	360	0	0	0	0	48	48	408/0.1068	408/0.1068	0	0	0	0	0	0	0	0	408/0.1068	408/0.1068	None
Independent director	Wen Yen-Jung	360	360	0	0	0	0	48	48	408/0.1068	408/0.1068	0	0	0	0	0	0	0	0	408/0.1068	408/0.1068	None
Total		3,190	3,190	0	0	494	494	372	372	4,056/1.0618	4,056/1.0618	1,357	1,357	0	0	0	0	0	0	5,413/1.4170	5,413/1.4170	-

Please state the policies, systems, standards and structure of compensation to independent directors, and relations with the compensation: Please refer to Page 23~25 of the annual report.

(2)Compensation to General Manager and Vice General Managers

December 31, 2025; Unit: NT$ Thousand

Job title	Name	Salaries (A)		Retirement pension (B)		Salaries, bonuses and special allowances, etc. (E)		Remuneration to employees (D)				Total amount of items A, B, C, and D and the proportion of net income after tax (%)		Compensation from investees other than subsidiaries or from the parent company
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		Total Amount of the Company/ Proportion in Net Income after tax	Total Amount of All Companies in Consolidated Financial Statements/ Proportion in Net Income after tax	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Yuchun Liao	1,357	1,357	-	-	-	-	-	-	-	-	1,357/0.3552	1,357/0.3552	None
Total		1,357	1,357	-	-	-	-	-	-	-	-	1,357/0.3552	1,357/0.3552	-

(3) Names of managers who receive employee remuneration, and the final allocation

December 31, 2025; Unit: NT$ Thousand

Item	Job title	Name	Amount in stock	Amount in cash	Total	The total amount in proportion to net income (%)
Manager	General Manager	Yuchun Liao	0	0	0	0

(4) Amount of compensation paid in the latest 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, General Manager, and Vice General Managers, and their respective proportions to the net income, as well as the policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks:

(1) Amount of compensation paid in the latest 2 years by the Company to the Company's directors, supervisors, General Manager, and Vice General Managers, and their respective proportions to the net income referred to in the parent company only or individual financial statements:

December 31, 2025; Unit: NT$ Thousand

Year / Item	2025				2024			
	Compensation		in proportion to net income (%)		Compensation		in proportion to net income (%)	
Job title	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Director	4,056	4,056	1.0618	0.7243	4,148	4,148	0.7243	0.7243
General Manager	1,357	1,357	0.3552	0.2344	1,342	1,342	0.2344	0.2344

The difference in the compensation amounts for directors, supervisors and president of the Company for 2025 and 2024 were not significantly different, and the difference was only NT$77 thousand between the two years, with a difference rate of 1.4%.

(2) Policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks:

Explanation / Item	Compensation to directors	Compensation to General Manager
Compensation policy	1. Subject to the Company's "Regulations Governing Allocation of Compensation to Directors, Functional Committee Members and General Manager." 2. According to the Articles of Incorporation, no more than 3% of the annual profits concluded by the Company, if any, shall be allocated as remuneration to directors, and reported to a shareholders' meeting.	1. Subject to the Company's "Regulations Governing Allocation of Compensation to Directors, Functional Committee Members and General Manager." 2. The salary, functional allowance, meal allowance and transportation allowance shall be reported to the Remuneration Committee for authorization, subject to the educational background, work experience and seniority, and then submitted to the Board of Directors for resolution.
Standards and packages, and procedures through which compensations were determined	1. MonthlyDirector Compensation: All of our independent directors serve on both the Audit Committee and the Compensation Committee, actively participating in discussions and decisions for these two key committees. 2. As such, they receive a fixed Annual Director Remuneration: According to our company's Articles of Incorporation, if there is a profit for the year, up to 3% of it may be allocated as director remuneration. The Chairperson is authorized to	The General Manager's salary and remuneration consist of fixed monthly pay, and variable pay (including performance bonus and year-end bonus), as decided by Remuneration Committee in reference to the pay level among the peer companies, and then subject to the approval of the Board of Directors.

Explanation / Item	Compensation to directors	Compensation to General Manager
	propose the distribution ratio and amounts based on each director's involvement and contributions to company operations. To maintain their independence, independent directors do not participate in the allocation of director remuneration. 3. Business Expenses:Travel allowances are paid to each director based on their actual attendance at meetings and are not linked to their responsibilities, risks, or time commitment.	
The procedures through which compensations were determined, and their association with business performance and future risks	The company conducts regular evaluations of directors' compensation in accordance with the Board Performance Evaluation Guidelines. Key evaluation criteria and their respective weights are as follows, with all performance assessments and salary fairness reviewed by the Compensation Committee and the Board of Directors: (A) Operational performance: Results of individual director performance evaluations are considered when determining compensation, making up 40% of the total score. (B) Achievement and contribution:	1. Then, the salary shall be appraised pursuant to the Company's regulations governing appraisal on salary, and Remuneration Committee reviews the reasonableness of remuneration regularly. 2. Various work subsidies and bonuses are regularly determined according to the Company's management measures every year, and the relevant bonuses are granted based on the annual business performance, financial status, operational status, and personal work performance; in addition, if the Company makes a profit in the current year, 0.1% to 5%

Item \ Explanation	Compensation to directors	Compensation to General Manager
	In addition to overall operational performance, the company also considers industry-related risks and future trends, as well as each director's achievement rate and contributions, to determine reasonable compensation, accounting for another 40%. (C) Industry standards: Compensation is benchmarked against peer companies and makes up the remaining 20% of the total score.	shall be allocated as employee remuneration in accordance with the provisions of the Company's Articles of Association. 3. The Company uses managers' performance evaluation and personal performance as a reference for bonus payment.

In March 2026,Upon approval of the Remuneration Committee and Board of Directors, the Company allocates 0.1% of the income before tax as remuneration to directors, i.e. NT$494,570. The allocation will be reported to the 2026 annual general meeting.

III. Corporate Governance Implementation Status

(I) Operation of the board of directors

The board of directors has held 6 (A) meetings in the past year, and the attendance of directors is as follows:

January 1 , 2025-December 31,2025

Conditions	Name	Actual number of attendance(B)	Number of entrusted attendance	Actual attendance rate(%)(B/A)	Actual number of attendance
Chairman of Board	Lai, Yuan-Chao	6	0	100	
Director	Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	6	0	100	
Director	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin	6	0	100	
Director	Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	6	0	100	
Director	Representative of Ta You Investment Co., Ltd.: Yuchun Liao	6	0	100	
Independent director	Yang, Tung-Hsiao	6	0	100	
Independent director	Young Weiju	6	0	100	
Independent director	Lin, Chun-Mao	6	0	100	
Independent director	Wen Yen-Jung	6	0	100	

ther notes:

I. If the operation of the board of directors involves any of the following circumstances, state the date, session, content of the proposal, opinions of all independent directors, and the Company's handling of the opinions of independent directors:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act. Please refer to pages 78~81 of the annual report on important resolutions of board meetings.

(II) Other than the matters above, other matters objected to or reserved by Independent Directors, with the opinions recorded or stated in writing: None.

II. Implementation of the directors' avoidance of proposals involving personal interests; state the name of the director, the content of the proposal, the reasons for avoiding interests, and the participation in voting:
Please refer to pages 28~29.

III. Companies listed on the TWSE or TPEx should disclose the evaluation cycle and period, evaluation scope, method, and evaluation content of the board of directors' self (or peer) evaluation, and fill in the execution status of the board of directors' evaluation: Please refer to page 30 of this annual report.

IV. Objectives for strengthening the functions of the board of directors in the current and past year (such as establishing an audit committee, improving information transparency, etc.) and evaluation of implementation status:
The operation of the board of directors of the Company is carried out in accordance with the law, the Company's Articles of Association, and the resolutions of the shareholders' meeting to perform their responsibilities, and important proposals are announced and filed on the MOPs in accordance with the law, and material information is announced on the Company's website: http://www.aries-net.com.tw.

Implementation of the directors' avoidance of proposals involving personal interests; state the name of the director, the content of the proposal, the reasons for avoiding interests, and the participation in voting:

Date	Name of the avoiding director	Proposal content	Participation in voting
January 22, 2025	Lai, Yuan-Chao Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Evaluation of the 2025salary and compensation of the Company's directors and managers, as well as the 2024 year-end bonus for the Chairman and President	This case was passed without objection after the acting chairman consulted the attending directors
March 11, 2025	Lai, Yuan-Chao	The motion to transactions with related parties	This case was passed without objection after the acting chairman consulted the attending directors
	Lai, Yuan-Chao Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Remuneration distribution amount for individual directors for 2024	This case was passed without objection after the acting chairman consulted the attending directors
May 13, 2025	Lai, Yuan-Chao Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Representative of Ta You Investment Co., Ltd.: Yuchun Liao	The motion to transactions with related parties.	This case was passed without objection after the acting chairman consulted the attending directors
June 26, 2025	Lai, Yuan-Chao	The company's "Land No. 109, 109-1, Taixiang Section, Beitun District, Taichung City" residential construction project contract recovery case	This case was passed without objection after the acting chairman consulted the attending directors

Date	Name of the avoiding director	Proposal content	Participation in voting
November 5, 2025	Lai, Yuan-Chao	The company's "No. 191, Taihe Section, Beitun District, Taichung City" residential construction project contract addition	This case was passed without objection after the acting chairman consulted the attending directors
January 28, 2026	Lai, Yuan-Chao Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Evaluation of the 2026 salary and compensation of the Company's directors and managers, as well as the 2025 year-end bonus for the Chairman and President.	This case was passed without objection after the acting chairman consulted the attending directors
March 12, 2026	Lai, Yuan-Chao	The motion to transactions with related parties Please discuss the motion to transactions with related parties	This case was passed without objection after the acting chairman consulted the attending directors
	Lai, Yuan-Chao Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling Representative of Ta You Investment Co., Ltd.: Yuchun Liao	Remuneration distribution amount for individual directors for 2025.	This case was passed without objection after the acting chairman consulted the attending directors

The reason for interest avoidance is in accordance with Article 16 of the Company's Rules of Procedures for Board Meetings.

Evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self (or peer) evaluation, and fill in the execution status of the board of directors' evaluation:

Serial number	Evaluation scope	Evaluation method	Evaluation period	Evaluation content	Evaluation result
1	■ The overall board	■ Internal self-evaluation of the board □ Director self-evaluation □ Peer evaluation □ External evaluation	Star：January 1 , 2025 End：December 31,2025	Participation in company operations, improvement of the quality of board decisions, composition and structure of the board, selection and ongoing study of directors, and internal control.	Self-evaluation result: Excellent
2	■ Individual board members	□ Internal self-evaluation of the board ■ Director self-evaluation □ Peer evaluation □ External evaluation	Star：January 1 , 2025 End：December 31,2025	Mastery of company goals and tasks, understanding of directors' responsibilities, level of participation in company operations, internal relationship management and communication, expertise and continuous study of directors, and internal control.	Self-evaluation result: Excellent
3	■Salary and compensation committee	■ Internal self-evaluation of the board □ Director self-evaluation □ Peer evaluation □ External evaluation	Star：January 1 , 2025 End：December 31,2025	Participation in company operations, awareness of functional committee's responsibilities, improvement of functional committee's decision-making quality, composition and member selection of functional committee.	Self-evaluation result: Excellent
4	■The audit committee	■ Internal self-evaluation of the board □ Director self-evaluation □ Peer evaluation □ External evaluation	Star：January 1 , 2025 End：December 31,2025	Participation in company operations, awareness of functional committee's responsibilities, improvement of functional committee's decision-making quality, composition and member selection of functional committee, and internal control.	Self-evaluation result: Excellent

Remarks:
1. Evaluation criteria: The self-evaluation score is the overall average score of all items: For an average score of 4 or above, the self-evaluation result is "excellent". For an average score above 3 but below 4, the self-evaluation result is "good". For an average score below 3 , the self-evaluation result is "improvement needed".
2. The evaluation cycle of the Company's board of directors self-(or peer) evaluation is once a year the evaluation for 2025 was completed in January 2026, and the evaluation results were reported to the board meeting on January 28, 2026.
3. The evaluation results are as follows: the overall average score of the board's self-evaluation is 4.88 points, the overall average score of the board members' self-evaluation is 4.9 points, and the overall average score of the functional committees' self-evaluation is 5 points. The above shows that the Company's board of directors covers various functional committees, and the current system is complete and well functioning, and can fully perform the functions.

(II) Information on the operation of the Audit Committee or the participation of supervisors in the operation of the board of directors:

1. Information on the operation of the Audit Committee: The term of office of independent directors of the Company started from August 27, 2021 and lasts for three years. In the past year, the Committee held six meetings, and the attendance of independent directors is shown in the table below. The focus of this year's work described as follows

- Review of financial reports
  The Board of Directors prepares the Company's business report, financial statements and earnings distribution proposal, among which, the financial statements have been audited by EnWise CPAs & Co. with the independent auditor's report issued. The above-mentioned business report, financial statements and earnings distribution proposal have been reviewed by the Audit Committee and found no inconsistency.
- Assessing the effectiveness of the internal control system
  The Audit Committee assessed the effectiveness of the policies and procedures of the Company's internal control system (including control measures in finance, operation, risk management, information security, outsourcing, legal compliance and other control measures), and reviewed the regular reports from the Company's audit department and CPAs, as well as the management, including risk management and compliance. The Audit Committee believes that the Company's risk management and internal control systems are effective, and the Company has adopted the necessary control mechanisms to supervise and correct violations.
- Appointment of CPAs
  The audit committee evaluates the independence and competence of its attesting accountants every year, and in addition to requiring the attesting CPA to provide a "Statement of Transcendent Independence" and confirming that the CPA has no other financial interests or business relationships with the company other than the expenses of attestation and financial and tax cases, and that the CPA's family members do not violate the independence requirements and meet the competency assessment. In addition, the firm provides "2023 Audit Quality Indicators (AQI) Information" to evaluate 13 AQI indicators, confirming that the audit experience and training hours of accountants and firms are better than the average level of the industry. The evaluation results of the latest year were discussed and approved by the audit committee on January 22, 2025, and submitted to the board of directors on January 22, 2025.

January 1 , 2025-December 31,2025

Conditions	Name	Actual number of attendance(B)	Number of entrusted attendance	Actual attendance rate(%) (B/A)	Remark
Independent director	Yang, Tung-Hsiao	6	0	100	
Independent director	Young Weiju	6	0	100	
Independent director	Lin, Chun-Mao	6	0	100	
Independent director	Wen Yen-Jung	6	0	100	

Other notes:
I. In case of any of the following circumstances in the operation of the Audit Committee meeting, state the date, session, content of the proposal, objections, reservations or significant suggestions from independent directors, resolution of the Audit Committee, and the Company's handling of the opinions of the Audit Committee:
(I) Matters listed in Article 14-5 of the Securities and Exchange Act. Please refer to pages 32~33 of the annual report on important resolutions of audit committee meetings.
(II) Other than the matters above, the resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.
II. Implementation of the directors' avoidance of proposals involving personal interests; state the name of the director, the content of the proposal, the reasons for avoiding interests, and the participation in voting. None
III. Communication of independent directors with internal audit supervisor and CPAs (including communication about major matters related to the Company's financial and business status, methods and results). Please refer to page 35.

(1) Matters resolved by the Audit Committee

Date	Term	Proposal content	Resolution	The Company's handling of the opinions of the Audit Committee	Objections, reservations or significant suggestions from independent directors
January 22, 2025	4th session of the 2st term	I. Evaluation of the appointment, compensation and independence of the Company's certifying CPAs. II. The Company's amendments "Internal audit system" and "Management measures"..	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None
March 11, 2025	5th session of the 2st term	I.2024 business report and financial statements. II.2024 earnings distribution. III.Approval of the Company's 2025 budget. IV.Effectiveness assessment of the Company's internal control statement report and internal control system. V.The motion to transactions with related parties.	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None
May13, 2025	6th session of the 2st term	I. The Company's financial report for Q1 2025. II. The motion to transactions with related parties.	After consultation by the Chairman, the attending members had no objections and the proposal was	Approved and passed by all attending directors.	None

Date	Term	Proposal content	Resolution	The Company's handling of the opinions of the Audit Committee	Objections, reservations or significant suggestions from independent directors
			passed as it was.		
June 26, 2025	7th session of the 2st term	I.The company's "Land No. 109, 109-1, Taixiang Section, Beitun District, Taichung City" residential construction project contract recovery case.	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None
August 6, 2025	8th session of the 2st term	I.The Company's financial report for Q2 2025. II.Prepare the Company's 2024 Sustainability Report "	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None
November 5, 2025	9th session of the 2st term	I.The Company's financial report for Q3 2025. II.The company's "No. 191, Taihe Section, Beitun District, Taichung City" residential construction project contract addition	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors.	None

(2) Communication between independent directors and internal audit supervisor.

Date	Communication meeting	Communication focus	Communication result
January 22, 2025	Separate communication meeting between independent directors and internal audit supervisors (before the audit committee meeting)	1.Report on the actual audit based on the audit plan from October 2024 to December 2024.	No comments at this meeting
March 11, 2025		1.Report on the actual audit based on the audit plan from January 2025 to February 2025. 2.The Company's 2023 internal control statement report and internal control system effectiveness assessment.	No comments at this meeting
May 13, 2025		1.Report on the actual audit based on the audit plan from March 2025 to April 2025.	No comments at this meeting
August 6, 2025		1.Report on the actual audit based on the audit plan from May 2025 to July 2025.	No comments at this meeting
November 5, 2025		1.Report on the actual audit based on the audit plan from August 2025 to October 2025. 2.Submission of the 2026 audit plan.	No comments at this meeting
January 28, 2026		1.Report on the actual audit based on the audit plan from October 2025 to December 2025.	No comments at this meeting
March 12, 2026		1.Report on the actual audit based on the audit plan from January 2026 to February 2026. 2.The Company's 2025 internal control statement report and internal control system effectiveness assessment.	No comments at this meeting
May 8, 2026		1.Report on the actual audit based on the audit plan from March 2026 to April 2026.	No comments at this meeting

(3) Communication of independent directors with CPAs

Date	Communication meeting	Communication focus	Communication result
March 11, 2025	Independent communication meetings between independent directors and CPAs (prior to the Audit Committee meeting)	1. Description on the 2024 financial statements and the results of the audit on key matters by the CPAs. 2. The CPAs explained other communication matters, and there was no significant deficiency or material situation. 3. The CPAs explained the sustainable development report, grassroots employee salaries, earnings call new regulations and other related information were explained.	No comments at this meeting
March 12, 2026	Independent communication meetings between independent directors and CPAs (prior to the Audit Committee meeting)	1. Description on the 2025 financial statements and the results of the audit on key matters by the CPAs. 2. The CPAs explained other communication matters, and there was no significant deficiency or material situation. 3. The accountant explains the application of IFRS S1, S2 and IFRS18	No comments at this meeting

(3) Corporate governance status, and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best practice principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company adopted its own "Corporate Governance Best Practice Principles" ,disclosed on the company website.	In compliance with the "Corporate Governance Best Practice Principles."
II. The Company's equity structure and shareholders' equity (1) Does the Company have internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly? (2) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders? (3) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies?	 ✓ ✓ ✓		(1) According to the Company's "Procedures for Handling Material Inside Information and Prevention of Insider Trading," any proposals or doubts from shareholders shall be handled by the spokesperson. The dispute arising therefor, if any, will be settled by the attorney-at-law retained by the Company. (2) The Company keeps in touch with the major shareholders, and takes the chance of the annual general meeting to verify any changes in major shareholders. (3) The Company adopts the "Regulations Governing Business/Financial Transactions with Related Parties, Group Entitles and Specific Companies" to control the transactions between the Company and its affiliated companies. Meanwhile, the Company sets forth the firewall mechanism in its	In compliance with the "Corporate Governance Best Practice Principles."

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
(4) Does the Company adopt internal rules prohibiting the Company's insiders from trading securities using information not disclosed to the market?	✓		internal operating procedure for control. (4) It has been expressly defined in the Company's "Procedures for Handling Material Inside Information and Prevention of Insider Trading."	
III. Composition and responsibilities of the Board of Directors (1) Does the Board of Directors have a diversity policy and management goals that are duly enforced?	✓		(1) The Company's "Corporate Governance Best Practice Principles" provide the Board members' diversity policy. For the time being, the Board members include four female members. For details, please refer to Page 13 of the annual report.	(1) In compliance with the "Corporate Governance Best Practice Principles."
(2) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?		✓	(2) The company shall establish a remuneration committee and an audit committee in accordance with the law. There are no other function members.	(2) In compliance with the "Corporate Governance Best Practice Principles."
(3) Does the Company establish a set of policies and assessment methods to evaluate the Board's performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, and their nomination for additional office term?	✓		(3) The Company has established the "Regulations for Self-evaluations of Peer Evaluations of the Board" and will regularly evaluate the performance to report the results to the Board and use them as the reference for the remuneration and nomination for the re-appointment of individual Directors. The evaluation results in 2025 were reported to the Board in January 2026 and filed in March 2026; for the evaluation status, please refer to page 30 of the annual report.	(3) In compliance with the "Corporate Governance Best Practice Principles."

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Status</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(4) Does the Company have the independence of the external auditors evaluated regularly?</td><td>✓</td><td></td><td>(4) The Audit Committee evaluates the independence and competence of CPAs each year. Apart from requiring CPAs to provide the “Declaration of Transcendental Independence” and the “AQIs,” it also carries out the evaluation according to the standards on page 44 of the annual report and 13 AQIs. After confirming the fees between CPAs and the Company other than certification and taxation cases, family members of CPAs do not violate the independence requirements, and it is confirmed that the CPAs and the firm are more favorable than the average standards among peers in terms of audit experience and training hours with reference to the AQI information. The evaluation results of the most recent year were discussed and approved by the Audit Committee on January 12, 2026, and reported to the Board on January 12, 2026, and the Board resolved to approve the independence and competence evaluation of CPAs.</td><td>(4) In compliance with the “Corporate Governance Best Practice Principles.”</td></tr>
<tr><td>IV. Does the TWSE/TPEx listed company assign the adequate number of competent corporate governance officers, and appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors the information needed by them to perform their duties, assistance to directors/supervisors in compliance,</td><td>✓</td><td></td><td>The Financial Department is responsible for affairs related to corporate governance, and the Board elected the Corporate Governance Officer on November 9, 2022 to be responsible for affairs as follows:
(1) Organize the Board of Directors meetings and shareholders’ meetings pursuant to laws, and help directors/supervisors comply with laws and regulations related to Board of Directors meetings and shareholders’ meetings.
(2) Prepare the Board of Directors’ meeting and shareholders’ meeting minutes.</td><td>In compliance with the “Corporate Governance Best Practice Principles.”</td></tr>
</table>

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
organization of the Board of Directors meetings and shareholders' meetings pursuant to laws, complete the company registration and registration of any changes, and preparation of the Board meeting and shareholders' meeting minutes, etc.)?			(3) Assist Directors in onboarding and continuing education. (4) Provide data required for the implementation of businesses and the latest regulation development related to corporate management to Directors to assist Directors and supervisors in complying with laws and regulations. (5) Report to the Board on the review results regarding whether the qualifications of Independent Directors comply with relevant laws and regulations at the time of nomination and election and during the term of office. (6) Arrange matters related to changes in Directors. (7) Other matters required by the Articles of Incorporation or contract.	
V. Does the Company provide proper communication channels and create a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company set up the stakeholder section www.aries-net.com.twand investors section on its official website, in order to provide shareholders, customers, suppliers and employees with instant services.	In compliance with the "Corporate Governance Best Practice Principles."
VI. Does the Company engage a Shareholders Service Agency to handle Shareholders' Meeting affairs?	✓		The Company appoints Grand Fortune Securities Co., Ltd., Shareholders Service Dept. to process shareholders' meetings on behalf of it.	In compliance with the "Corporate Governance Best Practice Principles."
VII. Information disclosure (1) Does the Company set up a website to disclose the Company's business, finance	✓		(1) The Company has delegated dedicated personnel to manage the Company's official website and	In compliance with the "Corporate Governance Best Practice Principles."

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
and corporate governance information? (2) Does the Company adopt other information disclosure methods (e.g., establishing an English website, designating dedicated persons for collecting and disclosing information about the Company, practicing the spokesperson system, posting the investor conference on the Company's website, etc.)? (3) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial statements for the first, second and third quarters as well as its operating status for each month before the specified deadline?	 ✓	 ✓	disclose important messages immediately. The Company's website: www.aries-net.com.tw (2) The Company designates dedicated personnel to take charge of the collection and disclosure of the Company's information. The Company also discloses related information on the MOPS and its official website, regularly or from time to time. It appoints the spokesperson and deputy spokesperson as required, and implements the system precisely. If necessary, it will convene the investor conference, and disclose related information pursuant to the relevant requirements. (3) For the time being, the Company doesn't have any plan to report its financial statements earlier.	
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies	✓		(1) Employees' interests and rights: The Company provides a fair working environment, values education and training, contributes labor pension fund, and establishes the Employees' Welfare Commission to value the employees' interests and rights. (2) Employee care: Organize the meeting to care for the employees' work and enhance inter-	In compliance with the "Corporate Governance Best Practice Principles."

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
and risk measurements, implementation of customer policy, and insuring against liabilities of company directors and supervisors)?			departmental communication and coordination. (3) Investor relations: The Company upholds "Honest, Sincerity and Sustainability" as its management philosophy. The Company's official website also set up an investor section to provide investors with the business and financial information for reference. (4) Supplier relations: The Company's suppliers are primarily the construction companies and contractors awarded contracts by the Company. The Company enters into contracts with them to define both parties' rights and obligations, and also meets the suppliers from time to time to coordinate the construction progress management of each supplier. Meanwhile, the Company set up the supplier's section and message board on its official website for full communication throughout the Company. (5) Stakeholders' interests: The Company's official website set up the stakeholder section. In addition to the stakeholder section, it also adds a message board to protect the stakeholders' interests and rights. (6) Continuing education of directors: Please refer to Pages 45~46 hereof.The Company arranges continuing education courses in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, and also advises	

Evaluation items	Status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			the directors of any update on the laws and regulations related to the corporate governance from time to time. (7) Implementation of risk management policies and risk measurements: The Company adopts its own internal control system and conducts the self-evaluation regularly, in order to ensure that the internal control system is implemented effectively. (8) Implementation of customer policy: The Company sets up the customer service department and delegates dedicated personnel to deal with customer service. It also sets up the customer service center in the stakeholder section to keep communication and service with the customers. (9) Insuring against liabilities of the Company's directors and supervisors: According to the Articles of Incorporation, upon election of the directors, the Board of Directors may resolve to purchase the liability insurance for the Company's directors.	
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified: Please refer to Pages 43 hereof.				

1.According to the results of the 12th corporate governance evaluation (2025), rectification progress:

Question No.	Indicator	Status of improvements
1.2	Does the company establish written regulations for financial and business operations with related parties, including management procedures for transactions such as purchasing and selling goods, acquisition or disposal of assets, etc., and related major transactions should be submitted to the board of directors for resolution and approval, and submitted to the shareholders' meeting for approval or report?	The company has formulated the "Regulations for the Administration of Related Party Transactions" and submitted it to the board of directors for approval, and major transactions with related parties in 2025 will be reported at the 2026 shareholders' meeting.
1.15	Has the company established and disclosed on the company's website internal regulations prohibiting directors or employees from using undisclosed information in the market to buy and sell securities, including (but not limited to) directors are not allowed to trade its shares during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report, and explain the implementation status?	The company has formulated relevant regulations and submitted them to the board of directors for approval, and the implementation status will be uploaded to the company's website.
4.24	Has the company's sustainability report been submitted to the board of directors for approval?	The sustainability report prepared by the Company has been submitted to the Board of Directors

2. According to the results of the 12th corporate governance evaluation (2025), the unimproved items and measures need to be prioritized:

Question No.	Indicator	Matters to be improved first and the measures thereof
4.11	Does the company disclose its water consumption and total waste weight in the past two years?	The Company's "Greenhouse Gas Inventory Report" will disclose relevant information and report it on the "ESG Information Disclosure" of the Public Information Observatory.
4.14	Does the company's website or annual report disclose the identified stakeholders, concerns, communication channels, and response methods?	The Company will disclose communication channels (such as specific contact points and contact information) and response methods (such as with shareholders through corporate briefings, customer satisfaction surveys, etc.) of various types of stakeholders.

Tacheng Real Estate Co., Ltd.
CPA Independence and Competence Evaluation Table for 2025

I. Capital information:

Name of CPAs: Huang Hslang-ying and Tsao Yong-jen	Firm name: EnWise CPAs & Co.

II. Evaluation content

Evaluation items	Yes	No
1. The CPAs acknowledge that the audit and certification of financial statements are the responsibilities of CPAs and that the audit work shall be planned for and implemented based on the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Auditing Standards of the Republic of China for the certification of financial statements, and they shall provide reasonable basis for the opinions they expressed for the audit and certification.	✓	
2. The CPAs acknowledge that they shall adopt integrity, impartiality and objectiveness and maintain the spirit of independence for the implementation of the professional services and express their opinions with impartiality.	✓	
3. There is no direct or significant indirect financial interest relationship between the CPAs and the Company.	✓	
4. There was no financing or guarantee between the CPAs and the Company or Directors of the Company.	✓	
5. The audit work is not affected as the CPAs consider the possibility of losing customers of the Company.	✓	
6. The CPAs do not have close business relationships or potential employment relationships with the Company.	✓	
7. The CPAs do not have contingent fees related to the audit cases.	✓	
8. Members of the audit service team of the CPA firm have not served as Directors, managers, or positions that have a significant influence on the audit case in the current period or in the most recent two years.	✓	
9. The non-audit services provided by the CPA firm to the Company have no important items that directly affect the audit case.	✓	
10. The CPAs do not promote or act as agents for the stocks or other securities issued by the Company.	✓	
11. The CPAs do not act as the Company's defender or represent the Company to coordinate with other third parties in the event of conflict.	✓	
12. The CPAs are not relatives of the Company's Directors, managers, or positions with significant influence on the audit case.	✓	
13. None of the co-practicing CPAs assumes the position of the Company's Directors, managers, or positions with significant influence on the audit case within one year from the dismissal.	✓	
14. The CPAs have not received gifts of great value from the Company or the Company's Directors and managers.	✓	
15. The CPAs do not accept the inappropriate selection of accounting policies or inappropriate disclosures in the financial statements of the Company's management.	✓	

III. Work performance:

☑ The certification of financial statements for each period is completed as scheduled.
☑ Provide financial and taxation consultation services to the Company from time to time.

IV. Evaluation results:

After the evaluation, the CPAs engaged have none of the circumstances described in the independence evaluation items above and comply with the evaluation standards for competence; it can be confirmed that the financial statements issued by the CPAs can be trusted.

Evaluation department: Finance Department

Directors' Continuing Education in 2025

Conditions	Name	Date	Organizer	Course name	Hours
Director	Lai, Yuan-Chao	November 5,2025-November 5,2025	TCGA	Discussion on employee compensation strategies and tool use in enterprises	3hours
		August 6,2025-August 6,2025	TCGA	Talking about asset inheritance strategies from the trend of tax reform	3hours
Corporate director representative	Liang-Cheng,Lai	November 5,2025-November 5,2025	TCGA	Discussion on employee compensation strategies and tool use in enterprises	3hours
		August 6,2025-August 6,2025	TCGA	Talking about asset inheritance strategies from the trend of tax reform	3hours
Corporate director representative	Lai, Wen-Ling	November 5,2025-November 5,2025	TCGA	Discussion on employee compensation strategies and tool use in enterprises	3hours
		August 6,2025-August 6,2025	TCGA	Talking about asset inheritance strategies from the trend of tax reform	3hours
Corporate director representative	Liao, Yu-Chun	November 5,2025-November 5,2025	TCGA	Discussion on employee compensation strategies and tool use in enterprises	3hours
		August 6,2025-August 6,2025	TCGA	Talking about asset inheritance strategies from the trend of tax reform	3hours
Corporate director representative	Chien, Shu-Chin	November 5,2025-November 5,2025	TCGA	Discussion on employee compensation strategies and tool use in enterprises	3hours
		August 6,2025-August 6,2025	TCGA	Talking about asset inheritance strategies from the trend of tax reform	3hours

Conditions	Name	Date	Organizer	Course name	Hours
Independent director	Young Weiju	August 6,2025-August 6,2025	TCGA	Talking about asset inheritance strategies from the trend of tax reform	3hours
		July 8,2025-July 8,2025		Corporate Social Responsibility and Sustainable Competitiveness	3hours
Independent director	Yang, Tung-Hsiao	November 5,2025-November 5,2025	TCGA	Global risks and corporate social responsibility	3hours
		August 6,2025-August 6,2025	TCGA	Insider trading prevention and response methods	3hours
Independent director	Lin, Chun-Mao	November 5,2025-November 5,2025	TCGA	Global risks and corporate social responsibility	3hours
		August 6,2025-August 6,2025	TCGA	Insider trading prevention and response methods	3hours
		July 9,2025- July 9,2025	Taipei Exchange	2025 Cathay Pacific Sustainable Finance and Climate Change Summit	3hours
Independent directo	Wen Yen-Jung	November 5,2025-November 5,2025	TCGA	Global risks and corporate social responsibility	3hours
		August 6,2025-August 6,2025	TCGA	Insider trading prevention and response methods	3hours

(IV) Composition, responsibilities, and operation of the Company's Remuneration Committee

1.According to regulations, the board meeting of the Company decided to establish the Remuneration Committee on December 28, 2011. The Remuneration Committee should exercise the following powers with the attention of a good manager, and submit suggestions to the board meeting for discussion:

(1) Regular review of the policies, systems, standards and structure of the Company's directors' and managers' salary and compensation.

(2) Regular review of the directors' and managers' salary and compensation.

2.The committee shall follow the principles below when performing the duties mentioned in the preceding paragraph:

(1) For the performance evaluation and salary and compensation of directors and managers, the usual payment standards in the same industry should be referred to, with consideration of the reasonableness of the relationship among personal performance, company operational performance and future risks.

(2) Directors and managers should not be guided to engage in behaviors that exceed the Company's risk appetite for the pursuit of salary and compensation.

(3) For the proportion of short-term performance bonus paid to directors and senior managers, as well as the timing of partial changes in salary and compensation payments, consideration should be given to industry characteristics and the nature of the Company's business.

3.The salary and compensation referred to in the two items above include cash compensation, stock options, bonus via share subscription, retirement benefits or resignation payment, various subsidies, and other measures with substantial rewards.

(1) Information about Remuneration Committee members

Identity (note 1)	Conditions / Name	Professional qualifications and experience	Independence	Number of other public companies for which he/she concurrently serves as the remuneration committee member
Independent director (convener)	Young Weiju	Please refer to page 11 of the annual report for disclosure of directors' and supervisors' professional qualifications and independent directors' independence.		
Independent director	Yang, Tung-Hsiao	Please refer to page 11 of the annual report for disclosure of directors' and supervisors' professional qualifications and independent directors' independence.		
Independent director	Lin, Chun-Mao	Please refer to page 11 of the annual report for disclosure of directors' and supervisors' professional qualifications and independent directors' independence.		
Independent director	Wen Yen-Jung	Please refer to page 11 of the annual report for disclosure of directors' and supervisors' professional qualifications and independent directors' independence.		

(2) Operation of Remuneration Committee

The Company's Remuneration Committee is composed of 4 members.

Term of office of the committee members: June 27, 2024 to June 26, 2027. The Remuneration Committee held two meetings (A) in the past year, and the qualifications and attendance of the members are as follows:

January 2025~December 2025

Job title	Name	Actual number of attendance (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remark
Convener	Young Weiju	2	0	100	
Member	Yang, Tung-Hsiao	2	0	100	
Member	Lin, Chun-Mao	2	0	100	
Member	Wen Yen-Jung	2	0	100	
Other notes: 1. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason). 2. For the resolutions of the remuneration committee, if any member expresses an objection or has a reservation which is recorded or in writing, the date, session, contents of the proposal, all members' opinions and handling of members' opinions shall be described.					

(3) Information about Remuneration Committee's meetings

Date	Term	Important resolution	Opinion of the Remuneration Committee	The Company's handling of the opinion of the Remuneration Committee
January 22, 2025	6th session of the 1th term	I. Evaluation of the 2025 salary and compensation of the Company's directors and managers, as well as the 2024 year-end bonus for the Chairman and President.	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors
March 11, 2025	6th session of the 2th term	I. Distribution of 2024 employees' remuneration and directors' remuneration. II. Remuneration distribution amount for individua directors for 2024 III. Proposal for periodic review of the Company's "Organizational Regulations for the Remuneration Committee". IV. Regular review of the policies, systems, standards and structure of the Company's directors' and managers' salary and compensation for discussion.	After consultation by the Chairman, the attending members had no objections and the proposal was passed as it was.	Approved and passed by all attending directors

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

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
I. Does the Company implement a governance framework that supports sustainable development, and designate a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?	✓		1. The Company established its "Sustainable Development Best Practice Principles" on August 10, 2022 to implement the principles of corporate governance, development of sustainable environments, maintaining social/public welfare, and enhancing the disclosure of information on sustainable corporate development. 2. The sustainable development team of the Company is coordinated by the General Manager's Office, and the members of the team are the Corporate Governance Officer, the supervisors of the manager level of different departments, chief audit officers, and personnel designated by the General Manager. The General Manager's Office is responsible for the convening of sustainability information meetings at least twice a year. 3. The sustainable development team of the Company is responsible for the proposal and implementation of sustainable development policies, systems, or relevant management policies, as well as the concrete promotion plans, and it shall regularly (at least once a year) report to the Board regarding the examination of the implementation achievements, the preparation of	No material deviation was found

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			the Sustainability Report, and relevant affairs to ensure that the sustainable development strategies are fully implemented in the corporate operations in the Company. In the most recent year, it reported to the board of directors on August 6, 2025 that the preparation of the "2024 Sustainability Report" had been completed.	
II. Does the Company, in accordance with the materiality principle, conduct risk assessments on environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy?	✓		No material deviation was found. The Board approved the establishment of the "risk management policy and procedures" on November 6, 2024; for the risk management policy and the operation in 2025, please refer to pages 115~118 of the annual report.	No material deviation was found.
III. Environmental issues (1) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		The Company has established the "Code of Practice for Sustainable Development", which is core to achieve sustainable development goals and applies to the overall operating activities of the Group. In terms of environmental responsibility, the Company has established the following relevant codes: 1. Compliance with international standards In the implementation of operational activities and internal management, we comply with relevant environmental laws and international guidelines, appropriately protect the natural environment, and strive to achieve environmental sustainability goals.	No material deviation was found.

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			2. Energy efficiency and green materials We are committed to improving energy efficiency and using recycled materials with low impact on the environment. 3. Establishment of environmental management system Establish an environmental management system based on industry characteristics, covering environmental impact assessment of operational activities, setting environmental sustainability goals, and regular review of implementation results. 4. Environmental management organization and education Establish a dedicated environmental management unit or personnel to formulate and promote environmental management systems and action plans, and regularly organize internal environmental education courses. 5. Eco-friendly operation and sustainable consumption Considering the impact of operations on ecological benefits, we promote and promote the concept of sustainable consumption, and implement operational activities such as R&D, procurement, production, operations, and services to reduce the impact of the company's operations on the natural environment and humans. 6. Water resources management and pollution prevention Properly and sustainably use water resources,	

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			formulate water resource management measures to improve efficiency, strengthen environmental treatment facilities to avoid environmental pollution, and use best feasible prevention and control technologies to reduce negative impacts on the environment and human health. 7. Climate change risk management Assess climate change risks and opportunities and take countermeasures, conduct greenhouse gas inventories and disclose emissions in three major areas, formulate energy conservation, carbon reduction and waste management policies, and incorporate carbon credit acquisition into carbon reduction strategic planning.	
(2) Does the Company endeavor to utilize all resources more efficiently, and use renewable materials with a low impact on the environment?	✓		The company is committed to improving energy efficiency by using recycled materials with low impact on environmental loads, so that the Earth's resources can be sustainably utilized.Reception center applies the container house design in consideration of the effect produced by reuse. The reception center is built at a fixed location and intended for long-term occupation, so as to achieve environmental protection and energy conservation, and avoid waste. Meanwhile, the model home is designed via VR to enable customers to simulate the scenario in the model room with their visual senses.	No material deviation was found.
(3) Does the Company assess the current and future potential risks and opportunities	✓		For the assessment of climate change-related risks and opportunities and countermeasures, please refer to	No material deviation was found.

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
that climate change may present to enterprises and adopt responsive measures against climate-related issues?			"Climate-related information" in the annual report for details. Turning off power and water consumption facilities are promoted in the daily office environment, and the repeated use of resources is encouraged. In addition, the Company has been actively reducing environmental pollution through air pollution control, water pollution control, and waste reduction and cleaning of construction sites.	
(4) Does the Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years, and implement policies aiming at reducing GHG, water, or other wastes?	✓		1. Waste is not significant to the company (non-manufacturing), and the amount of waste generated by office employees is 5,773.9KG in 2024 and 4,961.4KG in 2025. 2. For information on greenhouse gas emissions and water consumption, please refer to page 59 of the "2024 Sustainability Report" 5.1 Greenhouse Gas Management and page 61 page 5.3 of water resource management.	No material deviation was found.
IV. Social issues (1) Does the Company develop its management policies and procedures in accordance with laws and the International Bill of Human Rights?		✓	The Company complies with the related labor laws and regulations, including Labor Standards Act, in order to protect the employees' interests and rights.	No material deviation was found.

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
(2) Does the Company adopt and implement a reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and adequately reflect the operating performance or results to the remuneration to employees?	✓		The Company contributes to the employees' benefits and organizes the Employees' Welfare Commission to process various welfare issues. The Company also convenes the labor-management meeting regularly to provide the employees with a channel via which they may express their opinion and verify the Company's business activities thoroughly. The Company regularly implements the performance evaluation work each year and grants appropriate reward measures (i.e., salary adjustment or promotion) with reference to the operating achievements of the year; Although EPS of 3.82 in 2025 fell from 5.73 in the previous year, the company adjusted employee salaries by more than 4.7% in January 2025, which shows that the company's operating performance is fully reflected in employee compensation	No material deviation was found.
(3) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		The company's employees are all office staff, and the working environment protection measures for employee safety and health are as shown on page 58 of this annual report. There were 0 cases of employee occupational injury in 2025. We aim to maintain this record of zero occupational accidents in the future. There were 0 cases of fire incidents in 2025. We aim to maintain this record of zero occupational accidents in the future.	No material deviation was found.

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
(4) Does the Company have an effective career capacity development training program established for employees?	✓		Based on different job levels, the Company plans for and provides education and training courses to employees for employees to have continuing education to develop their career capabilities. We provide new employee training courses for new employees, professional improvement training courses for general employees, and continuing education courses for supervisors of different levels.	No material deviation was found.
(5) Does the Company comply with laws and international standards with respect to the issues including customers' health, safety, and privacy, marketing and labeling in all products and services offered, and adopt consumer or customer interest protection policies and grievance procedures?	✓		The Company maintains a fair communication channel between it and customers, and provides transparent and effective grievance procedures concerning its products and services. The online [Message Board] and [Contact No. for Customers] are set up on the official website to provide instant customer services.	No material deviation was found.
(6) Does the Company adopt any specific supplier management policy demanding that the suppliers comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how is the policy implemented?	✓		The information to be appraised by the Company before the Company engages in transactions with the suppliers refers to the photocopy of company registration certificate/license, engineering performance or any other supportable business certificates. Considering that the effect posed by industrial characteristics to the environment and society has not been defined in the appraisal standards, the contract between the Company and suppliers has not yet included any provisions requiring that the Company may terminate or rescind the contract at any time if the suppliers are suspected of violating the corporate social	No material deviation was found.

Items	Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			responsibility policy and pose any significant effects to the environment and society.	
V. Does the Company prepare the sustainable development report or any report on non-financial information based on international reporting standards or guidelines? Is said report assured or guaranteed by a third-party certification unit?	✓	✓	The Company will prepare the 2025 Sustainability Report according to the core options of the GRI Standards and disclose issues related to environmental protection, social responsibility, and corporate governance with reference to the SASB standards and TCFD framework and indicators.	No material deviation was found.
VI. If the Company has established its own sustainable development policies in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe the current practices and any deviations thereof from such principles: The Company has formulated the Sustainable Development Best Practice Principles, and will gradually implement it accordingly.				
VI.Other information useful to the understanding of sustainable practice: None.				

Work environment and employees' personal safety protection

Item	Contents
Access security	1.The strict access control system is available for security day and night. 2.The Company executes the contract with the apartment administration committee to hire security personnel to maintain the Company's security.
Maintenance and inspection of various equipment	1.According to the Regulations for Inspecting and Reporting Building Public Security, the Company contracts a professional company to perform the public security inspection. 2.According to the Fire Services Act, the Company contracts the fire protection inspection to the relevant service supplier each year.
Physical health	The Company's management regulations provide safety and health measures. Each unit shall pay attention to the safety and health facilities in the work environment at all times, and comply with the Company's requirements about labor safety and health to maintain the employees' health.
Mental health	1. Expression of opinion: The Company has set up a download section for operational forms and various manuals, and also the education and training section to provide employees with a channel via which they may express their opinions and engage in interactive learning. 2. Education and training: In order to strengthen expertise and improve work efficiency and sense of achievement, the employees may apply with the Company for attendance to any education and training courses at their discretion.
Insurance and medical treatment	1.All of the Company's employees shall enroll in the labor insurance/national health insurance programs. 2. In the case of any employee's disability or death due to an occupational accident, Article 59, Article 60, Article 61, Article 62, Article 63 and Article 63-1 of the Labor Standards Act shall apply, and an application for benefits may be filed with the Bureau of Labor Insurance according to the Labor Insurance Act.

Implementation of Climate-Related

1 Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term)</td>
<td>1. The Company's Sustainability Team actively formulates climate governance strategies to address the risks of climate change on industrial operations, referring to the Climate-related Financial Disclosure Information Framework (TCFD), and identifying potential climate change risks and opportunities through four core elements: governance, strategy, risk management, indicators, and targets to address the risks brought about by climate change.
The general manager of the company leads the heads of various departments to jointly identify climate change risks and opportunities related to their business, propose corresponding measures, and is also responsible for supervising and managing the implementation of climate issue governance projects. The Sustainability Team reports to the Board of Directors at least once a year and is submitted for consideration by the Board.
2. The Company has formulated various response plans for the major climate-related risks and opportunities currently faced, and the impact of climate-related risks and opportunities and the content of the response plans are presented as follows
<table>
<tr><th>TYPE</th><th>Climate-related risks</th><th>Impact period</th><th>Potential financial impact</th><th>Response strategy</th><th>Financial impact</th><th>Results and Performance</th></tr>
<tr><td>Real risk</td><td>The impact of abnormal climate events (typhoons, heavy rainfall, high temperatures)</td><td>short term</td><td>Climate change will increase concerns about construction safety, such as prolonged exposure of workers to heat and sun, and delays in construction projects caused by typhoons</td><td>1. During the annual flood season, all flood control equipment should be inspected and prepared, and disaster prevention drills should be conducted to strengthen emergency response capabilities. Pay close attention to typhoon and</td><td>The expected additional manpower and time expenditure cost is less than 1%.</td><td>1. The Company did not suffer any property damage due to climate-risk projects in 2024.
2. No work-related accidents occurred in any of the Company's construction projects in 2024 due to</td></tr>
</table>
</td></tr>
</table>

				and heavy rainfall.	heavy rain information and promptly issue warnings to prevent personnel and equipment losses. 2. Regularly monitor typhoon and heavy rain updates and issue warnings. Inspect the scaffolding for external wall construction for damage, ensure metal fittings are securely connected, and temporarily remove any tarpaulins or advertisements posted on the construction site to prevent collapse and personnel and equipment losses. In the event of strong winds, immediately order a work stoppage, and immediately		typhoons or strong winds.

					inspect the structures and scaffolding for any collapse hazards after the event, making necessary repairs to maintain construction safety.		
	Climate Opportunities	Use low-carbon building materials	Long term	Low-carbon building materials increase construction costs by 15%, and green building marketing programs are being promoted in response to the net-zero trend.	1. We plan to increase the number of procurement personnel focused on cost control in the future, to evaluate new technologies and low-carbon materials from various sources, and to gradually adopt them. 2. We will shift to annual bulk purchasing to facilitate cost control. 3. We will strengthen sustainability-themed marketing to raise consumer	Using low-carbon construction materials is expected to save the company 5% in expenses. ◦	Using low-carbon construction materials is expected to save the company 5% in expenses.

				awareness of environmental protection and maintain product competitiveness.		

3. Describe the financial impact of extreme weather events and transformative actions.

3. Global climate change is facing global warming, and the Company's financial impact on extreme weather events and transition actions is as follows:

TYPE	Climate-related risks	Impact period	Potential financial impact	Response strategy	Financial impact	Results and Performance
Transformation risks	Rising raw material costs	Mid-term	Prices affect construction costs, which are reflected in selling prices. If prices are higher than market prices, it affects customers' willingness to buy houses, lengthens the sales period, increases the difficulty of cost estimation, leads to distorted investment assessments, and ultimately	1. Conduct large-scale annual procurement, issue contracts early, and pay deposits to secure prices and avoid price fluctuations. 2. Proactively identify alternative building materials, monitor construction material price fluctuations continuously, and allow for cost increases. 3. Implement BIM to reduce	Using low-carbon building materials and implementing BIM is expected to increase construction costs by 10%.	Reduce the discrepancy between investment assessment and actual profitability, and avoid the impact of construction costs on product prices and market competitiveness.

				affects the company's profits.	errors and construction waste.		
		Costs of low-carbon technology transition	Long-term	The transition to low-carbon technologies will increase operating costs and make sales more difficult. At the same time, it will also lengthen the company's research and planning time for developing new technologies.	1. We anticipate expanding our understanding of low-carbon construction technologies and materials to adopt solutions that minimize costs and align with low-carbon trends. 2. We anticipate supporting or investing in the development of low-carbon construction materials and technologies. 3. We anticipate implementing digital management tools to reduce the manpower	Using low-carbon building materials is expected to increase construction costs by 15%.	If the technology development proceeds smoothly, it is expected to save on expenses, bring benefits, and enhance market competitiveness.

					and time required for manual assessment and planning.		
		Domestic carbon fee collection	Long-term	To reduce carbon emissions, the adoption of low-carbon technologies and construction materials will increase construction costs, and construction costs will need to be re-estimated based on cost fluctuations.	It is anticipated that high-carbon emission equipment will be phased out in the future, and low-carbon building materials will be evaluated from multiple perspectives to reduce carbon emissions and avoid being charged high carbon fees.	Using low-carbon building materials is expected to increase construction costs by 15%.	This will stabilize construction costs, maintain market competitiveness, and improve the company's operational performance and actuarial capabilities through digital management.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4. Based on the United Nations Sustainable Development Goals, the Company formulates a climate development strategy, and in response to the risks brought about by climate change, identifies climate change-related risks and opportunities, and evaluates the risk value according to the impact likelihood (L) and impact degree (M) based on the research and analysis content, and summarizes the company's overall major climate risks and opportunities, including 4 risks and 1 opportunity. Each department of Ayutthaya Real Estate identifies the climate risks and opportunities related to its business, proposes corresponding solutions, and then reviews it by the general manager and presents it to the Sustainable Development Team as the basis for formulating relevant governance strategies.						

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. 9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	5. At present, the Company does not use scenario analysis to assess the resilience against climate change risks. 6. In the future, the company will also understand the reduction path through inventory and disclosure of greenhouse gas emissions, develop the impact on the company's operations, assess risks and discuss mitigation measures Omitted. 7. At present, the Company has not formulated internal carbon pricing; the Company will continue to focus on carbon pricing trends. 8. After performing an inventory of the GHG emission status at present and relevant risks and opportunities, the Company will carry out the setting of climate-related targets step by step. Currently, the Company has not engaged in carbon offsets or developed RECs, and it will continue to focus on relevant issues and trends. 9. Please refer to the annex for details.

1-1 GHG inventory and assurance for the most recent two years

1-1-1 Information on GHG inventory

Describe the GHG emissions (tCO2e), intensity (tCO2e/NT$ million), and the scope of data coverage in the most recent two years.

The Company adopts an operational control approach in accordance with ISO14064-1:2018 organizational boundaries to aggregate annual greenhouse gas emissions or removals. The inventory boundary covers 100% of the organization's operations (including offices and case reception centers), and operation-related direct greenhouse gas emission sources (Category 1), energy indirect greenhouse gas emissions sources (Category 2), and other indirect greenhouse gas emission sources (Category 3 to 6).

Year	2024		2025	
Item (unit)	Emissions (tCO2e)	Sales intensity (tCO2e/NT$ million)	Emissions (tCO2e)	Sales intensity (tCO2e/NT$ million)
Category 1	2.0243	0.01	1.3351	0.04
Category 1	11.4398		29.1213	
Category 3 to 6	12.6848		15.4673	
Total emissions	26.149		45.924	

1-1-2 Information on GHG assurance

The assurance status up to the publication date of the annual report, including the assurance scope, assurance institution, assurance standards, and assurance opinion.

No assurance is performed at present. In the future, we will implement according to the “Sustainable Development Roadmap of TWSE/TPEx Listed Companies” published by the FSC.

1-2 GHG reduction targets, strategies, and concrete action plans

Base year for GHG reduction and reduction target

The integrated development of construction-related business is the main scope of business of the Company, covering land development, urban renewal, building planning, and project management. Based on the attention paid to sustainable development and climate risk management by enterprises, the Company has initiated the GHG inventory work. The initial period focuses on the Category 1 and Category 2 carbon emissions during the course of operation of the Company, and the control and negotiation for the key cooperating procedures in Category 3 to 6 are expanding.

In the future, the Company will adopt the inventory results as the basis to establish concrete and measurable carbon reduction targets based on business characteristics and feasibility. Except for enhancing the energy efficiency of self-owned offices and procedures of project management, it will also explore diverse carbon reduction strategies, including the application of low-carbon building materials, the introduction of green buildings, and the improvement in the environmental benefits in the designing stage so as to improve the sustainability and eco-friendliness of the operating procedures and implement the active promises of the Company in terms of climate actions.

GHG reduction strategies and concrete action plans

The Company will continue to strengthen its internal energy management system based on the carbon emission foundation data established through the inventory work and gradually introduce relevant management tools to serve as the concrete action path for the transformation towards net zero. In terms of carbon reduction strategies, the Company will comprehensively examine the parts with carbon reduction potential in the operating procedures, introduce energy conservation thinking in the initial development stage, and extend it to the environmental benefit evaluation of buildings to systematically reduce the overall carbon emissions. In the future, the Company will also actively evaluate the feasibility of low-carbon technology and adopt smart management models to improve resource utilization efficiency and decision-making quality. Meanwhile, the Company will continue to integrate internal and external resources to promote short-, mid-, and long-term carbon reduction actions and implement the Company's long-term commitment to climate actions.

(VI) Performance of ethical management, and deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
I. Establishment of ethical management policies and plans (1) Does the Company state in its regulations or external correspondence about the ethical management policies and practices passed by the Board of Directors and the commitment of the Board of Directors and senior management to actively implement the operating policies? (2) Does the Company establish the assessment mechanism for unethical conduct to analyze and assess the operating activities with a higher risk of unethical conduct in the scope of business periodically, and adopt the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”?	✓ ✓		(1) The Company has established the Ethical Corporate Management Best Practice Principles approved in the board meeting on August 10, 2022 for the establishment of a corporate culture of ethical corporate management and sound development, in order to comply with ethical standards and avoid opportunities for personal gain. (2) The "Ethical Corporate Management Best Practice Principles" of the Company stipulates that the Company should establish an evaluation mechanism for the risk of unethical behavior, and regularly review the appropriateness and effectiveness of the prevention plan. The prevention plan should cover at least the following behavior preventive measures: 1. Offering and receiving bribes. 2. Providing illegal political donations. 3. Inappropriate charitable donations or sponsorships. 4. Offering or accepting unreasonable gifts,	No material deviation was found.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status (Note)</th><th rowspan="2">Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>hospitality, or other improper benefits.
5. Infringing business secrets, trademark rights, patent rights, copyrights and other intellectual property rights.
6. Engaging in unfair competition behavior.
7. Products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders during research and development, procurement, manufacturing, supply or sales.</td><td></td></tr>
<tr><td>(3) Does the Company expressly state the SOP, guidelines for conduct and reward & punishment and grievance systems in the unethical conduct prevention program, implement the same precisely, and regularly review amendments to said program?</td><td>✓</td><td></td><td>(3) The Company has established ethical corporate management procedures and behavior guidelines on August 10, 2022, and designated President's Office as the dedicated responsible unit under the Board of Directors, with the main responsibilities of assisting in integrating ethical corporate management into the Company's business strategy, complying with laws and regulations to establish relevant anti fraud measures to ensure ethical corporate management, regularly analyzing and evaluating the risks of unethical behavior within the business scope, and planning a whistle blowing system and ensuring the effectiveness. It shall regularly (at least once a year) report to the board of directors.</td><td></td></tr>
</table>

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
II. Implementation of ethical management: (1) Does the Company evaluate the ethical record of all counterparts it has business relationships? Are there any ethical management clauses in the agreements it signs with business partners?	✓		(1) The Company engages in housing and building development, leasing and sales business. For the sale, the Company will enter into the transaction agreement with customers, and also expressly state the collection schedule and clauses about the breach of contract therein, in order to protect the Company's interests and rights. Meanwhile, the Company expressly provides the escrow mechanism in the pre-sale contract to protect consumers' interests and rights.	No material deviation was found.
(2) Does the Company establish a unit dedicated to promoting ethical corporate management under the supervision of the Board of Directors, which shall be responsible for reporting the status of implementation of the ethical management policy and unethical conduct prevention program to the Board of Directors regularly (at least for once per year)?	✓		(2) The company has set up a full-time (part-time) unit to promote corporate integrity management as the General Manager's Office, which has reported the implementation of ethical management to the board of directors on January 28, 2026 and announced it on the official website.	
(3) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflict of interest?	✓		(3) The Company's "Code of Ethical Conduct for Directors and Managers" and "Code of Conduct for Employees" expressly state the conflict of interest prevention policy and also provide the independent directors, managers and chief internal auditor with a channel via	

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
			which they may state their opinions.	
(4) Does the Company fulfill ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoint a CPA to conduct the audits?	✓		(4) The Company has fulfilled the ethical management by establishing the relevant accounting system and internal control system, and allowing the internal audit unit to conduct the audit regularly.	
(5) Does the Company organize internal or external training on a regular basis to maintain ethical management?	✓		(5) To enable employees to understand the importance of ethical management, the Company conducted a 1hour digital course on ethical management education for each employee through the intranet in December 2025, and 11 incumbents completed the online training course.	
III. Implementation of the Company's whistleblowing system				No material deviation was found.
(1) Does the Company have a specific whistleblowing and reward system stipulated, a convenient whistleblowing channel established, and a responsible staff designated to deal with the accused party?	✓		(1) The Company's "Corporate Governance Best Practice Principles" have set forth the whistleblowing mechanism to encourage internal and external personnel to whistleblow any unethical conduct or misconduct. The Company set up and announced the independent whistleblowing mailbox available to the Company's internal and external	

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
(2) Does the Company define the standard operating procedure, follow-up measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of reported cases as accepted?	✓ ✓		personnel on the Company's website and intranet. (2) The Company's SOP for accepting and investigating reported cases is stated as follows: 1. The reported cases involving the general employees shall be submitted to the department heads. Those involving directors or senior management shall be submitted to independent directors. 2. The Company's dedicated unit and the management, or personnel receiving the reported cases as referred to in the preceding subparagraph shall verify the truth immediately, and ask the legal compliance or other related departments for assistance, if necessary. 3. Where the accused is proven to have violated the related laws or the Company's ethical management policy and requirements, the accused shall be asked to cease the misconduct immediately and subject to appropriate punishment. If necessary, the Company may file a legal action to claim damages, in order to maintain the Company's goodwill and	

Evaluation item	Status (Note)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
			interest. 4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a legal action in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the legal action. 5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent a recurrence. The responsible unit of the Company shall submit to the Board of Directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.	
(3) Has the Company taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?			(3) Personnel of the Company handling whistleblowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status (Note)</th><th rowspan="2">Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>treatment due to their whistleblowing. The Company uses its best effort to keep the informant’s identity in confidence and protect his/her from any retaliation. If he/she suffers any retaliation, threat or harassment, he/she shall report to his/her immediate supervisor, chief internal auditor or other competent personnel immediately. The Company shall render adequate treatment and punishment immediately.</td><td></td></tr>
<tr><td>IV.Enhanced information disclosure
Does the Company disclose the contents of its ethical management best practice principles and the result of implementation on its official website and MOPS?</td><td>✓</td><td></td><td>The Company’s “Code of Ethical Conduct for Directors and Managers” and “Ethical Corporate Management Best Practice Principles” has already been disclosed on the Company’s official website and MOPS.</td><td>No material deviation was found.</td></tr>
<tr><td colspan="5">V. If the Company has established its own ethical management policies in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please describe the current practices and any deviations thereof from such principles:</td></tr>
<tr><td colspan="5">VI. Other information useful to understanding ethical corporate management (e.g. The Company reviews and amends the ethical management best practice principles established by it): None.</td></tr>
</table>

(VII) Other information material to the understanding of corporate governance within the Company

The Company’s Procedures for Handling Material Inside Information and Prevention of Insider Trading are summarized as follows:

(1) Applicable subjects: The Procedures are applicable to the following subjects including:

①The Company’s directors, supervisors, managers, and shareholders who hold more than 10% of the Company’s shares, and the natural person as a proxy to exercise duties designated under Paragraph 1 of Article 27 of the Company Act, including their spouses, underage children, and those holding shares in the name of a third party.

②Any person who has learned the information by reason of occupational or controlling relationship.

③A person who, though no longer among those listed in the preceding two subparagraphs, has only lost such status within the last six months.

④Any person who has been informed of the information by the persons referred to in the preceding three subparagraphs.

(2) Dedicated unit: The dedicated unit designated by the Company's Board of Directors to deal with material inside information refers to the Finance Dept.

(3) Any violation of the following requirements by the persons subject to the restriction on insider trading shall constitute insider trading:

①Upon actually knowing of any information that will have a material impact on the price of the securities of the Company, after the information is confirmed, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons shall not purchase or sell, in the person's own name or in the name of another, shares of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the Company.

②Upon actually knowing of any information that will have a material impact on the ability of the Company to pay principal or interest, after the information is confirmed, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons shall not sell, in the person's own name or in the name of another, the non-equity-type corporate bonds of the Company that are listed on an exchange or an over-the-counter market.

(VIII) Status of Internal Control System

1. Declaration for Statement of Internal Control

Tacheng Real Estate Co.,Ltd.

Declaration for Statement of Internal Control System

Date: March 12, 2026

The following declaration is made based on the 2024 self-inspection of the Company's internal control system:

I. The Company acknowledges and understands that establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers, and that such a system has already been established throughout the Company. The purpose of this system is to provide reasonable assurance in terms of business performance & efficiency (including profitability, performance, asset security etc.), reliable, timely and transparent financial reporting, and regulatory compliance.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide reasonable assurance of the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by changes in the environment and circumstances. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws were identified.

III. The Company evaluates the effectiveness of its internal control system design and execution based on the criteria specified in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consisted of five major elements, each representing a different stage of the internal control system: 1. Control environment, 2. Risk evaluation, 3. Procedural control, 4. Information and communication, and 5. Supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.

IV. The Company has adopted the above-mentioned criteria to validate the effectiveness of its internal control design and execution.

V. Based on the inspection results described above, the Company considers the design and execution of its internal control policies to be effective as at December 31, 2025. This system (including the supervision and management of subsidiaries) has provided assurance with regards to the Company's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.

VI. The Statement forms an integral part of the Company's annual report and prospectus, and shall be made public. Any illegal misrepresentation or non-disclosure in the public statement above is subject to legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. The Statement was approved at the Company's Board of Directors meeting on March 12, 2026. None of the 9 directors present at the meeting held any objections, and unanimously agreed to the contents of this declaration.

Tacheng Real Estate Co.,Ltd.
Chairman: Lai, Yuan-Chao
General Manager: Yuchun Liao

2. If the internal control system has been reviewed by an external auditor, the result of such review must be disclosed: None**.**

(IX) Important resolutions of shareholders' meetings and board meetings in the past year and as of the date of printing of the annual report

1. Shareholders' Meeting

Meeting name and date		Important resolution	Implementation status
2025 Shareholders' Meeting	June 26, 2025	I. 2024 business report and financial report.	1. The proposal was passed as it was by all shareholders present. 2. The Company has completed the announcement of the minutes of the shareholders' meeting on June 27, 2025.
		II. 2024 earnings distribution.	1. The proposal was passed as it was by all shareholders present. 2. On August 25,2025, a cash dividend of NT$2.5 per share was paid in this case.
		III. Amendments to the"Articles of incorporation".	1. The proposal was passed as it was by all shareholders present. 2. This case completed the amendment to the "Articles of Association" in accordance with the resolution of the shareholders' meeting.
		IV. motion to transactions with related parties.	1.The proposal was passed as it was by all shareholders present. 2.The company has been approved by the board of directors on May 8, 2026 to jointly build and commission the construction with related parties.
2026 Shareholders' Meeting	June 26, 2026	I. 2025 business report and financial statements. II. 2025 earnings distribution scheme. III. motion to transactions with related parties.	Not yet implemented as of the date of printing of the annual report.

2. Board meetings

Meeting date	Term	Important resolution	Whether in compliance with matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions	The Company's disposal of independent directors' opinions
January 22, 2025	1st session in 2025	I. Evaluation of the 2025 salary and compensation of the Company's directors and managers, as well as the 2024 year-end bonus for the Chairman and President.	No	No objection	None
		II. Evaluation of the appointment, compensation and independence of the Company's certifying CPAs	Yes	No objection	None
		III. Amendments "Internal control system" and"Internal audit system" and "Management measures".	Yes	No objection	None
March 11, 2025	2st session in 2025	I. Distribution of 2024 employees' remuneration and directors' remuneration.	Yes	No objection	None
		II. 2024 business report and financial report.	Yes	No objection	None
		III. 2024 earnings distribution.	Yes	No objection	None
		IV. Discussion of 2025 budget.	Yes	No objection	None
		V. Effectiveness assessment of the Company's internal control statement report and internal control system.	Yes	No objection	None
		VI. Motion to transactions with related parties.	Yes	No objection	None
		VII. Amendments to the "Articles of incorporation".	No	No objection	None
		VIII. Remuneration distribution amount for individual directors for 2024.	Yes	No objection	None
		IX. Review of the proposal by the Remuneration Committee on the amendment to the "Organizational Regulations for the Remuneration Committee".	No	No objection	None
		X. Review of the proposal by the Remuneration Committee on the regular review of the policies, systems, standards and structure of the directors' and managers' salary and compensation.	No	No objection	None
		XI. Approval for applying for the	No	No objection	None

Meeting date	Term	Important resolution	Whether in compliance with matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions	The Company's disposal of independent directors' opinions
		extension of guaranteed limit on commercial paper and increase in credit limit to Taoyuan Branch of Mega Bills Finance Co., Ltd. XII. Proposal to formulate matters related to the 2025 general shareholders' meeting of the Company.	No	No objection	None
May 13,2025	3st session in 2025	I. The Company's financial report for Q1 2025. II. Motion to transactions with related parties.	Yes Yes	No objection No objection	None None
June 26,2025	4st session in 2025	I. The company's "Land No. 109, 109-1, Taixiang Section, Beitun District, Taichung City" residential construction project contract recovery case.	Yes	No objection	None
Augeust 6, 2025	5st session in 2025	I. The Company's financial report for Q2 2025. II. Prepare the Company's 2024 Sustainability Report.	Yes Yes	No objection No objection	None None
November 5, 2025	6st session in 2025	I. The Company's financial report for Q3 2025. II. The Company's 2026 annual audit plan. III. The company's "No. 191, Taihe Section, Beitun District, Taichung City" residential construction project contract addition.	Yes Yes Yes	No objection No objection No objection	None None None
January 28, 2026	1st session in 2026	I. Evaluation of the 2026 salary and compensation of the Company's directors and managers, as well as the 2025 year-end bonus for the Chairman and President. II. Amendments "Internal control system".	Yes Yes	No objection No objection	None None

Meeting date	Term	Important resolution	Whether in compliance with matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions	The Company's disposal of independent directors' opinions
March 12, 2026	2st session in 2026	I. Distribution of 2025 employees' remuneration and directors' remuneration.	Yes	No objection	None
		II. 2025 business report and financial report.	Yes	No objection	None
		III. 2025 earnings distribution.	Yes	No objection	None
		IV. Discussion of 2026 budget.	Yes	No objection	None
		V. Effectiveness assessment of the Company's internal control statement report and internal control system.	Yes	No objection	None
		VI. Motion to transactions with related parties.	Yes	No objection	None
		VII. Evaluate the appointment, remuneration and independence of the Company's certified public accountants and the replacement of certified public accountants	Yes	No objection	None
		VIII. Revision of the Company's accounting system.	Yes	No objection	None
		IX. Remuneration distribution amount for individual directors for 2025.	Yes	No objection	None
		X. Review of the proposal by the Remuneration Committee on the amendment to the "Organizational Regulations for the Remuneration Committee".	No	No objection	None
		XI. Review of the proposal by the Remuneration Committee on the regular review of the policies, systems, standards and structure of the directors' and managers' salary and compensation.	No	No objection	None
		XII. The Company's revision of the "Management Measures".	Yes	No objection	None
		XIII. Proposal to formulate matters related to the 2026 general shareholders' meeting of the Company.	No	No objection	None

Meeting date	Term	Important resolution	Whether in compliance with matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' opinions	The Company's disposal of independent directors' opinions
May 8,2026	3st session in 2026	I. The Company's financial report for Q1 2026.	Yes	No objection	None
		II. The Company's revision of the "Management Measures".	Yes	No objection	None
		III. The Company and its related party, Dacheng Construction Co., Ltd., on the joint construction and sub-sale of "Land No. 373 and 377, Zhenfu Section, Nantun District, Taichung City".	Yes	No objection	None
		IV. The Company entrusted the related party Dasheng Construction Co., Ltd. to undertake the "Land No. 373 and 377 Section of Zhenfu, Nantun District, Taichung City"	Yes	No objection	

(X) In the past year and as of the date of printing of the annual report, if any director or supervisor had different opinions on important decisions passed by the board meeting and there were records or written statements, the main contents: None.

IV. Information about CPA's audit fee

(I)Please disclose the amounts of the audit fees and non-audit fees paid to the external auditors and to the firm to which they belong, as well as the details of non-audit services:

Unit: NT$ Thousand

Name of CAP Firm	Name of CPA	Audit Period	Audit fee	Non-audit fee	Total	Remark
EnWise CPAs & Co.	Huang, Hsiang-Ying Tsao, Yong-Jen	January 1, 2025~ December 31, 2025	800	360	1,160	Explanation about the non-audit fee: For the attested tax returns, NT$270 thousand For the check on salary information, NT$10 thousand For the review on annual reports, NT$50 thousand Pre-sale house trust audit report fee, NT$30 thousand

(II) In the case of any change of the CPA firm that resulted in the reduction of the audit fee from the previous year, please disclose the audit fee before and after the change and the cause of such change: None.

(III)If the audit fee was reduced by more than 10% from the previous year, please disclose the amount of reduction, percentage and cause thereof: None.

V. Replacement of CPA:

Due to the need for internal organizational changes and adjustments of Jianzhi United Accounting Firm, the financial statement attesting accountants will be changed from Huang, Hsiang-Ying, CPA & Tsao, Yong-Jen, CPA to Huang, Hsiang-Ying, CPA & Tony Liao, CPA from the first quarter of 2026.

VI. The Company's Chairman, General Manager, or managers in charge of financial or accounting operations being employed by the external auditor's firm or any of its affiliated company within the most recent year: None.

VII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10 percent in the most recent year and until the date of publication of the annual report:

(I) Changes in the equity of directors, supervisors, managers and major shareholders:

Job title	Name	2025		Until April 28, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Lai, Yuan-Chao	-	-	-	-
Director	Jin Cheng Investment Co., Ltd.	-	-	-	-
	Representative: Liang-Cheng, Lai	-	-	-	-
	Representative: Chien, Shu-Chin	-	-	-	-
Director	Ta You Investment Co., Ltd.	-	-	-	-
	Representative: Lai, Wen-Ling	-	-	-	-
	Representative of Ta You Investment Co., Ltd.: Liao, Yu-Chun	(7,080)	-	-	-
Independent director	Yang, Tung-Hsiao	-	-	-	-
Independent director	Young Weiju	-	-	-	-
Independent director	Lin, Chun-Mao	-	-	-	-
ndependent director	Wen Yen-Jung	-	-	-	-
General Manager	Yuchun Liao	(7,080)	-	-	-
Major Shareholder	Ta Cheng Construction Co., Ltd.	-	-	-	-

(II) Information on the transfer of shares: None.

(III) Information on the pledge of shares: None.

VIII.degree of kinship, among the top ten shareholders

April 28, 2026

Name	Shares held in own name		Shares held by spouse and underage children		Shares held in the name of a third party		If there is a relationship, such as a related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Designation (or Name)	Relationship
Lai, Yuan-Chao	34,625,530	34.63%	1,300,564	1.30%	-	-	Ta Cheng Construction Co., Ltd.	Both companies' chairman is the same person.
							Ta Song Investment Co., Ltd.	
							Ta Shen Investment Co., Ltd.	The Company's director
							Fu, Ching-Chen	Spouse
							Liang-Cheng, Lai	Son
Ta Cheng Construction Co., Ltd.	15,659,852	15.66%	-	-	-	-	Lai, Yuan-Chao	The Company's Chairman
							Jin Cheng Investment Co., Ltd.	The Company's director
							Ta You Investment Co., Ltd.	The Company's director
Representative of Ta Cheng Construction Co., Ltd.:Lai, Yuan-Chao	34,625,530	34.63%	1,300,564	1.30%	-	-	Ta Song Investment Co., Ltd.	The Company's Chairman
							Ta Shen Investment Co., Ltd.	The Company's director
							Fu, Ching-Chen	Spouse
							Liang-Cheng, Lai	Son
Jin Cheng Investment Co., Ltd.	6,502,820	6.50%	-	-	-	-	Fu, Ching-Chen	The Company's Chairman
							Ta Cheng Construction Co., Ltd.	The Company's director
							Liang-Cheng, Lai	The Company's supervisor
Representative of Jin Cheng Investment Co., Ltd.: Fu, Ching-Chen	1,300,564	1.30%	34,625,530	34.63%	-	-	Ta Shen Investment Co., Ltd.	The Company's Chairman
							Ta Cheng Construction Co., Ltd.	Juristic person represented by the Company's director
							Lai, Yuan-Chao	Spouse
							Liang-Cheng, Lai	Son
Ta Song Investment Co., Ltd.	6,370,109	6.37%	-	-	-	-	Lai, Yuan-Chao	The Company's Chairman
Representative of Ta Song Investment Co., Ltd.: Lai, Yuan-Chao	34,625,530	34.63%	1,300,564	1.30%	-	-	Ta Cheng Construction Co., Ltd.	The Company's Chairman
							Ta Shen Investment Co., Ltd.	The Company's director
							Fu, Ching-Chen	Spouse
							Liang-Cheng, Lai	Son
Ta Sheng Investment Co., Ltd.	6,370,109	6.37%	-	-	-	-	Fu, Ching-Chen	The Company's Chairman
							Lai, Yuan-Chao	The Company's director
							Liang-Cheng, Lai	The Company's supervisor

Name	Shares held in own name		Shares held by spouse and underage children		Shares held in the name of a third party		If there is a relationship, such as a related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Designation (or Name)	Relationship
Representative of Ta Shen Investment Co., Ltd.: Fu, Ching-Chen	1,300,564	1.30%	34,625,530	34.63%	-	-	Jin Cheng Investment Co., Ltd.	The Company's Chairman
							Ta Cheng Construction Co., Ltd.	Juristic person representative of the Company's director
							Lai, Yuan-Chao	Spouse
							Liang-Cheng, Lai	Son
Ta You Investment Co., Ltd.	3,317,765	3.32%	-	-	-	-	Ta Cheng Construction Co., Ltd.	The Company's director
Representative of Ta You Investment Co., Ltd.: Lin, Chun-Jen	-	-	-	-	-	-	Ta Cheng Construction Co., Ltd.	Juristic person representative of the Company's director
Wing On International Investment Co., Ltd.	1,564,000	1.56%	-	-	-	-	-	-
Fu, Ching-Chen	1,300,564	1.30%	34,625,530	34.63%	-	-	Ta Shen Investment Co., Ltd.	Both companies' chairman is the same person.
							Jin Cheng Investment Co., Ltd.	
							Ta Cheng Construction Co., Ltd.	Juristic person representative of the Company's director
							Lai, Yuan-Chao	Spouse
							Liang-Cheng, Lai	Son
Wing On Wealth Management Consulting Co., Ltd.	1,250,000	1.25%	-	-	-	-	-	-
Liang-Cheng, Lai	1,100,000	1.10%	-	-	-	-	Lai, Yuan-Chao	Father
							Fu, Ching-Chen	Mother
							Ta Shen Investment Co., Ltd.	The Company's supervisor
							Jin Cheng Investment Co., Ltd.	The Company's supervisor

IX. Number of shares held by the Company, and the Company's directors, supervisors and managers, and the entities directly or indirectly controlled by the Company in a single investee, and consolidated shareholding percentage of the above categories: None.

Three. Funding Status

I. Capital and shares

(I) Source of Capital

April 28, 2026

Year / month	Issue price	Authorized capital		Paid-in capital stock		Remark			
		Number of shares (thousand shares)	Amount (NT$ Thousand)	Number of shares (thousand shares)	Amount (NT$ Thousand)	Source of Capital (NT$ Thousand)		Offset share capital via properties other than cash	Others
August 1995	10	3,250	32,500	3,250	32,500	Registered capital	32,500	None	Note 1
February 1996	10	5,100	51,000	5,100	51,000	Cash capital increase	18,500	None	Note 2
May 1997	10	10,000	100,000	10,000	100,000	Cash capital increase	49,000	None	Note 3
September 2000	10	42,000	420,000	18,000	180,000	Cash capital increase Recapitalization of earnings Capital surplus	60,000 17,610 2,390	None	Note 4
July 2001	10	42,000	420,000	20,700	207,000	Recapitalization of earnings Recapitalization of capital surplus	18,000 9,000	None	Note 5
September 2002	10	42,000	420,000	24,105	241,050	Recapitalization of earnings Recapitalization of employee bonus Recapitalization of capital surplus	20,700 3,000 10,350	None	Note 6
August 2003	10	48,000	480,000	28,021	280,208	Recapitalization of earnings Recapitalization of employee bonus Recapitalization of capital surplus	25,793 3,000 10,365	None	Note 7
August 2004	10	48,000	480,000	31,673	316,733	Recapitalization of earnings Recapitalization of employee bonus Recapitalization of capital surplus	24,098 2,900 9,527	None	Note 8
August 2005	10	48,000	480,000	33,352	333,520	Recapitalization of earnings	16,787	None	Note 9
February 2006	10	48,000	480,000	30,352	303,520	Cancellation of repurchased shares of the Company	(30,000)	None	Note 10
December 2008	10	48,000	480,000	27,352	273,520	Cancellation of repurchased shares of the Company	(30,000)	None	Note 11
August 2013	10	100,000	1,000,000	60,352	603,520	Cash capital increase (in private placement)	330,000	None	Note 12
July 2015	10	100,000	1,000,000	75,352	753,520	Cash capital increase (in private placement)	150,000	None	Note 13
September 2021	10	200,000	2,000,000	86,655	866,548	Recapitalization of earnings	113,028	None	Note 14
September 2022	10	200,000	2,000,000	100,000	1,000,000	Recapitalization of earnings	133,452	None	Note 15

Note 1: Approval letter under Jian-1-Zi No. 01006130 dated August 14, 1995
Note 2: Approval letter under Jian-1-Zi No. 85265305 dated February 25, 1996
Note 3: Approval letter under (86) Shang-Zi No. 110838 dated June 30, 1997
Note 4: Approval letter under (89) Tai-Cai-Zheng (1) No. 60038 dated July 17, 2000
Note 5: Approval letter under (90) Tai-Cai-Zheng (1) No. 138123 dated June 14, 2001
Note 6: Approval letter under (91) Tai-Cai-Zi No. 0910140817 dated July 22, 2002
Note 7: Approval letter under Tai-Cai-Zheng-1-Zi No. 0920128169 dated June 25, 2003
Note 8: Approval letter under Tai-Cai-Zheng-1-Zi No. 0930128485 dated June 28, 2004
Note 9: Approval letter under Jin-Guan-Zheng-1-Zi No. 0940125620 dated June 27, 2005
Note 10: Approval letter under Jin-Guan-Zheng-3-Zi No. 0950103569 dated February 3, 2006
Note 11: Approval letter under Jin-Guan-Zheng-3-Zi No. 0970064760 dated November 25, 2008
Note 12: Approval letter under Jin-Shou-Shang-Zi No. 10201178580 dated August 30, 2013
Note 13: Approval letter under Jin-Shou-Shang-Zi No. 10401136540 dated July 8, 2015
Note 14: Granted the effective registration from FSC on September 17, 2021; approval letter under Jin-Shou-Shang-Zi No. 11001202460 dated November 5, 2021
Note 15: Granted the effective registration from FSC on July 18, 2022; approval letter under Jin-Shou-Shang-Zi No. 11101177170 dated September 16, 2022

Share categories	Authorized capital			Remark
	Outstanding shares (Note) (thousand shares)	Unissued shares (thousand shares)	Total (thousand shares)	
Registered ordinary shares	100,000	100,000	200,000	

Notes: 1. TWSE-listed stocks

2. Information relevant to the shelf registration system: None.

(II) Name list of major shareholders

April 28, 2026

Rankings	Major shareholders	Number of shares	Shareholding
1	Lai, Yuan-Chao	34,625,530	34.63%
2	Ta Cheng Construction Co., Ltd.	15,659,852	15.66%
3	Jin Cheng Investment Co., Ltd.	6,502,820	6.50%
4	Ta Song Investment Co., Ltd.	6,370,109	6.37%
5	Ta Sheng Investment Co., Ltd.	6,370,109	6.37%
6	Ta You Investment Co., Ltd.	3,317,765	3.32%
7	Wing On International Investment Co., Ltd.	1,564,000	1.56%
8	Fu, Ching-Chen	1,300,564	1.30%
9	Wing On Wealth Management Consulting Co., Ltd.	1,250,000	1.25%
10	Liang-Cheng, Lai	1,100,000	1.10%

(III) Dividend policy and execution status

1. The dividend policy defined under the Articles of Incorporation:

    If there is a surplus after account settlement of the fiscal year, the Company shall pay applicable taxes pursuant to laws and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve, unless such legal reserve amounts to the paid-in capital, and the remainder, if any, is appropriated for special reserve or reversed as a special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years for distribution as shareholder dividends and bonus under a proposal prepared by the Board of Directors subject to the resolution made by a shareholders' meeting.

    The Company may distribute the stock dividends and bonus, capital surplus or legal reserve in cash, in whole or in part, per the resolution adopted by a majority of the directors present at the meeting of Board of Directors attended by more than two-third of the whole directors, and shall report the distribution to a shareholders' meeting.

    The Company adopts the dividend policy in response to the current and future development plans and by taking into account the investment environment, funding needs and overview of the industrial competition, as well as shareholders' interest, in order to decide the optimal proportions of shareholder dividends to be distributed in the form of stock and in cash per the earnings appropriation plan proposed by the Board of Directors as resolved by a shareholders' meeting. Among other things, the cash dividend and stock dividend shall be no less than 20% of the total dividends, respectively.

2. The dividends proposed to be distributed at the shareholders' meeting:

    The Company's net income was NT$381,982,450 in 2025, which was subject to appropriation of the legal reserve of NT$38,198,245. After the balance plus the undistributed earnings at the beginning of the year, NT$730,860,692, the distributable earnings become NT$1,074,644,897 this year. Given this, according to the earnings distribution plan, the cash dividend to be distributed are NT$200,000,000. The earnings distribution plan is specified as follows:

Tacheng Real Estate Co.,Ltd.

Earnings Distribution Plan

2025

Unit: NT$

Item	Amount
Undistributed earnings, beginning	730,860,692
Add: Current net income	381,982,450
Less: Legal reserve	(38,198,245)
Current distributable earnings	1,074,644,897
Distribution items	
Shareholder bonus (cash dividend, NT$2 per share)	(200,000,000)
Undistributed earnings, ending	874,644,897

Chairman: Lai, Yuan-Chao   General Manager: Yuchun Liao   Accounting Manager: Teng, Hsiang-Chien

(IV) Impacts posed by the proposed bonus shares on the Company's business performance and earnings per share: The shareholders' meeting did not distribute stock dividends this time, therefore this item is not applicable.

(V) Remuneration to employees, directors and supervisors:

1. The percentages or ranges with respect to remuneration to employees and directors, as set forth in the Company's Articles of Incorporation:
   The annual profits concluded by the Company, if any, shall be subject to employee remuneration of 0.1%~5%, and no less than 50% of it is allocated as remuneration to grassroots employees . The Board of Directors may resolve to distribute no more than 3% of the earnings as remuneration to directors. The motion for distribution of remuneration to employees and directors shall be reported to a shareholders' meeting. However, profits must first be taken to offset the Company's cumulative losses, if any. Then, the remuneration to employees and directors may be appropriated subject to the ratio referred to in the preceding paragraph.
2. The basis for estimating the amount of remuneration to employees and directors, for calculating the number of shares to be distributed as stock dividends, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   The remuneration to employees and directors estimated for the current year was determined based on the percentage set forth in the Articles of Incorporation, distributed at the percentage passed by the Board of Directors, and recognized as the current operating expenses. The discrepancy, if any, will be adjusted in the next period.
3. Distribution of remuneration approved by the Board of Directors:
   (1)Employee compensation: NT$989,140 based on 0.2% profit allocation, of which

80% (i.e., 0.16% profit allocation) is NT$791,312 to grassroots employees, and cash is distributed.

(2) Directors' remuneration: NT$494,570 based on 0.1% profit allocation, and cash distribution..

4. Actual payment of the remuneration to employees/directors/supervisors in the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued) and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies):

The remuneration to employees and directors actually allocated in 2024 were NT$1,444,771 and NT$577,908, respectively. No discrepancy between said remuneration and recognized expenses has been found. The remuneration was paid in cash in whole.

(VI) Repurchase of the Company's shares: None.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee stock warrants: None.

VI. Restricted Stock Awards (RSAs): None.

VII. New shares issued for the acquisition or transfer of other shares: None.

VIII. Progress on the use of funds: None.

Four.Operational Overview

I. Business activities

(I) Business scope

1. Business activities

The Company primarily engages in housing and building development, leasing and sales business. So far, it has acquired multiple land parcels used for construction. Now, the Company is launching construction projects for sale, including「四季山妍」,「一月春語」,「七月沐樂」,「大城仰雲」,「十二月滿」,「八月小確幸」,「四月泊樂」,「大城樂好事」,「大城十一月」,「大城迎好事」,「大城二月埕」house completed and handed over，The projects in progress include「悅讀大城-雲詠」,,「大城知丘」and「大城光年」.

2. Business ratio in 2025

nit: NT$ Thousand; %

Item	Operating revenue	Business ratio
Lease revenue	496	-
Construction revenue	1,175,339	100.0
Total	1,175,835	100.0

3. The Company's current main products and services

(1) Real Estate Business/Rental and Leasing

(2) Housing and building development, lease and sales

(3) Wholesale of Building Materials/Retail

(4) Landscape and Interior Designing

(5) Wholesale and Retail of Building Materials

4. New products planned to be developed: None.

(II) Overview of industry

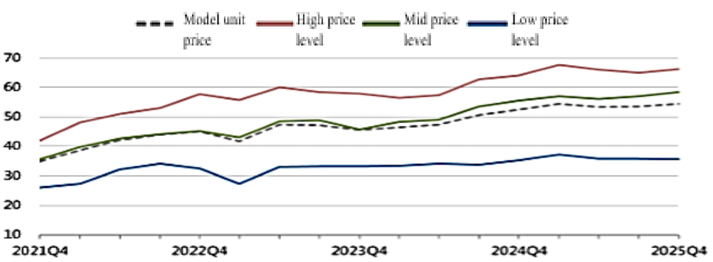
1. Overview of industry and development

Housing market trend expert Li Tongrong launched the "Top Ten Trends in the 2026 Housing Market" prediction and analysis from four major aspects: economic fundamentals, economic technology cycle, policy news, and market price and volume.

From the perspective of economic fundamentals, the impact on the current downward revision trend of the housing market is limited (1) GDP performance slowed down, and housing prices continued to be revised downward (2) The three rates have low volatility and limited impact on the housing market (3) Analysis, oversupply, selling pressure, and the decline in housing prices will expand. (4) The housing market has more supply and less demand, and selling pressure continues to emerge. (5) The business cycle will continue until the end of 2026 From the analysis of policy news, there is a chance that the housing policy will be partially loosened in the second half of the year. (6) The housing market is cooling down, and policies will be slightly loosened in the second half of 2026. (7) The increase in geopolitical uncertainties affects the global political and economic situation, indirectly affecting the analysis of the housing market from the perspective of market price and volume, with prices loosening across the board and gradually increasing transaction volume. (8) The trading volume will heat up month by month after the Spring Festival, with an annual increase of about 10-15%. (9) Prices in the six capitals are loosened across the board, with an average decline of about 10%. (10) The strength and weakness of regional and product performance will be clear The overall housing market performance in 2026 will show a pattern of "bargaining", "price decline and temperature", and "clear strength and weakness".

Based on the above ten trend predictions, Li Tongrong made a conclusion on the trend of the housing market in 2026, and there is no adverse impact on the housing market on the surface of economic fundamentals; In the face of the housing market in the technological cycle, it is difficult to reverse the bearish momentum; The housing policy policy in the face of policy news will not have the opportunity to be relaxed until at least the second half of the year; global and cross-strait geopolitical turmoil will indirectly affect the housing market; On the surface of market price and volume, it means that the price is completely loosened and the trading volume is gradually recovering; As for regional performance, there will be a clear distinction between strength and weakness. Therefore, overall, the performance of the housing market in 2026 will show a pattern of "bargaining", "price decline and temperature", and "clear strength and weakness". According to the Cathay Pacific Real Estate Index in the fourth quarter of 114, prices increased steadily compared to the previous quarter and decreased steadily compared to the same quarter last year. Compared with the previous quarter, the asking price, bargaining rate, and transaction price remained stable this quarter; The number of cases and sales rate increased moderately, and the transaction volume increased significantly. Since the beginning of this year, benefiting from the higher-than-expected demand for emerging technology applications such as AI, the central bank has raised its annual economic growth forecast for 114 years to 7.31%; For the housing market, the central bank continued to maintain the seventh wave of credit control measures, bank lending returned to internal control, and the policy direction changed from aggregate control to autonomous management. Further observing the performance of various regions, compared with the previous quarter, the transaction price fell in New Taipei, Taichung remained stable, and the transaction price in the rest of the region rose; The transaction volume decreased in Taichung, Tainan remained stable, and the rest of the regions increased. Compared with the same quarter last year, the transaction price fell in New Taipei, Hsinchu remained stable, and the transaction price in the rest of the region rose; Transaction volume remained stable in New Taipei, while the rest of the region decreased. The market gradually adapted after one year of implementation of the loan restriction measures, and the policy was partially adjusted in early September, and wait-and-see buying picked up slightly; Although the transaction volume of the housing market has stopped falling and has not declined again, it is still at a historically low level. This quarter, the housing market showed a trend of low sales and high push cases, with the sales rate falling into single digits, with the national average of only 6.38%, which will lead to an increase in selling pressure in the long run. Overall, the housing market this quarter showed a stable increase in prices compared to the low base period of the previous quarter, and the housing market performance was strong; Compared with the same quarter last year, the transaction volume halved, showing stable prices and shrinking, the performance of the housing market was weak, and the market returned to fundamentals and individual performance. In addition, from the perspective of the annual review, the housing market is expected to continue to consolidate without significant changes in credit control tightening.

Prices in downtown Taichung City



Expensive area	Xitun, Nantun, West Dist
Mid-priced area	North Dist, Beitun, East Dist., South Dist., Dali, Wuri, Central Dist., Taiping, Tanzi
Cheap area	Daya, Fengyuan, Houli, Shengang, Shalu, Longjing, Wuqi, Qingshui, Waipu

	Model unit price	Compared with the last quarter	Compared with the same quarter last year
Expensive area	NT$663.3 thousand/ping	2.14%	3.65%
Mid-priced area	NT$584.6 thousand/ping	2.59%	5.14%
Cheap area	NT$356.9 thousand/ping	-0.41%	0.92%

Comprehensive evaluation - Taichung

Taichung		Index	Average value	Compared with the last quarter		Compared with the some quarter last year	
Possible transaction price		177.00	54.49 萬元/坪	1.85%	(△)	3.86%	(+)
Price negotiation rate		69.32	7.42%	0.75	(+)	0.48	(△)
Opening price		176.39	58.86 萬元/坪	2.68%	(+)	4.40%	(△)
Project volume	Amount	79.17	502 億元	-23.58%	(-)	-57.46%	(---)
	Number of houses	47.55	2515戶	-24.68%	(--)	-44.33%	(---)
30 day sales rate		32.83	4.61%	-0.66	(△)	-5.10	(---)
30 day transaction volume index	Amount	25.07	--	-33.13%	(--)	-79.80%	(---)
	Number of houses	15.61	--	-34.09%	(--)	-73.57%	(---)

Taichung City's transaction prices remained stable this quarter, with properties priced above NT$600,000 accounting for over 40% of new launches.
Taichung's housing prices remained high and stable, with increased negotiation rates. Affected by tariffs and tight credit supply due to credit controls, both the number of new launches and transactions decreased, resulting in a sales rate at a recent low, indicating a continued sluggish market. Overall, compared to the previous quarter's stable prices and decreased volume, the market performance was weak; compared to the same quarter last year's price increases and decreased volume, the market performance remains to be seen.

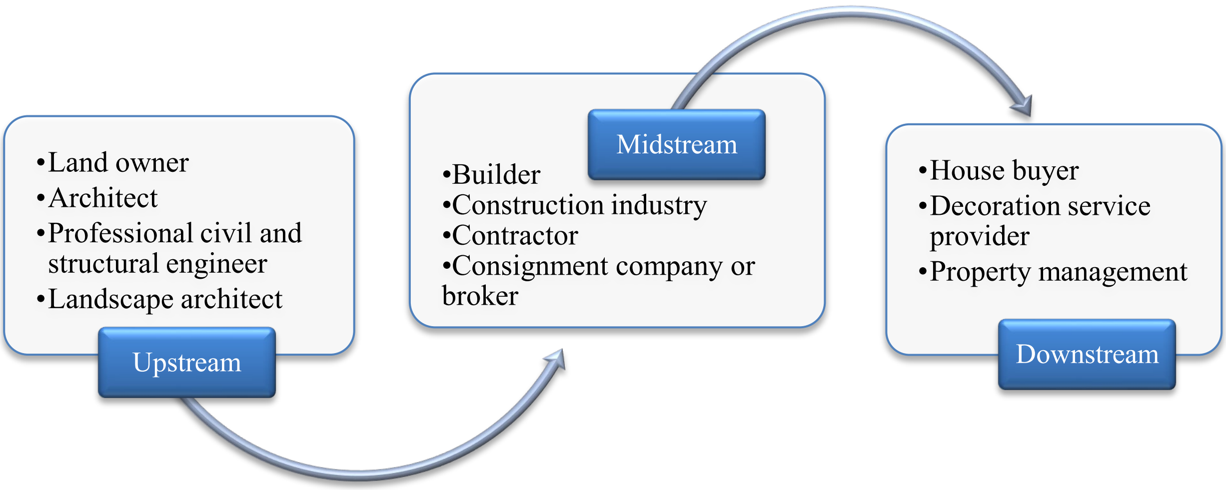
Source of Data: Cathay Real Estate Index of Q4 2025

2. Correlation of the upstream, midstream and downstream segments of the industry:

The Company is engaged in real estate construction and development. The upstream segments of the construction industry chain cover land, architects, professional civil and structural engineers, landscape architects and building materials. The land was acquired from sources including land owners, in the form of joint construction with the land owners, bids from governments, and from the old communities under the urban renewal planning. Architects, professional civil and structural engineers, and landscape architects play an important part in real estate construction and development and the part valued by the Company most. Meanwhile, parts of building materials, such as tiles and stones, are purchased from professional suppliers according to the strict procurement procedure.

The Company and its construction contractors are identified as the midstream segment of the construction industry chain, also the most key position, dedicated to providing related services including building planning, construction and engineering management. Upon acquisition of the land from land owners, the Company retains architects to plan the design and award the contract to construction companies or contractors to perform the construction work. Further, consignment companies, brokers or or builders' sales departments are retained to sell products and provide after-sale services, as well as professional services including advertisement, sale and customer service.

The downstream segment of the construction industry chain covers property management, decoration service providers and house buyers, focusing on preservation and maintenance, property management, and after-sale service and warranty service available to house buyers. The correlation of the upstream and downstream segments of the construction industry chain is shown in the following chart:



3. Industrial development trend and competition

(1)Value consumers' interests and rights, and after-sale service

Ministry of the Interior has promulgated the "Standard Real Estate Transaction Contract Template" to expressly define the right and obligations of transaction of pre-sale houses or land development, and also highlight the Consumers Protection act and Fair Trade Act. Therefore, builders shall act more cautiously in executing contracts, engineering quality and construction progress to maintain consumers' interests and rights.

(2)The building design is more adapted to users' needs.

In consideration of the changes in consumer needs, products shall consider the functions including environmental protection, leisure, safety, and comfort, to satisfy consumers' needs.

(3)Completion of major transportation construction projects drives the construction projects for suburban housing.

Under the active development by builders, the land resources available for development become limited in Taichung City Metropolitan Area and, therefore, the land price tends to be higher. In order to balance regional development, the government has kept planning new towns and redevelopment zones in recent years to relieve the pressure of residing in the metropolitan area. For example, the continuing development of the Central Taiwan Science Park and construction of highways and high-speed railways resulted in the extension of transportation networks to the fringes and suburbs of the metropolitan area. As a result, the distance between urban and rural areas has been shortened significantly, thus driving the expansion of related life circles indirectly. Builders successively turn to develop projects in suburban areas with convenient transportation and growth potential. In Taichung City Metropolitan Area, such as Beitun District, Wuri District, Taiping District and Fengyuan District, the number of projects appears to be increasing.

(4)Product competition

The builders' characteristics vary depending on the land lots and locations of products. For the time being, the projects launched by the Company are primarily located in Taichung City Metropolitan Area. The Company's Chairman, and Chairman of Ta Cheng Construction Co., Ltd. are the same person, namely Lai, Yuan-Chao. Led by the Chairman, Ta Cheng Construction Co., Ltd. has engaged in the building development field for more than three decades, and completed more than 80 successful projects. In the future, the Company will follow the step of Ta Cheng Construction Co., Ltd. to adopt strict construction planning and keep researching new construction methods to improve the construction quality, prepare long-term planning for vertical integration of upstream and downstream segments, in order to reduce costs and improve competitiveness, achieve the goal of sustainable business and become the most dominant brand locally in Taiwan. Therefore, the products planned by the Company have specific competitiveness in the real estate market of the Taichung City Metropolitan Area.

III.Overview of technology and R&D

1. Market development: Precisely control the real estate market information, and extensively collect information about land and real estate market in various districts.
2. Architectural design: Plan the optimal products in response to the location where the project is launched and characteristics of the surrounding environment, in order to meet consumers' needs, serve as the basis for product positioning and marketing strategies, and also create a high sales rate.
3. Construction engineering: With adequate construction technique and project management, the Company strictly controls the construction quality, costs and progress to ensure the construction site's safety.

IV.Long-term/short-term business development plan

1. Short-term business development plan:

Based on the "Honest, Sincerity and Sustainability" management philosophy, the Company engages in building housing, providing high-quality architecture products, and enhancing pre-sale housing sales management to raise customers' satisfaction. According to the short-term planning, the Company will still launch the projects primarily in Taichung District, and improve its market survey, choose the land lots carefully, and consider convenient transportation and development planning as the first priority, and strictly control costs via the budget system and audit system, in order to achieve the sound financial structure, solidify the business base, keep the Company growing and create the maximum profit for shareholders.

2. Long-term business development plan:

According to the long-term business development plan, the Company will primarily orient its business toward the construction business. For the time being, it launches projects primarily in Taichung District. In the future, the Company will, in consideration of the resilience of land acquisition strategies, expand its business development in other districts step by step. It will keep participating permanently in urban renewal or development projects organized by governments. It expects to expand its development ability and range in the next few years.

For the time being, the product development orientation still focuses on the planning and development of housing construction. In the future, in response to the market demand, the Company will create diversified products and aim to produce high-quality, exquisite and practical architectural products. Meanwhile, it also hopes to provide diversified peripheral services to improve a builder's service quality.

II. Overview of Market and Production & Marketing

(I) Market analysis

1. Territories where the main products are sold

Unit: NT$ Thousand; %

Territories \ Year	2024		2025	
	Sales value	Sales value	Sales value	%
Domestic marketing	1,818,882	1,818,882	1,175,835	100.00
Export sale	-	-	-	-
Total	1,818,882	1,818,882	1, 175, 835	100.00

2. Market share

It takes time to complete the procedures consisting of builders' analysis of land, design & development, application for building permit, the commencement of the work and completion of work. For example, it might need to take 2~4 years to complete the procedures, in the case of a building. Besides, the time of recognition might vary depending on the years of completion. Since 2013, the Company has successively launched projects including「一月春語」,「四季山妍」,「七月沐樂」,「大城仰雲」,「十二月滿」,「八月小確幸」,「四月泊樂」,「大城樂好事」「大城 11 月」,「大城迎好事」,「大城二月埕」which were completed from 2015 to December 2024. The projects in progress currently include「悅讀大城-雲詠」,「大城知丘」and「大城光年」Notwithstanding, as the projects already launched by the Company are all local housing construction projects, no significant market share has been secured by the Company so far.

3. Future market demand and supply, and market's growth potential

The Government is now planning to proactively expand the investment in comprehensive infrastructure projects, aiming to construct the infrastructure needed by the national development for the next three decades. The "Forward-looking Infrastructure Development Program" consists of five major construction projects, namely, the projects for construction of safe and convenient railways, water environment in response to climate changes, green infrastructure promoting environmental sustainability, digital infrastructure creating a smart homeland, and enhancement of balanced infrastructure in urban and rural areas. In response to the Government's planning, the Company will orient its business development toward local and exquisite products to satisfy consumers' needs.

4. Competitive niche

(1) Professional management team

The planning and construction of each building constructed by the Company focus on the planning and design of local products and strictly require quality. With the adequate construction technique and project management, the Company strictly controls the construction quality, costs and progress to ensure the construction site's safety. Profession and quality are the basic requirements. In addition to focusing on the "efficiency-oriented," the Company also demands "Open and Innovative" in order to make the products more adapted to consumers' needs.

(2) Land development that satisfies the market needs

Based on the land information collected by Land Development Dept. and the Company's ability to analyze the development of land lots, the Company uses the best effort to find the land lots with value-added potential. Alternatively, the Company utilizes a remarkable ability to communicate and negotiate with land owners for land acquisition or joint construction and development. Therefore, the Company can better control the sources of land in the Taichung City Metropolitan Area.

(3) Local product positioning in nature

The Company conducts detailed market surveys and analyses to launch products that satisfy the market needs. Meanwhile, with the most adequate construction technique and project management, the Company strictly controls the construction quality and ensures the construction site's safety.

5. Analysis of positive and negative factors for future development and responsive measures

The Company still orients its future business development toward the Construction Business Division with the following reasons:

(1) Positive factors:

A. Favorable factors for the housing market (positive): Rigid demand and residential demand around the technology corridor are strong, and they are resistant to declines.

B. Return of funds from Taiwanese businessmen: Taiwanese businessmen return to Taiwan to set up factories and invest, driving the rigid demand for commercial real estate and factory offices.

C. Builders reduce operations: Due to high costs, builders take the initiative to reduce supply to avoid a large accumulation of surplus houses, which helps maintain housing prices.

D. Policy support for first-time purchases: The government promotes the Dangerous Elderly and Young People to Start a Family with Peace of Mind Program 2.0 to support self-use housing.

E. The appreciation of the Taiwan dollar is beneficial to domestic demand: the return of funds increases purchasing power.

(2) Negative factors:

A. Central bank credit control and loan restrictions: The seventh wave of loan restrictions seriously affected the fund allocation of home changers, and investors withdrew, resulting in a sharp decline in transaction volume.

B. High construction costs support housing prices: Raw materials and wages continue to rise, causing builders to be reluctant to reduce prices, forming a "price rigidity".

C. Hindered demand for home exchanges: High costs and loan restrictions have made home changers wait and see, and market liquidity has deteriorated.

D. Anticipation psychology: Buyers expect house prices to be revised downward, and they are in a bargaining stalemate with sellers.

E. Geopolitical and Economic Uncertainties: External factors such as U.S. tariff policies can affect market confidence..

(3) Responsive measures:

A. Plan and design local products and set the price more adapted to consumers' needs.

B. Amend the contractual terms and conditions more carefully in response to laws and regulations to ensure the interests and rights of the Company and consumers.

C. Strictly control the construction quality, costs and progress to ensure the construction site's safety.

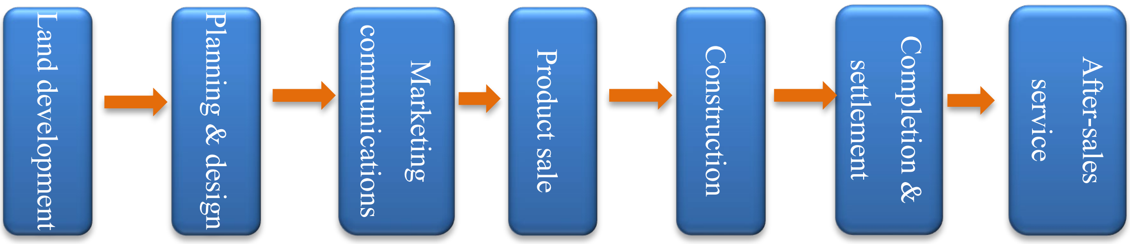
D. Improve the house design and construction quality controls based on sustainable business principles.

(II) Important purposes and production processes of main products

1. Important purposes of main products

The main products provided by the Company include housing complexes and townhouse functioning to provide consumers with a comfortable and safe living environment.

2. Production processes of main products



(III) Supply of key raw materials

The Company's key raw materials refer to land and construction projects.

For land: The Company has delegated the land development personnel to find suitable cases voluntarily, and work with the land owner in the form of joint construction or evaluate the buyout of the land and self-building. The Company is not likely to suffer any shortage of supplies.

Construction project: The Company contracts its construction projects to construction contractors at the contract price for labor and materials. The Company will select qualified construction contractors and control the construction progress, construction quality and building materials cost-effectively. Therefore, the Company is not likely to suffer any shortage or interruption of supplies for the time being.

(IV) A list of any suppliers (customers) accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the most recent two years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each.

1. Main suppliers in the most recent two years:

Unit: NT$ Thousand; %

Item No.	2024				2025				January 1 to March 31, 2026			
	Title	Amount	To the annual net purchase amount 〔%〕	Relationship with the issuer	Title	Amount	To the annual net purchase amount 〔%〕	Relationship with the issuer	Title	Amount	To the annual net purchase amount until the previous quarter in then year 〔%〕	Relationship with the issuer
1	Ta Sheng Construction Co., Ltd.	756,400	42.27	Related party	Ta Sheng Construction Co., Ltd.	623,457	59.09	Related party	Ta Sheng Construction Co., Ltd.	109,362	78.09	None
2	Ancestor Worship Guild corporations Taichung City Lin XX	626,852	35.03	None	Taichung City Government	237,328	22.49	None	Others	30,686	21.91	Related party
3	Others	406,302	22.70	None	Others	194,244	18.42	None	-	-	-	-
	Net purchase	1,789,554	100.00	-	Net purchase	1,055,029	100.00	-	Purchase of goods Net sales	140,048	100.00	-

2. Main customers in the most recent two:

Unit: NT$ Thousand; %

tem No.	2024				2025				January 1 to March 31, 2026			
	Title	Amount	To the annual net sales amount 〔%〕	Relationship with the issuer	Title	Amount	To the annual net sales amount 〔%〕	Relationship with the issuer	Title	Amount	To the annual net sales amount until the previous quarter in then year 〔%〕	Relationship with the issuer
1	Others	1,818,882	100.00	None	Others	1,175,339	100.00	None	Others	35,481	100.00	None
2	-	-	-	-	-	-	-	-	-	-	-	-
	Net sales	1,818,882	100.00	-	Net sales	1,175,339	100.00	-	Net sales	35,481	100.00	-

Remark: List the name, sales amount and sales ratio of the customers who have accounted for over 10% of total sales in latest two years. Notwithstanding, if the contract requires that the customers' names shall not be disclosed, or if the trading counterpart is an individual and also non-related party, the customers or trading counterpart may be identified by code instead.

III. Information about employees in latest two years and until the date of publication of the annual report

Year		2024	2025	Until March 31, 2026
Number of employees	Sales personnel	-	-	-
	Management personnel	16	13	13
	Total	16	13	13
Average age		44	46.94	47.19
Average years of service		6.5	10.94	11.19
Academic background distribution ratio %	PhD	-	-	-
	Master	26.7	15.4	15.4
	Bachelor	73.3	84.6	84.6
	Senior high school	-	-	-
	Below senior high school	-	-	-

IV. Information about the expenses of environmental protection

(1) In the most recent year and until the date of publication of the annual report, losses (including compensation), and total penalty imposed, due to environmental pollution: None.

(2) Future responsive measures (including improvement measures) and possible expenditure: The contract for individual projects invested by the Company is awarded to a construction contractor. In the process of construction, the construction contractor is in charge of environmental protection operations. Based on the environmental protection philosophy, the Company strictly demands that contractors should do their job to protect the environment at their construction sites. Therefore, it is expected that no material environmental protection capital expenditure needs to be spent by the Company in the future.

V. Labor-management relationship

(1) The Company's employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit plans

(1) Insurance

All of the Company's employees shall enroll in the labor insurance/national health insurance programs. The labor pension will be contributed by the employer. The personnel unit will take charge of these upon the employee's onboard.

(2) Welfare

In order to improve the employees' welfare, the Company establishes the

Employees' Welfare Commission to process the employees' welfare operations. The welfare fund is contributed by the employees and Company to the Employees' Welfare Commission jointly on a monthly basis. The employees may also apply for subsidies according to the criteria for employee welfare operations and funds defined under the "Articles of Association of Employees' Welfare Commission." The Company also organizes group health activities, domestic and foreign tours and various welfare measures, from time to time, to recuperate the employees physically and mentally, and improve friendships among the employees.

(3) Safety and health

Each of the Company's units shall pay attention to the safety and health facilities in the work environment at all times, and comply with the Company's requirements about labor safety and health to maintain the employees' health.

(4) Leave

The leave granted by the Company includes weekends, and the commemorative (festival) days prescribed by the Government as announced by the Management Dept. each year. Notwithstanding, if the employees are requested to work on said leave days, the Company shall subsequently grant the equivalent bonus leave to the employees. Meanwhile, the Company offers annual leave in accordance with the Labor Standards Act to help colleagues achieve a balance in work and life.

(5) Other subsidies

The Company's Management Dept. selects fine-quality suppliers and uniform, in order to provide each colleague with a tailor-made uniform as the corporate identity and save the employees' apparel allowance.

2. Employees' continuing education and training

Item	Total number of persons	Total hours	Total expenses (NT$)
Orientation training	-	-	-
Competency training	11	222	69,514

3. Retirement system

The Company adopts the regulations governing workers' retirement in accordance with the Labor Standards Act. The employees' retirement shall be handled in accordance with the relevant rtirement requirements and the Company's regulations governing workers' retirement.

In response to the implementation of the Labor Pension Act (hereinafter referred to as the "new system"), as of July 1, 2005, the employees who choose to apply the new system shall appropriate 6% of their monthly salary to the Labor Pension personal accounts at the Bureau of Labor Insurance.

4. Code of Conduct for Employees

In order to enable all of the Company's employees to verify the legal requirements to be observed by them and employees' ethical obligation to be performed by them during performance of their duties, and in consideration of the Company's expectation toward the transactions between the colleagues and the Company's partners and suppliers, the Company adopts the "Code of Conduct for Employees." The Code serves as the basis to be followed by the Company's employees when they are performing duties, and is also expected to improve the behavior, literacy and professional ethics of the Company's employees to ensure the Company's business sustainability and development. The related regulations and Code are summarized as follows:

(1) Ethical management principles

The Company's employees shall comply with laws and the Code when performing their job duties, and uphold the integrity-based, serious and responsible attitude and value the team discipline, in order to pursue high ethical standards.

(2) Principles of fairness

A. The Company provides the equality in recruitment, employment and development free from discrimination based on gender, race, age or any other factors.

B. The Company's employees shall endeavor to treat the Company's customers, suppliers, competitors and the other co-workers impartially. No one shall manipulate, conceal or abuse proprietary information, misrepresent important facts or engage in any other unfair dealings.

(3) Working environment

A. The Company's employees shall work with each other to maintain a healthy and safe working environment, and discrimination or harassment (including sexual harassment) in any form or intimidating language is strictly prohibited inside the Company. The Company's employees shall adhere to the rational principles of mutual respect toward each other.

B. In order to ensure that the Company's employees may work in a healthy and safe environment, each of the employees shall be obligated to understand and observe the safety policy and procedure related to their job duties.

(4) Conflict of interest avoidance principle

A. The Company's employees shall be obligated to maintain and increase the interest which the Company may seek legally. Any activities that allow the employee or a third party to seek personal gains via access to the

Company's property or information, or by virtue of the employee's job duty, are strictly prohibited.

B. The Company's employees shall be concentrated on their work. Unless with prior approval, none of them shall be allowed to hold any position in another company or institution concurrently.

C. The Company's employees shall not request, offer, deliver or accept any gifts, entertainment, rebate, bribe or other illegal benefits in any form, for the own interest or the interest of a third party, when performing their job duties, unless the gifts or entertainment is permitted by social etiquette, customs or the Company.

D. The Company's employees are prohibited from disclosing any confidential information to the public without the Company's duly authorization. The employees are strictly prohibited from seeking personal gains or favor, or hurting others, based on confidential or inside information.

(5) Confidentiality

A. The Company's employees shall respect each other's privacy, and are prohibited from spreading rumors or slander. The information about the Company or its suppliers/customers shall be strictly controlled. Unless with authorization or required by laws, the employees shall not disclose or lose the information, and shall bear the obligation of confidentiality. The same shall apply if the employee resigns.

B. The information to be kept in confidence as referred to in the preceding paragraph shall include any of the Company's undisclosed information which might be utilized by competitors, or would cause damage to the Company or customers if it is disclosed.

(6) Protect and fairly use the Company's assets.

A. The Company's employees shall be obligated to protect the Company's assets and ensure that the assets may be applied to their job duties duly.

B. None of the Company's employees shall misappropriate, steal or intentionally ruin or damage any property and equipment owned or held by the Company and thereby cause any damages to the Company.

C. When performing their duties, the employees shall prevent data, information systems and network equipment from theft, interruption, destruction and intrusion, in order to protect the confidentiality, integrity and availability of the Company's information.

(7) Compliance with laws and regulations

A. The Company's employees shall be obligated to know and comply with the laws, rules and orders applicable to their job duties, including l aws governing insider trading and protection of intellectual property.

B. The Company's employees shall comply with various rules, systems and regulations drafted by the Company, and keep paying attention to any internal announcements.

C. The Company's employees shall avoid breaking any rules or engaging any apparently inadequate activity, and shall consider Outsiders' views about the Company's image if misconduct, if any, is made public. Should any of the Company's employees have any questions about laws or Ethics, he/she shall consult with his/her immediate supervisor or the Company's legal advisor.

(8) Encourage the report on any misconduct, or any conduct against the Code of Ethical Conduct.

A. The Company shall enhance the promotion of ethical concepts, and encourage the Company's employees to report to supervisors, managers, chief internal auditor or other competent personnel when they suspect or discover any activities against laws, regulations or Code of Ethical Conduct. The informant must provide sufficient information to facilitate the Company's investigation. After the facts reported are confirmed, the Company will award the incentive pursuant to the personnel management regulations to its sole discretion.

B. The Company shall use the best effort to keep the informant's identity in confidence and protect his/her from any retaliation. If he/she suffers any retaliation, threat or harassment, he/she shall report to his/her immediate supervisor, chief internal auditor or other competent personnel immediately. The Company shall render adequate treatment and punishment immediately.

(9) Disciplinary measures

A. Any of the Company's employees who violates the Code shall be disciplined in accordance with the personnel management regulations once he/she is proven to do so.

B. When the Company imposes any punishment on the doer, the doer may file a complaint but shall bear the burden of proof. The Company shall render adequate decision after listening to and review the statement and proof provided by the doer.

5. Labor-management agreements:

The Company's employees have been advised of the existing regulations and welfare measures when they are hired by the Company. So far, no material labor-management dispute has arisen, as the labor-management relationship is considered harmonious in the Company.

(2) Describing any losses suffered by the Company in the most recent 2 fiscal years and up to the date of publication of the annual report due to labor-management disputes, and an estimate of possible expenses that could be incurred currently and in the future, and responsive measures.

The Company is used to valuing the labor-management relationship, and has never suffered any labor-management disputes or losses due to labor-management disputes. The Company keeps upholding rational and harmonious management and operation to achieve amicable labor-management relations.

VI. **Cyber security management:**

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:The company's organizational structure has an information department, equipped with one person in charge of the information department and one information officer, responsible for the company's computer information-related business:

The Company has an Information Department, a supervisor for the Information Department, and information personnel allocated to be responsible for computer information-related businesses to ensure the smooth operation of the Company’s business, prevent unauthorized access, use, control, leakage, damage, alteration, ruin, or other infringements of the cybersecurity system, and ensure its confidentiality, completeness, and availability. Concrete cybersecurity management plans and resources invested:

1. The Company examines whether relevant systems comply with the changes in operational environments each year and makes adjustments based on the requirements in due course. The computerized information system operating cycle (IE100), regulations for electronic calculators, regulations for disaster recovery of systems, procedures for outsourced information operations, personal data document security maintenance plan, and methods for personal data after the termination of business have been established. After an examination, the “Regulations for Cybersecurity Risk” were established in 2024 to regulate cybersecurity incidents of the Company’s personnel.
2. To prevent various internal and internal cybersecurity threats, the Company established various cybersecurity protection systems to improve the security of the overall information environment. The operation is described as follows:
   (1) Establish information security firewalls: Purchase sufficient software based on the number of persons, purchase legal anti-virus software, and regularly update relevant virus signatures and virus scanning engines.
   (2) Establish e-mail servers: Conduct the e-mail filter system through e-mail servers to effectively block spam, viruses, malicious e-mails, zombies, phishing e-mails, spyware, and other threats to help in e-mail security protection management and improve service quality.

(3) Create a backup database: The backup database is used to carry out backups and remote backups to ensure data availability.

(4) Implement account security control: The access to different systems shall be applied for and approved; the Company also examines the access of personnel who were transferred or resigned.

(5) Use official software to prevent information security attacks and security threats brought by other malware to protect information security. In the first half of 2025, the purchase of OFFICE 365 software was about NT$50,000, and the maintenance cost of regular maintenance information equipment was NT$22,000, with a total amount of about NT$72,000; the purchase of anti-virus software in the second half of 2025 was aboutNT$40,000.

(6) Based on the cybersecurity-related internal control system: The Audit Office carries out cybersecurity audits regularly or from time to time.

3. The Company implements cybersecurity education and training courses from time to time to improve the cybersecurity knowledge and professional skills of employees and the Company’s operations:

(1) The Company established an information department to be responsible for computer information-related businesses.

(2) Regularly share information security cases on the internal bulletins for in-service personnel to allow employees to understand the importance of cybersecurity so as to achieve the targets of reducing information security incident risks and business continuity.

(3) To enhance the cybersecurity concepts of employees, the Company organized the information security awareness education and training on December 16, 2025, and the main content is the introduction to learning and preventing information security and phishing mail.The total number of education and training hours is 18 hours.

(II) List any losses suffered by the Company in the most recent fiscal year and up to the date of publication of the annual report due to significant cyber security incidents, and potential effects to be caused and responsive measures to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important Contracts

Contract nature	Counterparty	Contract start and end dates	Main content	Restrictive clauses
Land purchase contract	Ancestor Worship Guild corporations Taichung City Lin XX and Natural Person	May 27, 2024	Purchased 9 plots of land including No. 585, Meihe Section, Beitun District, Taichung City	None
Land purchase contract	Natural Person	July 4, 2024	Purchase land at No. 156, Wenbei Section, Beitun District, Taichung City	None
Agreemen	Natural Person	April 15, 2025	Since the contract conditions could not be fulfilled, the two parties agreed to terminate the land sale contract for land number 156 in the northern section of Wenbei	None
Construction contract	Ta Sheng Construction Co., Ltd.	All construction work will complete 71 months after the commencement of work.	New construction on land No. 191 Taihe Section in Beitun District, Taichung.	None
Construction contract	Ta Sheng Construction Co., Ltd.	All construction work will complete 55 months after the commencement of work.	New construction on land No. 541, Renping Section in Beitun District, Taichung.	None
Construction contract	Ta Sheng Construction Co., Ltd.	All construction work will complete 75 months after the commencement of work.	New construction on land No. 81, Biliu Section in Beitun District, Taichung.	None
Agreemen	Ta Sheng Construction Co., Ltd.	June 26, 2025	Taichung City, Beitun District, Taixiang Section, 109, 109-1 Residential Construction Reduction Project.	None
Agreemen	Ta Sheng Construction Co., Ltd.	November 5, 2025	Taichung City, Beitun District, Taihe Section 191 Residential Addition Project.	None
Loan contract	Taichung Branch of Land Bank	April 11, 2022~April 11, 2027	Land financing for land No. 541, Renping Section, Beitun District, Taichung	None

Contract nature	Counterparty	Contract start and end dates	Main content	Restrictive clauses
Loan contract	Taichung Branch of Land Bank	April 22, 2024~ April 22, 2029	Building financing and working capital for land No. 541, Renping Section in Beitun District, Taichung.	None
Loan contract	Zhonggang Branch of Land Bank	March 1, 2024~ March 1, 2028	Building financing for land No. 191 Taihe Section, Beitun District, Taichung	None
Loan contract	Taichung Branch of Land Bank	August 21, 2024~ August 21, 2029	Land financing for land No. 585, Meihe Section, Beitun District, Taichung	None
Loan contract	Mega Bills Finance Taoyuan Branch	July 1, 2024~June 30, 2025 December 1, 2025~November 30, 2026	Land financing for land No. 81, Biliu Section, Beitun District, Taichung	None
Joint-construction contract	Ta Cheng Construction Co., Ltd.	Commencement of work before January 31, 2023, and completion in 1270 calendar days after commencement of work.	Joint building construction on land No. 191 Taihe Section in Beitun District, Taichung.	None
Joint-construction contract	Ta Cheng Construction Co., Ltd.	Commencement of work before January 31, 2023, and completion in 1270 calendar days after commencement of work.	Joint building construction on land No. 373 and 377 Zhenfue Section in Nantun District, Taichung.	None

Five.Review and Analysis on Financial Position and Business Performance, and Risk Management

I. Financial position

Statement of Financial Position

Unit: NT$ Thousand

Item / Year	2025	2024	Variance	
			Amount	%
Current assets	4,308,998	4,611,355	(302,357)	(6.56)
Non-current assets	12,044	17,540	(5,496)	(31.33)
Total assets	4,321,042	4,628,895	(307,853)	(6.65)
Current liabilities	1,785,082	2,224,993	(439,911)	(19.77)
Other liabilities	76	0	76	0.00
Total liabilities	1,785,158	2,224,993	(439,835)	(19.77)
Share capital	1,000,000	1,000,000	0	0.00
Capital surplus	201,784	201,784	0	0.11
Retained earnings	1,334,100	1,202,118	131,982	10.98
Total shareholders' equity	2,535,884	2,403,902	131,982	5.49

Explanation on the significant changes:

1. Increase in current assets: Due to the increase in the cost of real estate under construction in 2025.
2. Recrease in non-current assets: Due to the a decrease in refundable deposits.
3. Recrease in current liabilities: Due to the Short-term loans, land payments collected on behalf of others, accounts payable - decrease in related party payments.
4. Increase in retained earnings: Due to the completion and delivery of the "大城二月埕" project in 2025.

II. Financial performance

Comparative and analysis of financial performance

Unit: NT$ Thousand

Year / Item	2025	2024	Increase (decrease) in amount	Percentage of change (%)
Operating revenue, net	1,175,835	1,818,882	(643,047)	(35.35)
Operating costs	626,712	1,028,642	(401,930)	(39.07)
Gross profit	549,123	790,240	(241,117)	(30.51)
Operating expenses	62,535	75,866	(13,331)	(17.57)
Net operating profit (loss)	486,588	714,374	(227,786)	(31.89)
Non-operating revenue and expenditure	6,498	5,989	509	8.50
Profit (loss) before tax	493,086	720,363	(227,277)	(31.55)
Less: Income tax gains (expenses)	111,104	147,700	(36,596)	(24.78)
Net income (loss)	381,982	572,663	(190,681)	(33.30)

Analysis and explanation on ratio changes:

1. In 2025, due to a decrease in the number and scale of completed housing projects"大城二月埕" compared to last year, revenue, cost of goods sold, and gross profit will decrease compared to last year..
2. The decrease in income tax expense was mainly due to the decrease in net profit before tax.

III. Cash flow

(1) Cash flow in 2025

Unit: NT$ Thousand

Balance of cash, beginning	Net cash flow from operating activities for the year	Net cash flow from investing and financing activities for the year	Expected cash surplus (deficit)	Responsive measures against cash deficit	
				Investment plan	Wealth management plan
652,179	(445.623)	(90,402)	116,154	-	-

(2) Analysis on changes of cash flow in 2025

Unit: NT$ Thousand

Item \ Year	2025	2024	Increase (decrease)
Cash flow from operating activities	(445,623)	231,676	(677,299)
Cash flow from investing activities	205,578	(346,645)	552,223
Cash flow from financing activities	(295,980)	213,410	(509,390)

Analysis and explanation on ratio changes

1. The decrease in cash flow from operating activities was mainly due to the increase in real estate construction in progress (production costs invested).
2. The increase in cash flow from investing activities was mainly due to the decrease in other financial assets (pre-sale housing escrow trust amount).
3. The decrease in cash flow from financing activities is mainly due to the decrease in short-term loans and cash dividend distributions.

(3)Analysis on the liquidity of cash for the next year

Unit：NT$ Thousand

Balance of cash, beginning	Forecast net cash flow from operating activities for the year	Forecast net cash flow from investing and financing activities for the year	Forecast cash surplus (deficit)	Responsive measures against cash deficit	
				Investment plan	Wealth management plan
116,154	893,872	(800,365)	209,661	-	-

1. Analysis of cash flow changes in the coming year:
   (1) Increase in cash flow from operating activities: There was a net inflow of NT$893,872 thousand, mainly due to the completion of a project and the investments in construction.
   (2) Net cash flow from investing and financing activities: There was a net outtflow of NT$800,365 thousand, mainly due to the payment of land purchase prices and cash dividend payment.
2. Expected remedial measures for cash shortage and analysis of forehead flow:None.

IV. Impact posed by material capital expenditures to business/finance performance: None.

V. The most recent investment policy, major causes for profits or losses thereof, improvement plan, and investment plan for next year: None.

VI. Evaluation on the following issues for the most recent year and until the date of publication of the annual report:

(1) Impact posed by interest rate, exchange rate, and inflation on the Company's earnings, and responsive measures:

1. The Company evaluates the bank lending interest rate and keeps in touch with banks to seek more favorable interest rates.
2. As the Company doesn't engage in import/export sales, the fluctuation in foreign exchange rate shall pose no direct impact to the Company.
3. In the recent years, the commodity price has risen as a result of the increasing raw materials & supplies and energy price. Notwithstanding, the overall economy and industry still remain stable. Therefore, the inflation is under control. Meanwhile, the Company uses the best effort to maintain the fair interaction with customers and suppliers, and adjust the selling price of products and inventory of raw materials and supplies timely in response to the fluctuation in commodity price, in order to mitigate the pressure from inflation.

(2) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading, main causes of profit or loss incurred and future responsive measures:

1. The Company doesn't engage in high-risk or highly leveraged investments. Each investment project is executed only upon the Company's careful evaluation.
2. By the date of publication of the annual report, the Company didn't loan any funds to others or engage in derivatives trading.
3. The endorsements/guarantees made by the Company until Q1 2026:

Endorsed/ guaranteed company name	Cause of endorsement/guarantee	Endorsement/guarantee amount (NT$ Thousand)	Drawdown (NT$ Thousand)
Ta Cheng Construction Co., Ltd.	Guarantee for land financing in the joint construction project	426,120	426,420

(3) Future R&D plans and expected R&D expenditure: Not applicable, as the Company orients its business toward the real estate development and construction for the time being.

(4) Impact on the Company's business and finance due to changes in domestic or foreign policies and laws, and responsive measures:

The Company always acts in response to any amendments by the competent authority to related laws and regulations. For the time being, no material impact is posed to the Company’s business or finance.

(5) Impact posed to the Company’s business and finance, and response measures, in the event of technological changes (including cyber security risk) or industrial changes:

1. The company's organizational structure has an Information Department, which is responsible for the company's computer information-related business, information and communication system inventory and risk assessment, information system development and security, information and communication security protection and control, outsourcing of information systems or information and communication services, and information and communication services. Report and respond to security incidents.
2. The construction industry is affected by the rise in raw materials and wages, as well as the central bank's restrictions on land financing and construction financing ratios. In the future, the acquisition of land and the control of funds will be more cautiously evaluated.

(6) Crisis management, impacts, and responsive measures in the event of a change in corporate identity:

For the time being, no material changes occur to the Company’s corporate identity. Once any crisis that might impair the Company’s corporate identity arises, it is necessary for the Company to protect employees and maintain the Company’s assets and interests and rights of customers and the public through the operation of corporate crisis management mechanism, in order to prevent the Company’s business from interruption or more losses.

(7) Expected benefits and possible risks of merger and acquisition, and responsive measures: None.

(8) Expected benefits and possible risks of facilities expansion, and responsive measures: None.

(9) Risks and responsive measures associated with concentrated purchases or sales: None.

(10) Impacts and risks associated with major transfer or exchange of shares by directors, supervisors, or major shareholders with more than 10% ownership interest, and responsive measures:

No major transfer of shares has been made by the Company’s directors, supervisors, or major shareholders with more than 10% ownership interest in and until the date of publication of the annual report. Therefore, no material effect was posed to the Company’s operation.

(11) Impact and risks on the Company due to a change of the right of management, and responsive measures: None.

(12) Litigious and non-litigious matters: If there has been any material impact upon shareholders’equity or prices for the Company’s securities as a result of any litigation,

non-litigious proceeding, or administrative dispute involving any of the Company's directors, supervisors, General Manager, de facto responsible person, or major shareholders with a stake of more than 10 percent, and the matter was finalized or remained pending, please disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case until the date of publication of the annual report:

1. The Company has no other litigation or non-litigation cases.
2. There was no litigation, non-litigious proceeding, or administrative dispute involving any of the Company's directors, supervisors, General Manager, de facto responsible person, or major shareholders with a stake of more than 10 percent, which was finalized or remained pending, in the latest 2 fiscal years and until the date of publication of the annual report.

(13)Other Major Risks and Responsive Measures: None.

VII.Other material issues

The Company's risk management policy in 2025 and the operation

1. Risk management policy

   To stable the management of corporate businesses and the sustainable management philosophy, risks are defined based on the overall business policies of the Company to effectively identify, analyze, assess, control, handle, and continuously monitor various risks, incorporate risk management awareness into daily decision-making and operating activities, and improve the risk awareness of all employees so as to ensure the effectiveness of risk management.

2. Operation of risk management

   The Board approved the establishment of the "risk management policy and procedures" on November 6, 2024. The operation of risk management is reported to the Board once a year by the General Manager, and the relevant content is summarized as follows:

   (1) Strategic risk: The risk of loss incurred by the Company due to changes in the domestic and overseas economic situation and market or industry structure.

   (2) Operating risk:

   A. Development risk: Continue to develop land with landlords through co-construction in the short term and seek suitable bare lands for development based on the market trend evaluations in the long run.

   B. Design risk

   (a) Product planning: With rigorous construction planning and execution work, the Company keeps researching new construction methods and tries to strike a balance among costs, construction period and quality in order to improve consumers' reliance on the construction quality.

   (b) Construction technology: With improving the earthquake-resistant strength of buildings as the purpose, emphasize the spatial design and planning with environmental protection and energy conservation and focus on the amendments to construction regulations and effects to improve the management capacity for construction.

C. Procurement risk

The Company has established a stable cooperating relationship with suppliers and always keeps track of the changes in quotations. A comprehensive procurement procedure system is established internally to examine whether the selection of qualified companies, the enhancement in budget implementation, entering into contracts, and acceptance and payment procedures are implemented according to the requirements.

D. Occupation safety and health management risk

The Company provides safe and healthy working environments to employees according to relevant labor safety and health laws and regulations and regularly examines and maintains the safety and health of working environments to reduce the hazards of working environments to the safety and health of employees.

E. Product responsibility risk

The Company pays attention to the amendments to construction regulations. The engineering department carries out construction supervision based on the stringent construction plan to control construction quality.

F. Information security risk

To ensure the smooth operation of businesses, prevent any unauthorized access, use, control, leakage, damage, alteration, ruin, or other infringements of the cybersecurity system, and ensure the confidentiality, completeness, and availability, the Company has established multiple internal cybersecurity system and set up various information security protection systems to improve the security of the overall information environment. Regular cybersecurity education and training courses are implemented, and cybersecurity promotion is implemented from time to time to improve the cybersecurity knowledge and professional skills of employees.

G. Labor-management relationship risk

The Company complies with the Labor Standards Act and other relevant labor regulations to protect the legal rights and interests of employees. The Company also convenes the labor-management meeting regularly to provide the employees with a channel via which they may express their opinion and verify the Company's business activities thoroughly.

H. Legal compliance risk

The management and operations of the Company comply with relevant laws and regulations. It inquires about the professional opinions of the competent authority or external parties to confirm the adequacy of relevant legal insights and remind and improve the awareness of employees in different departments through education and training at all times to improve the legal risk awareness and internalize it into daily work behaviors so as to achieve law acknowledgment and compliance thereby minimizing the violation risk.

(3) Financial risk

A. Risk of changes in the interest rate: The Company evaluates the bank lending interest rate and keeps in touch with banks to seek more favorable interest rates.

B. Credit risk:

Credit risk is the risk of financial losses faced by the Company when the customer or the trading counterpart of financial instruments trade is unable to meet its contractual obligations. It is mainly from the Company's accounts receivables from customers, investments and guarantees. In order to mitigate the potential credit risk arising from receivables, the Company evaluates the possibility of recovering receivables and providing the loss provision regularly. The Company also reviews the customers' operational ability, payment records and financial position to mitigate the credit risk until it is acceptable.

Meanwhile, the Company's trading counterparts and performing parties are reputable banks and financial institutions and corporate organizations of investment grade and above with no significant performance concerns. Therefore, there is no significant credit risk.

C. Liquidity risk:

The Company monitors the liquidity risk on its own, and maintains the cash and available facility at the level which the management considers adequate, in order to cover the need of the Company's business activities and mitigate the effect posed by the fluctuation of cash flows. Generally, the Company ensures that it retains the balance in cash and available facility enough to cover the short-term expected operating expenses and repayment of financial liabilities.

D. Capital risk and hedging operation risk:

(a) The Company focuses on the management of its main business, and it does not engage in high-risk or high-leverage investment, loaning of funds to others, and derivative transactions based on the business principles of conservatism and steadiness.

(b) Endorsements/guarantees: Endorsements and guarantees of the Company are guarantees for land financing in the joint construction project for Ta Cheng Construction and the joint and several guarantees from businesses of the same trade for Yuan Cheng, which were implemented after being evaluated and resolved by the Board.

(4) Other risks

A. Environmental risk: The Company carries out GHG inventory to grasp the effects of carbon emissions during the course of operation on the environment, and verification by a third-party verification institution will be performed to allow the data obtained to serve as the basis for the promotion of carbon emission reduction work subsequently.

B. Disaster risk: Facing climate change and global warming, the Company is required to actively respond to the disaster risks brought by the deterioration of the climate and earthquake threats due to its inherent geographical environment. To reduce disaster risk and unsafe factors for buildings, such as the inability to ensure the safety and quality of structures due to worker and material shortages, the Company shall actively turn to systematic, automated, and eco-friendly directions to give equal consideration to labor, cost, and quality in the future so as to improve the safety and quality of buildings.

Six. Special remarks

I. Affiliated companies: None.

II. Private placement of securities in the most recent year and until the date of publication of the annual report: None.

III. Other supplementary information: None.

Seven. Any occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up till the date of publication of the annual report that significantly impacted shareholders' equity or security price: None.

TA CHENG REAL ESTATE CO.,LTD

Chairman of Board：Lai, Yuan-Chao