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BES ENGINEERING CORPORATION

ANNUAL REPORT 2024

DATE OF PUBLICATION: APRIL, 30, 2025

I. Name, Position Title, Contact Number and Email Address of the Spokesperson of the Company:

Spokesperson: Cheng, An-Tzu	Acting spokesperson: Su, Yu-Min
Title: Assistant general manager	Title: Manager
Phone number: (02) 8787-1273	Phone number: (02) 8787-6295
Email address: vivian.cheng@bes.com.tw	Email address: yumin.su@bes.com.tw

II. Address and Telephone Number of the Head Office, Branch Office and Factory:

Head office: 6th Floor, No. 12, Tunghsing Road, Songshan District, Taipei City, Taiwan ROC.

Phone number: (02) 8787-6687 (main line) Fax number: (02) 8787-6987

III. Name, Address, Website and Telephone Number of the Stock Transfer Agent:

Name: Stock Affairs Department of the President Securities Corp.

Address: B1 No. 8 Tunghsing Road, Songshan District, Taipei City

Website: <https://www.pscnet.com.tw> Phone: (02) 2746-3797

IV. Name, Accountancy Firm, Address, Website and the Telephone Number of the Certified Public Accountants of the Latest Annual Financial Report:

Name: Huang, Yao-Lin and Chou, Shih-Chieh

Accountancy firm: Deloitte & Touche

Address: 20th Floor, No. 100, Songren Road, Xinyi District, Taipei City (110)

Website: <http://www.deloitte.com.tw> Phone: (02) 2725-9988

V. Overseas Securities: None

VI. Company Website: <https://www.bes.com.tw>

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One. Letter to Shareholders

Dear Shareholders,

The Company adheres to the core principles of "stable operation, innovation and refinement, digital transformation, and sustainable development", pays attention to the development of market and technology trends, adjusts strategies flexibly, and builds a forward-looking and resilient business model.

In the past year, the Company has focused on the four major areas of "public construction", "private construction", "real estate business" and "overseas business", implemented the integration of vertical supply chain and horizontal professional resources, and actively improved project quality and cost-effectiveness. In support of the government's infrastructure and urban renewal policies, the Company has participated in a number of transportation, water environment, and energy engineering projects to expand market competitiveness.

In terms of smart construction, the Company uses BIM, smart decision-making platforms, data analysis, and AIoT site monitoring technologies to enhance engineering efficiency and decision-making accuracy; at the same time, it invests in smart green building R&D to develop low-carbon building materials and energy-saving construction methods to provide solutions in line with sustainable trends building solutions.

The Company continues to deepen the ESG (environment, society, and corporate governance) philosophy, and uses technology and management to improve competitiveness and profitability, create long-term value for shareholders, customers, employees and the society, and build a sustainable future.

I. 2024 Business results

Amid increasing uncertainties in the global economic and industrial environment, the Company has continued to demonstrate steady growth momentum by leveraging its extensive engineering experience, outstanding technology, and ongoing optimization of project execution efficiency. In 2024, the Company achieved consolidated operating revenue of NT\$23.847 billion and a net profit after tax of NT\$724 million.

In 2024, the Company was awarded several major projects, including the Tainan Desalination Plant Turnkey Project (Phase 1) along with operation and maintenance services, with a contract value of NT\$9.015 billion; the 345kV Gangfeng-Zhongke and Hengshan-Zhongke cable shield tunnel and associated electromechanical turnkey project (Section 1), with a contract value of NT\$8.221 billion; and the urban renewal and reconstruction turnkey project of the Formosa Plastics Building, with a contract value of NT\$23.079 billion.

II. 2025 Business Plan

Given the ongoing changes in the global political and economic landscape, the construction industry is facing complex and volatile market challenges.

The Company has established four major development goals: "expanding engineering contracts, strengthening technical competitiveness, promoting digital transformation, and deepening sustainable development", and actively promotes the layout and growth of each business field. The following describes the development plans of each profit center:

(I) Public construction business: Deepen national development and enhance engineering competitiveness

The Company continues to undertake major government infrastructure projects and high-tech engineering, including those in rail, water environment, urban construction, and green energy. We aim to strengthen our technical capabilities, deepen the application of smart construction, and enhance execution efficiency through data analysis. By improving project quality and performance, we strive to contribute long-term value to the nation's infrastructure.

(II) Private construction business: Digital upgrades to enhance building quality

To enhance construction quality and efficiency, the Company actively incorporates intelligent building technologies and innovative construction methods. By leveraging BIM (Building Information Management), we integrate data across the entire building lifecycle to optimize planning and processes. Additionally, we have implemented an intelligent site management system to strengthen construction quality and safety monitoring. We also promote the use of aluminum formwork, modular construction methods, and building automation technologies to improve project quality and completion efficiency. The

Company continues to recruit overseas workers significantly to reduce the manpower gap; at the same time, the electronic shift system is used to train multi-skilled workers to ensure the smooth progress of the project.

In terms of construction progress, BES EcoTech Industrial Park launched the curtain wall project in the first quarter of 2024 and completed the grouting for the upper structure in the second quarter. The urban renewal project "Bi Yen Ge" in the Mingsheng community aims to obtain the occupancy permit by June 2025. The "Ming Sen Yuan" project is expected to complete the structural work in the first quarter of 2026. The Nangang urban renewal project is anticipated to begin diaphragm wall construction in the second quarter of 2025. The Formosa Plastics urban renewal project is expected to complete the demolition of the above-ground structure by December 2025.

(III) Real estate business: Accurate development layout to promote low-carbon and sustainable buildings

In the face of market changes and sustainable development trends, the Company focuses on urban renewal, optimizes development strategies, improves the efficiency of resource allocation, and reduces early capital pressure. In the future, the Company will continue to strengthen digital transformation and the application of low-carbon technologies. Through precise planning and flexible operations model to enhance the value of buildings.

In addition, global AI and high-performance computing technologies promote the growth of the semiconductor and server industries and drive the demand for industrial real estate. The Company flexibly responds to market changes and strives for opportunities in the development of industrial parks, and makes full use of the 166 hectares of land to be developed in the Changhua Coastal Industrial Park. Enterprises need to create customized industrial land, and the pre-registration system provides flexible options to enhance their competitiveness in investment promotion and land development benefits. In the future, the company will promote the "development - investment attraction - financial management" 3-in-1 model to optimize the use of capital and ensure the steady progress of project development.

(IV) Overseas business: Cultivating the market and expanding strategic cooperation

Vietnam's real estate market has been hampered by tightening regulations, pandemic and credit tightening in recent years. However, the Sino-US trade war has prompted Chinese manufacturers to relocate to Vietnam, injecting funds to alleviate the shortage problem, coupled with the shrinking bond market and falling interest rates, which promote the market recovery.

The Company adheres to stable operations, actively seeks for breakthroughs, conducts in-depth evaluation of potential projects, pays close attention to changes in laws and regulations and credit policies, and works with influential developers to promote large-scale projects, in order to promote the long-term development of the Vietnam market with controllable risks.

In 2025, the Company has continued to cultivate public construction, expand private construction and real estate businesses, and carefully evaluate overseas development opportunities to strengthen market layout and competitiveness; in terms of operation management, iterative and optimized operating quality. In the face of changes and challenges in the market, we will balance our prudent operation with flexibility, and accurately adjust our development strategies to ensure the steady growth of the company.

Sincerely yours,

To you and your family's health and prosperity!

Chairperson Chou Chih-Ming

Two. Corporate Governance Report

I. Information for directors, supervisors, general manager, deputy general managers, associate managers and supervisors of all departments and branch organization.

(I) Profile of directors and supervisors:

March 30, 2025

Title	Nationality and place of registration	Name	Gender Age	Elected Date	Term	Date of first elected	Shares held when elected		Shares currently holding		Shares held by spouse and minors		Shares held in the name of others		Experience (Education)	Current Positions held in the Company and other companies	Executives, directors, or supervisors who are spouses or relatives within the 2 nd degree of kinship			Note
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
Chairman (27 th)	Republic of China	Yang Jen Co., Ltd. Representative: CHOU, CHIH-MING (took office on September 16, 2022)	Male / (71~80)	June 07, 2023	3 years	June 23, 2020	466,000	0.0304%	466,000	0.0304%	None	None	None	None	Director and General Manager of Maqi group leisure and comprehensive amusement; Chairman of Bulaosong Recreation Co., Ltd.; Chairman of Tang Cheng Construction Company; Director of reRUBBER in California, USA; Chairman of the Board of Supervisors, Taipei Guangzhao Temple	Also served concurrently in the company as: Chairperson, Agent General Manager and CEO and chief information security officer, member of the Sustainable Development Committee	None	None	None	-
Director (27 th)	Republic of China	Formostar Factory Co., Ltd. Representative: TSAI, CHAO-LUN	Male / (71~80)	June 07, 2023	3 years	June 17, 2005	218,991	0.0143%	210,991	0.0138%	None	None	None	None	Chairman of Formostar Garment Co. Ltd; Director of Shen Yi Co., Ltd; Supervisor FreshDelight Co., Ltd	Also serves concurrently as: None ° Hairman of Formostar Garment Co. Ltd	None	None	None	-
Director (27 th)	Republic of China	Chang Li Co., Ltd. Representative: LIOU, LIANG-HAI	Male / (61-70)	June 07, 2023	3 years	March 15, 2010	1,500,000	0.0980%	1,500,000	0.0980%	None	None	None	None	Board Chairperson of Enterprise Bank of Hualien	Also serves concurrently as: none. Chairperson of Chao Feng Financial Advisory Services Co. Ltd.	None	None	None	-

Title	Nationality and place of registration	Name	Gender Age	Elected Date	Term	Date of first elected	Shares held when elected		Shares currently holding		Shares held by spouse and minors		Shares held in the name of others		Experience (Education)	Current Positions held in the Company and other companies	Executives, directors, or supervisors who are spouses or relatives within the 2 nd degree of kinship			Note
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
Director (27 th)	Republic of China	China Petrochemical Development Corporation Representative: CHEN RUI-LONG	Male / (71~80)	June 07,2023	3 years	June 07,2011	164,348,449	10.7354%	164,348,449	10.7354%	None 0	None 0	None 0	None 0	Department of Economics, Chung Hsing University Minister of Economy	Also serves concurrently as: none. Chairperson of China Petrochemical Development Corporation (CPDC)	None	None	None	-
Director (27 th)	Republic of China	Ten King Investment Co., Ltd. Representative: CHEN, WEN-KE	Male / (71~80)	June 07,2023	3 years	January 25,2016	12,179,632	0.7956%	12,179,632	0.7956%	None 0	None 0	None 0	None 0	Engineering and Development Manager, Taiwan Land Development Corporation Senior Specialist Taiwan Land Development Corporation, concurring Director of Information Chief Architect, Wang, Jia-Yu Architect's Firm Chief Architect, Chen, Wen-ke Architect's Firm	Also serves concurrently as: none. Architect of Tian-He Construction Co., Ltd.	None	None	None	Resigned on 2024.05.30
Director (27 th)	Republic of China	Ten King Investment Co., Ltd. Representative: BAIJUN-NAN	Male / (71~80)	June 07,2023	3 years	November 01,2011	12,179,632	0.7956%	12,179,632	0.7956%	None 0	None 0	None 0	None 0	General Manager of BES Engineering Corporation; Chairperson of Core Pacific Securities Investment Trust Co., Ltd	Also served concurrently in the company as: Chairperson of China Petrochemical Development Corporation	None	None	None	-
Independent director (27 th)	Republic of China	LIU, DENG-CHENG	Male (71~80)	June 07,2023	3 years	June 07,2023	0	0	0	0	0	0	0	0	Chairman, Taiwan Financial Holdings Co., Ltd and Bank of Taiwan; Chairman, Hua Nan Financial Holdings Co., Ltd. and Hua Nan Commercial Bank, Ltd.; Chairman, National Credit Card Center of R.O.C.	Also serves concurrently as member of the Remuneration Committee, Audit Committee and Sustainable Development Committee.	None	None	None	-

Title	Nationality and place of registration	Name	Gender Age	Elected Date	Term	Date of first elected	Shares held when elected		Shares currently holding		Shares held by spouse and minors		Shares held in the name of others		Experience (Education)	Current Positions held in the Company and other companies	Executives, directors, or supervisors who are spouses or relatives within the 2 nd degree of kinship			Note
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
Independent director (27 th)	Republic of China	KO, SHU-JEN	Male / (61~70)	June 07,2023	3 years	June 17,2014	0	0	0	0	0	0	0	0	Director of Taiwan Land Development Corporation Assistant Professor of Shih Hsin University; Chairperson of Mama Bear E-commerce Company	Also serves concurrently as: member of the Remuneration Committee and Audit Committee. Chairman, Chinese IPTV Channel Operators Association; Adjunct Professor, Shih Hsin University	None	None	None	-
Independent director (27 th)	Republic of China	CHANG FAN	Male / (61~70)	June 07,2023	3 years	June 21,2017	0	0	0	0	0	0	0	0	Deputy Director-General, National Property Bureau, MOF; Urban-Rural Development Bureau, New Taipei City Government; Deputy Minister, MOF	Also serves concurrently as: member of the Audit Committee, Remuneration Committee and Sustainable Development Committee. Curriculum Professor, Department of Public Finance and Taxation and Real Estate Investment and Management Diplomat; Vice Chairman of Eastern Broadcasting Co., Ltd. Chairperson of Hanxiang Development Co., Ltd	None	None	None	-
Independent director (27 th)	Republic of China	PAN, WEI-GANG	Female / (61-70)	May 31,2024	2 years	May 31,2024	0	0	0	0	0	0	0	0	PhD, Institute of Three Principles of the People, National Taiwan Normal University Former Taipei City Councilor Former Member of the Legislative Yuan Director of Soroptimist International	Also serves concurrently as: member of the Audit Committee. Chairman of Grand Biotechnology Co., Ltd. Chairman of the Modern Women's Foundation Independent Director of Sinkang Industries Co., Ltd. Independent Director of Cathay Securities Corporation	None	None	None	-

Form I: Major shareholders of a juridical person shareholder

March 30, 2025

Juridical Person Shareholder	Major shareholders of the Juridical person shareholders
Yang Jen Co., Ltd.	Yu Jian-Song 40.00%; Zheng Li-Fen 20.00%; Fan Fang-Ming 20.00%; Chang Li Co., Ltd. 20.00%
Formostar Garment Co., Ltd.	Tsai Chao Lun 26.82%; Tsai Mei-Tzu 11.46%; Tsai Tsung-Heng 12.50%; Tung Ko-Shen 8.69%; Tsai Chao-Heng 10.92%; Frieman (Cayman)Co., Ltd, British West Indies 6.23%; Tsai Tsung-I 10.53%; Tsai Yuan -Yi 7.07%; Tsai Hui-Wen 3.33%; Tsai Hsin-Tien 1.86%
Chang Li Co., Ltd.	Liu Yun-Chih 35.00%; Wu Tsung-Hsun 30.00%; Yang Jen Co., Ltd. 20.00%; GAU, SHAN-GANG Co., Ltd 15.00%
China Petrochemical Development Corporation	BES Engineering Corporation 4.84%; Chao-Shun Hong 2.26%; Core Pacific Co., Ltd. 1.43%; Vanguard Total International Stock Index Fund, a Series of Vanguard Star Funds 1.36%; Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds 1.21%; Core Pacific-Yamaichi International (HK) Limited-Client A/C 0.84%; Core Pacific World Corporation 0.81%; Ming-Da Lin 0.72%; Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II 0.71%; Polunin Developing Countries Fund, LLC 0.58%
Ten King Investment Co., Ltd.	Glory Construction Co., Ltd. 21.42%; KAO KING INVESTMENT CO., LTD. 20.74%; Core Pacific Co., Ltd. 18.88%; CHAMP ENTERPRISE CO., LTD. 10.89%; CORE PACIFIC ELECTRONICS CO., LTD. 10.53%

Form II: Form I indicates the major shareholders of a juridical person shareholder that is a major shareholder of the Company

March 30, 2025

Name of Juridical Person Shareholder	Major shareholder of a Juridical Shareholder
Frieman (Cayman) Co., Ltd., British West Indies	Stuart Wang 100%
BES Engineering Corporation	China Petrochemical Development Corporation (CPDC) 10.74%; Lin, Wen-Yang 1.82%; JP Morgan Advanced Starlight Advanced Comprehensive International Stock Index 1.22%; JP Morgan Chase Bank N. A. Taipei Branch in Custody for Vanguard Emerging Market Stock Index Fund, a Series of Vanguard Equity Index Funds 1.16%; Standard Chartered in Custody for iShares Emerging Markets ETF 0.92%; Sheen Chuen-Chi Cultural and Educational Foundation 0.84%; Ten King Investment Co., Ltd. 0.80%; HSBC Custodian Account for Mitsubishi UFJ Morgan Stanley Securities Trading 0.75%; JPMorgan Chase Bank Custodian Account for Advanced Stock Index II Investment 0.64%; JPMorgan (U.S.) Custodian Account for JPMorgan Securities Ltd. Investment 0.57%
Core Pacific Co., Ltd	Yang Jen Co., Ltd. 17.61%; GAU, SHAN-GANG Co., Ltd. 16.23%; PREMIER CAPITAL CO., LTD. 11.16%; TAIWAN TONY ENTERPRISE CO., LTD. 9.29%; Tang, Lin-Mei 9.11%; CORE PACIFIC ELECTRONICS CO., LTD. 7.74%; TONY INVESTMENT CO., LTD. 6.82%; Glory Construction Co., Ltd. 6.67%; Chang, Tung-An 5.56%; EXCELLENCE INVESTMENT CO., LTD. 4.00%
Core Pacific World Co., Ltd.	BES Engineering Corporation 99.96%
Glory Construction Co., Ltd.	KING'S CONSTRUCTION CO., LTD. 24.17%; Ten King Investment Co., Ltd. 17.42%; CORE PACIFIC ELECTRONICS CO., LTD. 15.15%; TAIWAN TONY ENTERPRISE CO., LTD. 15.15%; Yao, Zhe-Sheng 6.06%; JING HUA DEPARTMENT CO., LTD. 5.05%; Core Pacific Co., Ltd. 4.29%; Jen Huei Enterprise Co., Ltd. 2.53%; C.P. LEASING CO., LTD. 2.53%; KING'S WEALTH INVESTMENT CO., LTD. 2.53%; Chang, Tung-An 2.53%; JING HUA SUPERMARKET CO., LTD. 2.53%
KAO KING INVESTMENT CO., LTD.	Golden Wheel Co., Ltd. 27.17%; C.P. LEASING CO., LTD. 15.58%; KING'S CONSTRUCTION CO., LTD. 14.44%; CHAMP ENTERPRISE CO., LTD. 10.68%; CORE PACIFIC ELECTRONICS CO., LTD. 10.03%; Glory Construction Co., Ltd. 7.78%; GAU, SHAN-GANG Co., Ltd. 5.01%; TAIWAN TONY ENTERPRISE CO., LTD. 4.19%; PAN UNIVERSAL CO., LTD. 4.09%; TONY INVESTMENT CO., LTD. 1.03%
CHAMP ENTERPRISE CO., LTD.	Frank Lu Co., Ltd. 29.59%; C.P. LEASING CO., LTD. 17.52%; Cheng, Chao-Wen 9.73%; Glory Construction Co., Ltd. 9.00%; Wu, Chun-Feng 7.95%; Ten King Investment Co., Ltd. 7.95%; Wu, Chin-Jung 7.95%; Tang, Lin-Mei 5.16%; Zhang, Zhi-Cheng 5.15%
CORE PACIFIC ELECTRONICS CO., LTD.	TAIWAN TONY ENTERPRISE CO., LTD. 14.67%; Wu, Hsiang 14.67%; KING'S CONSTRUCTION CO., LTD. 14.40%; CHING CHENG CO., LTD. 9.76%; Glory Construction Co., Ltd. 9.07%; CHAMP ENTERPRISE CO., LTD. 8.95%; Tontech International Co., Ltd. 8.14%; FU SHING REAL ESTATE CO., LTD. 8.13%; TONY INVESTMENT CO., LTD. 3.41%; Fan, Chen-Chun 3.21%
GAU, SHAN-GANG Co., Ltd.	Chang Li Co., Ltd. 50.00%; Cheng, Li-Fen 30.00%; Wu, Tsung-Hsun 20.00%

Information of Directors and Supervisors (2)

(1) Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors :

Qualifications Name	Professional qualifications and experience	Independence Criteria	Number of other companies served concurrently as an independent director
Yang Jen Industrial Co., Ltd. Chou, Chih-Ming	Director Chen Rui-Long has served as the Director and General Manager of Maqi group leisure and comprehensive amusement; Chairman of Bulaosong Recreation Co., Ltd.; Chairman of Tang Cheng Construction Company; Director of reRUBBER in California, USA; Chairman of the Board of Supervisors, Taipei Guangzhao Temple. Lead the company to continue to grow and create good benefits, and does not have the provisions of Article 30 of the Company Law.	Chairman Chou Chih-Ming did not have any of the situations specified in Article 3, Paragraph 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0
Formostar Garment Co. Ltd Tsai, Chao-Lun	Director Tsai Chao-Lun is currently the chairman of Fuxing Garment Factory Co., Ltd. He has the expertise and experience required for business management and the development of the company. And does not have the provisions of Article 30 of the Company Law.	Director Tsai Chao-Lun did not have any of the situations specified in Article 3, Item 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0
Chang Li Co., Ltd. Liou, Liang-Hai	Director Chen Liou Liang-Hai is currently the chairman of Mega International Financial Consulting Co., Ltd. He used to be the chairman of Hualien SME Bank. He has professional knowledge and background in finance, accounting and corporate governance. And does not have the provisions of Article 30 of the Company Law.	Director Liou Liang-Hai did not have any of the situations specified in Article 3, Item 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0
China Petrochemical Development Corporation (CPDC) Chen, Rui-Long	Director Chen Rui-Long has served as the chairman of the Information Industry Policy Promotion Association of the Consortium, the Chairman of the Business Development Research Institute of the Consortium, the Minister of the Ministry of Economic Affairs, the Deputy Minister of State Affairs of the Ministry of Economic Affairs, the Executive Deputy Minister of the Ministry of Economic Affairs, and the Director of the International Trade Bureau of the Ministry of Economic Affairs. The expertise and experience required for company development. And does not have the provisions of Article 30 of the Company Law.	Director Chen Rui-Long did not have any of the situations specified in Article 3, Item 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0

Qualifications Name	Professional qualifications and experience	Independence Criteria	Number of other companies served concurrently as an independent director
Ten King Investment Co., Ltd. Chen, Wen-Ke (Discharged on 2024.05.30)	Director Chen Wen-Ke is currently the chief architect of Chen Wenke Architects. He used to be the manager of the engineering development department of Taiwan Land Development Corporation, a special member and information director of Taiwan Land Development Corporation, and the chief architect of Wang Jiayu Architects. Develop the required expertise and experience. And does not have the provisions of Article 30 of the Company Law.	Director Chen Wen-Ke did not have any of the situations specified in Article 3, Item 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0
Ten King Investment Co., Ltd. Bai, Jun-Nan	Director Bai Jun-Nan is currently the vice chairperson of China Petrochemical Development Co., Ltd. He used to be the general manager of BES Engineering Co., Ltd, the chairman of Jinghua Securities Investment Trust Co., the deputy general manager of Bank of Communications, a special member of the Economic Construction Committee of the Executive Yuan, and the vice chairman of China Engineering Co., Ltd. Develop the required expertise and experience. And does not have the provisions of Article 30 of the Company Law.	Director Bai Jun-Nan did not have any of the situations specified in Article 3, Item 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".	0
Liu, Deng-Cheng	Independent Director Deng Cheng has served as Chairman of National Credit Card Center of R.O.C., Chairman of Hua Nan Financial Holdings Co., Ltd. and Hua Nan Commercial Bank, Ltd., Chairman of Taiwan Financial Holdings Co., Ltd and Bank of Taiwan, etc. He has professional knowledge and background in finance, legal and corporate governance. Not a person of any conditions defined by the provisions of Article 30 of the Company Act.	Independent Director Liu, Deng-Cheng, did not have the circumstances described in Article 3, Paragraph 1, Sub-paragraph 1 and Sub-paragraph 6 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and he, his spouse and relatives within 2nd degree of kinship do not serve as directors The directors of the Company or its affiliates and the number and weight of the shares of the Company (the shares are not held in the name of others).	2

Qualifications Name	Professional qualifications and experience	Independence Criteria	Number of other companies served concurrently as an independent director
Ko, Shu-Jen	Independent Director Ko, Shu-Jen is currently the chairman of Chinese IPTV Channel Association, adjunct professor of Shih Hsin University. He used to be the chairman of Mama Bear E-commerce Company, has the expertise and experience required for business management and the development of the company. And does not have the provisions of Article 30 of the Company Law.	Independent Director Ko, Shu-Jen did not have any of the situations specified in Article 3, Item 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed"., and that he, his spouse, and relatives within the second degree do not serve as directors of the company or its affiliated companies and hold the number and proportion of the company's shares (and do not hold them in the name of others).	1
Chang, Fan	Independent Director Chang Fan is currently the Vice Chairman of Dongsen TV Co., Ltd., Professor of Private Deming University of Finance and Economics, chairman of Han Xiang Development Co., Ltd. He used to be the Deputy Minister of Finance of the Executive Yuan, Director of the Urban and Rural Development Bureau of the New Taipei City Government, has the expertise and experience required for business management and the development of the company. And does not have the provisions of Article 30 of the Company Law.	Independent Director Chang Fan did not have any of the situations specified in Article 3, Item 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed"., and that he, his spouse, and relatives within the second degree do not serve as directors of the company or its affiliated companies and hold the number and proportion of the company's shares (and do not hold them in the name of others).	0
Pan, Wei-Gang (Inaugurated on 2024.05.31)	Independent Director Pan is currently the Chairman of Grand Biotechnology Co., Ltd., Chairman of the Modern Women's Foundation, Independent Director of Sinkang Industries Co., Ltd., and Independent Director of Cathay Securities Corporation. She previously served as a Taipei City Councilor, Legislator, and Director of the International Inner Wheel. She possesses professional expertise and experience in business management and areas aligned with the Company's development needs. And does not have the provisions of Article 30 of the Company Law.	Independent Director Pan, Wei-Gang did not have any of the situations specified in Article 3, Item 1, Subparagraphs 1 and 6 of the "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed"., and that he, his spouse, and relatives within the second degree do not serve as directors of the company or its affiliated companies and hold the number and proportion of the company's shares (and do not hold them in the name of others).	2

(2) The Diversity and Independence of Board of Directors :

(I) Diversity of the board of directors:

In order to enable the board of directors to achieve the aforementioned goals and enhance its effectiveness, the company has formulated a policy on diversity of board members. According to Article 20, paragraph 3, of the "Code of Practice on Corporate Governance", the composition of the board of directors should consider diversity, except for directors who are also managers of the company. It should not exceed one-third of the number of directors, and formulate an appropriate diversification policy based on its own operation, operation type and development needs. It should include but not limited to the following two standards:

1. Basic conditions and values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The company currently has 9 members of the board of directors, including 4 independent directors, whose professional fields cover financial accounting, law, engineering and construction and industrial knowledge, etc. They have gained a lot of experience in management and focus on gender equality of board members. In order to enhance the diversity of directors, the target for the number of female Directors is at least 1 at this stage. The Company has re-elected 1 female independent director in 2024.

In addition, members of the board of directors shall generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following capabilities:

1. Operational judgment ability
2. Accounting and financial analysis skills
3. Management ability
4. Crisis handling capacity
5. Industry knowledge
6. International Market View
7. Leadership
8. Decision-making skills

The company's implementation is as follows:

Name Of	Diversified Core Projects	Basic Component							Industry Experience					Professional Ability						
		gender	also employed by the company	Age				Tenure of Directors		Bank	Public Relationship	Media	Traditional Industries	Technology and New Ventures	Business Management	Leadership Decision-making	Industry Knowledge	Financial Accounting	Law	Engineering and Construction
				51~60	61~70	71~80	81~90	Under 3 years	3 to 9 years											
CHOU, CHIH-MING		Male	▲ (Acting General Manager)			▲		▲				▲		▲	▲	▲	▲			
BAI, JUN-NAN		Male			▲			▲	▲				▲	▲	▲	▲	▲	▲		
CHEN, RUI-LONG		Male			▲			▲		▲		▲	▲	▲	▲	▲	▲			
TSAI, CHAO-LUN		Male			▲			▲				▲		▲	▲	▲	▲			
LIU, LIANG -HAI		Male		▲				▲	▲					▲	▲	▲	▲			
KO, SHU-JEN		Male		▲				▲		▲				▲	▲	▲				
CHANG, FAN		Male		▲			▲		▲					▲	▲	▲	▲			
LIU, DENG-CHENG		Male			▲		▲		▲					▲	▲	▲	▲	▲		
PAN, WEI-GANG		Female		▲			▲			▲		▲		▲	▲					

(II) independence of the board of directors:

The company has a total of 9 directors (including 4 independent directors), and none of the directors has a spouse or a relative relationship within the second degree, which complies with Article 26-3, Item 3 of the Securities Exchange Law. The provisions of Paragraph 4. In addition, in order to ensure the independence of the operation of the board of directors, the company stipulates in the first item of Article 15 of the board of directors' rules of procedure that directors who have an interest in the meeting matters with themselves or the legal person they represent should explain their interests at the current board meeting. If the important content is harmful to the interests of the company, it shall not be included in the discussion and voting, and shall be avoided during the discussion and voting, and shall not exercise its voting rights on behalf of other directors. All directors of the company have complied with the above-mentioned regulations, and have fully ensured that the discussion and voting on each proposal are based on the objective and independent judgment of the directors.

(II) Information for general manager, deputy general manager, associate managers and supervisors of all departments and branch organization.

March 30, 2025

Position title (Note 1)	Nationality	Name	Gender	Appointed (on board) date	Holding shares		Shares holding by spouse and minor children		Shares holding in the name of others		Main experience and education background (Note 2)	Concurrently served as the position of other companies	Manager who has a relationship with a related party of spouse or level two relationship			Note (Note 3)
					Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio			Position title	Name	Relatio nship	
Chairman (and Agent General Manager)	Republic of China	CHUO, CHIH-MING	Male	2022.09.16	-	-	-	-	-	-	Chairman of the Company Representative of Yang Jen Co., Ltd. Director and President of Machi Garden Recreation and Amusement Park Chairman of Bulaosong Recreation Enterprise Chairman of Tangcheng Construction Co., Ltd. Director of reRUBBER California, U.S.A. Chairperson of Supervisory Board of Taipei Guangzhao Temple Department of Accounting, National Chung Hsing University	Chairperson, CEO and chief information security officer Director of Core Pacific World Corporation Director of Huading Enterprise Co., Ltd. Director of BESM Holding Co., Ltd. Director of BES Investment Company Ltd. Director of Chinese City International Investment Co., Ltd. Director of Chinese City Development Co., Ltd. Director of BES Logistics International Co., Ltd. Director of Global BES Engineering (Myanmar) Co., Ltd. Director of BES Engineering Vietnam Company Limited	None	None	None	The general manager will be hired separately
Deputy general manager	Republic of China	YANG MEI-YUAN	Female	2014.07.31	28	0.00%	-	-	-	-	Deputy General Manager and Associate Manager of the Company Master of Construction Engineering and Management, Department of Civil Engineering, National Taiwan University	Director of Taiwan Mechanical and Electrical Engineering Service Association Director of Coreasia Human Resource Management Corporation Director of Chung Kung Safeguarding and Security Corp. Director of BES Engineering Vietnam Company Limited	None	None	None	-

Position title (Note 1)	Nationality	Name	Gender	Appointed (on board) date	Holding shares		Shares holding by spouse and minor children		Shares holding in the name of others		Main experience and education background (Note 2)	Concurrently served as the position of other companies	Manager who has a relationship with a related party of spouse or level two relationship			Note (Note 3)
					Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio			Position title	Name	Relationship	
Deputy general manager (Note 4)	Republic of China	WANG, TING-TSE	Male	2021.01.01	-	-	-	-	-	-	Associate manager, Deputy director and manager of the company Master of Construction Engineering and Management, Department of Civil Engineering, National Taiwan University	None	None	None	None	-
Special assistant (Note 4)	Republic of China	YANG, CHIA-CHUN	Male	2021.11.12	-	-	-	-	-	-	Special Assistant of the Company General Counsel of Core Pacific Group Counselor, Ministry of the Interior Director-General and Deputy Director-General, National Immigration Agency, Ministry of the Interior Head of Planning, Mainland Affairs Council and Deputy Secretary-General, Straits Exchange Foundation Master of College of Law, University of Iowa	None	None	None	None	-
Associate Manager	Republic of China	LIAO, SHU-LIANG	Male	2015.03.30	7,916	0.00%	-	-	-	-	Associate manager of the company Department of Civil Engineering, National Taiwan University	None	None	None	None	-
Associate Manager	Republic of China	CHENG, AN-TZU	Female	2016.01.11	-	-	-	-	-	-	Associate manager of the company Taiwan Wenhua Oriental Apartment Building Maintenance Management Co., Ltd. Director of Wenhuyuan Master of Advertising Department, National Chengchi University	Director of Chung Kung Safeguarding and Security Corp.	None	None	None	-
Associate Manager (Note 4)	Republic of China	SU, BAI-CHENG-	Male	2021.11.01	-	-	-	-	-	-	Associate manager of the company Manager, Far Eastone Telecommunications Co., Ltd. MBA, University College London	None	None	None	None	-
Associate Manager (Note 4)	Republic of China	HUANG, TING-CHIEN	Male	2021.07.15	-	-	-	-	-	-	Associate manager of the company Director of Honghui Engineering Center Manager of the Drawing and Management Department, Jaysanlyn Construction Co., Ltd. Construction Engineering and Management, Department of Civil Engineering, National Taiwan University Master	None	None	None	None	-
Associate Manager	Republic of China	KE, DENG-YAO	Male	2022.12.26	-	-	-	-	-	-	Associate Manager of the Company Associate Manager of Core Pacific Development Corporation Special Assistant to President, Jean Co., Ltd. President of Furen Group Fuyu Investment (Beijing) Co., Ltd. PD of Puren Group China Master, Graduate Institute of Construction Management, Chung Hua University	None	None	None	None	-

Position title (Note 1)	Nationality	Name	Gender	Appointed (on board) date	Holding shares		Shares holding by spouse and minor children		Shares holding in the name of others		Main experience and education background (Note 2)	Concurrently served as the position of other companies	Manager who has a relationship with a related party of spouse or level two relationship			Note (Note 3)
					Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio			Position title	Name	Relationship	
Acting director	Republic of China	WENG REN-JI	Male	2023.01.01	-	-	-	-	-	-	Senior Director and Deputy Director of the Company Civil Engineering of Public Works Department, China University of Technology	None	None	None	None	-
Deirector	Republic of China	LIN, HSU-CHUAN	Male	2021.04.07	-	-	-	-	-	-	Director of the Company Chief Information Officer (CIO), GEOSAT Aerospace & Technology Inc. President of the Taiwan Software Team, on the side of CIO, Koi Tak Software Technology Group Company Limited -isBIM EMBA, Graduate Institute of Management, National Taiwan University of Science and Technology	None	None	None	None	-
Manager	Republic of China	CHIU, YUNG-TSAI	Male	2018.01.01	20,000	0.00%	-	-	-	-	Manager of the company Department of Civil Engineering, Tamkang University	Director of Chung Kung Safeguarding and Security Corp. Director of Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd.	None	None	None	-
Manager	Republic of China	LI, CHEN-MING	Male	2017.06.22	422	0.00%	-	-	-	-	Manager of the company Master of Economics, Chinese Culture University	None	None	None	None	-
Manager	Republic of China	SU, YU-MIN	Male	2011.09.01	-	-	-	-	-	-	Manager of the company Accounting and Statistics Division, Tamsui Institute of Business Administration	Supervisor of Coreasia Human Resource Management Corporation	None	None	None	-
Manager	Republic of China	YU, CHEN-ERH	Male	2016.06.01	-	-	-	-	-	-	Manager of the company Architect of YH City Regeneration Co., Ltd. Master of Architecture, Chung Yuan Christian University	None	None	None	None	-
Manager	Republic of China	WANG, GUO-XI	Male	2020.01.01	9,014	0.00%	-	-	-	-	Manager of the company, senior director Department of Civil Engineering, China Institute of Technology	None	None	None	None	-
Manager	Republic of China	CHI, YUN-CHONG	Male	2021.07.15	6,142	0.00%	-	-	-	-	Manager, Project Manager, Director of the Company Master of Environmental Science and Engineering, National Pingtung University of Science and Technology	None	None	None	None	-
Manager	Republic of China	LI, WEI-TENG	Male	2022.03.07	-	-	-	-	-	-	Manager and Project manager of the Company Assistant Manager of Jaysanlyn Real Estate & Advertising Co. Saddleback College Architecture	None	None	None	None	-

Position title (Note 1)	Nationality	Name	Gender	Appointed (on board) date	Holding shares		Shares holding by spouse and minor children		Shares holding in the name of others		Main experience and education background (Note 2)	Concurrently served as the position of other companies	Manager who has a relationship with a related party of spouse or level two relationship			Note (Note 3)
					Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio			Position title	Name	Relationship	
Manager	Republic of China	SU, LI-MEI	Female	2022.03.15	-	-	-	-	-	-	Manager and Project manager of the Company Master of Construction Management Group, Department of Civil Engineering, National Central University	None	None	None	None	-
Manager	Republic of China	LIN, YU-FENG	Male	2022.11.07	-	-	-	-	-	-	Manager of the Company Assistant Vice President of Sales Department, Baoying Advertisement Co., Ltd. Sales Assistant Manager of Shanghui Construction Co., Ltd. Project Manager of Qinyuan Advertisement Co., Ltd. Department of Business Administration, China University of Technology	None	None	None	None	-
Acting department head (Note 5)	Republic of China	HUANG, XIAN-QIN	Male	2021.11.01	-	-	-	-	-	-	Project manager of the Company (Acting department manager) Assistant Manager, Operation Department of Rixiang Leasing Industrial Co., Ltd. under the Radium Life Tech Co., Ltd Department of Civil Engineering, Central University	None	None	None	None	-
Deirector (Note 6)	Republic of China	HSIEH, CHIH-CHIEN	Male	2023/09/01	-	-	-	-	-	-	Division Manager of the Company Deputy general manager of BOSS Industrial General Manager of TRC International Trade Deputy General Manager of Land Development Execution of Vietnam SHUN FA Department of Economics, Soochow University Master of Business Administration, National Chung Cheng University	None	None	None	None	-
Special Assistant (Note 4)	Republic of China	ZHOU, ZHI-CHENG	Male	2023/09/01	-	-	-	-	-	-	The company's special assistant cum Information Department and Audio-Visual Command Center Supervisor. Chairman's Special Assistant of RD&D Cold Logistic Co., Ltd. Assistant Manager, Office of the General Manager of TungThih Electronic Co., Ltd. Chief Information Officer (CIO) of New Focus Auto Tech Holdings Ltd. Department of Computer Science and Information Engineering, Chung Yuan Christian University Master of Science in Management Information Systems at Pittsburg State University	None	None	None	None	-

Position title (Note 1)	Nationality	Name	Gender	Appointed (on board) date	Holding shares		Shares holding by spouse and minor children		Shares holding in the name of others		Main experience and education background (Note 2)	Concurrently served as the position of other companies	Manager who has a relationship with a related party of spouse or level two relationship			Note (Note 3)
					Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio			Position title	Name	Relatio nship	
Manager	Republic of China	CAI, YUE-FENG	Male	2023/09/01	-	-	-	-	-	-	Division Manager of the Company Deputy Manager of the Human Resources Department of Wah Lee Industrial Corp.(Shanghai Yikang Chemical Industry Material Ltd.). Manager of Administrative Services Department at RH International Designs Co., Ltd.(Shanghai). Human Resources Administration Department Manager of HannStar Board Corporation. Department of Finance and Banking at Chaoyang University of Technology	None	None	None	None	-
Associate manager	Republic of China	HUANG, JIA-ZHEN	Female	2023/09/11	-	-	-	-	-	-	Associate manager of the company Legal Director at Continental Development Corporation. Employed Lawyer of Jones Day Law Firm. Employed Lawyer of Shay & Partners Law Firm. Master of Laws from the National Taiwan University. Doctor of Juridical Science in Environmental and Resource Protection Law from Peking University.	None	None	None	None	-
Manager	Republic of China	JIA, OAI-SHA	Female	2023/10/16	-	-	-	-	-	-	Division Manager of the Company Chief Financial Officer of InterServ International Inc. Chief Audit Officer of Coaster International Co., Ltd. Financial Manager of JIETAI Machinery Co., Ltd. Department of Accounting, Chinese Culture University	None	None	None	None	-
Director (Note 4)	Republic of China	LIU, YONG-FU	Male	2023/12/14	-	-	-	-	-	-	Director of the company Land Development Assistant Manager of China Petrochemical Development Corporation Financial Assistant Manager of China Petrochemical Development Corporation Assistant Manager of Underwriting Department of MasterLink Securities Corporation MBA from Indiana University of Pennsylvania	None	None	None	None	-
Manager	Republic of China	YOU, LI-CHENG	Male	2023/12/18	-	-	-	-	-	-	Division Manager of the Company Finance and Accounting Manager of Houshi Assets Management Company Ltd. Assistant manager of Prior Company Ltd. Senior Finance Manager of Wei Chuan Foods Corporation Chemistry Department / Department of Financial Management at National Sun Yat-sen University	Director of Core Pacific World Corporation Director of Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd. Director of BES Investment Company Ltd. Director of Global BES Engineering (Myanmar) Co., Ltd. Supervisor of Cinemark Core Pacific Limited	None	None	None	-

Position title (Note 1)	Nationality	Name	Gender	Appointed (on board) date	Holding shares		Shares holding by spouse and minor children		Shares holding in the name of others		Main experience and education background (Note 2)	Concurrently served as the position of other companies	Manager who has a relationship with a related party of spouse or level two relationship			Note (Note 3)
					Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio	Number of shares	Holding shares Ratio			Position title	Name	Relationship	
Special Assistant	Republic of China	CHANG WEN-BIN	Male	2024/01/01	-	-	-	-	-	-	Special Assistant of the Company Chief Marketing Officer of Core Pacific Group Design Director of Living Mall Design Manager of Agora Garden Senior Fine Arts and Crafts Department at Fu-Hsin Trade and Arts School	Director of Cinema 7 Ltd.	None	None	None	-
Associate manager (Note 6)	Republic of China	CHANG HSU-TENG	Male	August 1, 2024	-	-	-	-	-	-	Associate manager of the company Director of the Engineering Office at Kong Chou Construction Co., Ltd. Director at Taiwan Obayashi Corporation Project manager at New Green Power Co., Ltd. Department of Civil Engineering, Chienkuo Technology University	None	None	None	None	-
Associate manager (Note 6)	Republic of China	TU, CHIN-HSING	Male	January 8, 2025	10,000	0.00%	-	-	-	-	Associate manager of the company Associate manager of the Information Technology Center at Ri-Kuan Metal Corporation Director of the IT Department at Hanns Touch Chief Technology Officer at Hanroc Technology Corp. Ph.D. in Business Management, National Taipei University of Technology	None	None	None	None	-

Note 1: It should include information on the general manager, deputy general manager, associate managers and supervisors of all departments and branch organization, as well as the position is equivalent to the general manager, deputy general manager, associate managers. The information should be disclosed, regardless of the job title.

Note 2: Experience that is related to the current position; if served at a certified public accountant agency or related company during the above mentioned period, then the position title and responsible duties shall be described.

Note 3: Should the general manager of the Company or the equivalent (the highest manager) be the same person, spouse or first-degree of kinship, the information regarding reasons and the reasonableness, necessity and corresponding measures (e.g., increase of independent directors, and more than half of the directors shall not be the employee or manager of the Company) shall be disclosed.

Note 4: Liou, Yong-Fu resigned on June 30, 2024; Yang, Jia-Chun retired on September 30, 2024; Su, Bai-Cheng resigned on November 15, 2024; Huang, Ting-Chien resigned on October 15, 2024; Wang, Ting-Tse resigned on November 30, 2024; Zhou, Zhi-Cheng resigned on December 31, 2024

Note 5: Huang, Hsien-Chin was transferred to the Twin Towers Engineering Office on November 16, 2024

Note 6: Hsieh, Chih-Chien assumed office on June 3, 2024; Chang, Hsu-Teng assumed office on August 1, 2024; Tu, Chih-Hsing assumed office on January 8, 2025.

II. Remuneration of directors, supervisors, general manager and deputy general managers in the latest year

(I) remuneration of directors (including independent directors) (summary of remuneration levels with name disclosure)

Unit: NTD in thousands

Position title	Name	Director's remuneration								The total amount of item A, B, C and D that accounts for the percentage of net profit after tax (Note 10)		Remuneration of part-time employees								The total amount of item A, B, C, D, E, F and G that accounts for the percentage of net profit after tax (Note 10)		Receive remuneration from the reinvested business other than the subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Retirement pension (B)		Director's remuneration (C) (Note 3)		Business implementation cost (D) (Note 4)				Salary, bonus and special expenses (E) (Note 5)		Retirement pension (F)		Employee compensation (G) (Note 6)						
		The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company		n the financial report all companies (Note 7)		The company Company	All companies included in the financial report (Note 7)	
Chairman (27th)	Yang Jen Co., Ltd. CHOU, CHIH-MING	8,030	8,030	0	0	3,396	3,396	0	33	1.59%	1.60%	0	0	0	0	0	0	0	0	1.59%	1.60%	0
Director (27th)	Ten King Investment Co., Ltd. BAI, JUN-NAN	2,625	2,625	0	0	3,396	3,396	0	0	0.84%	0.84%	1,602	1,602	0	0	0	0	0	0	1.06%	1.06%	0
Director (27th)	China Petrochemical Development Corporation CHEN RUI-LONG	480	480	0	0	3,396	3,396	0	0	0.54%	0.54%	0	0	0	0	0	0	0	0	0.54%	0.54%	0
Director (27th)	Formostar Factory Co., Ltd. TSAI, CHAO-LUN	480	480	0	0	3,396	3,396	0	0	0.54%	0.54%	0	0	0	0	0	0	0	0	0.54%	0.54%	0
Director (27th)	Chang Li Co., Ltd. LIU, LIANG-HAI	480	480	0	0	3,396	3,396	0	0	0.54%	0.54%	0	0	0	0	0	0	0	0	0.54%	0.54%	0
Director (27th)	Ten King Investment Co., Ltd. CHEN, WEN-KE (Discharged on 2024.05.30)	200	200	0	0	1,401	1,401	0	9	0.22%	0.22%	0	0	0	0	0	0	0	0	0.22%	0.22%	0
Independent director (27th)	PAN, WEI-GANG (Inaugurated on 2024.05.31)	1,055	1,055	0	0	0	0	0	0	0.15%	0.15%	0	0	0	0	0	0	0	0	0.15%	0.15%	0
Independent director (27th)	KO, SHU-JEN	1,800	1,800	0	0	0	0	0	0	0.25%	0.25%	0	0	0	0	0	0	0	0	0.25%	0.25%	0
Independent director (27th)	CHANG, FAN	1,800	1,800	0	0	0	0	0	0	0.25%	0.25%	0	0	0	0	0	0	0	0	0.25%	0.25%	0

Position title	Name	Director's remuneration								The total amount of item A, B, C and D that accounts for the percentage of net profit after tax (Note 10)		Remuneration of part-time employees								The total amount of item A, B, C, D, E, F and G that accounts for the percentage of net profit after tax (Note 10)		Receive remuneration from the reinvested business other than the subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Retirement pension (B)		Director's remuneration (C) (Note 3)		Business implementation cost (D) (Note 4)				Salary, bonus and special expenses (E) (Note 5)		Retirement pension (F)		Employee compensation (G) (Note 6)						
		The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	The company	All companies included in the financial report (Note 7)	
Independent director (27th)	LJU, DENG-CHENG	1,800	1,800	0	0	0	0	0	0	0.25%	0.25%	0	0	0	0	0	0	0	0	0.25%	0.25%	0

1. Please specify the policy, system, criteria and structure of remuneration to independent directors, and specify the relationship between remuneration amount and responsibilities, risks, and input time: (1) The Salary and Compensation Committee regularly reviews the performance evaluation of directors and managers and the policies, systems, standards and structures of salary and compensation according to the organization charter of the Salary and Compensation Committee. Submit the recommendations to the board of directors for discussion. (2) According to the company's "Board Performance Evaluation Method", the annual performance of individual directors (the degree of participation and contribution to the company's operations) is determined whether to continue nomination, and it is also used as a reference for determining their remuneration.

2. Except for the disclosed information in the above table, all remuneration received from all companies included in the financial report during the current year (such as the non-employee consultants): None

Note 1: Expenses for director2s and supervisors including cash, stocks, houses and other exclusive expenses are not provided.

Note 1: The directors' names shall be listed separately (the legal person shareholders shall include the names of the legal person shareholders and the representative persons separately), while the directors and independent directors shall be listed separately, and the summary of payment amount shall be disclosed. For directors who also serve as the general manager or deputy general manager, this form and the following table (3-1) or (3-2-1) and (3-2-2) should be filled out.

Note 2: It refers to the remuneration of directors in the most recent year (including directors' salary, position bonus, severance pay, various bonuses, rewards, etc.).

Note 3: It refers to the amount of the directors' remuneration approved by the board of directors in the most recent year.

Note 4: It refers to the directors' related business implementation expenses (including transportation fees, special expenses, various allowances, housing and car expenses, etc.) in the most recent year. If the expenses of housing, vehicles and other transportation are provided, the nature and cost of the provided assets, as well as the actual or fair market price for the rental, oil and other payments should be disclosed. If there is a driver for the vehicles, please note the company's payment for the driver is not included in the remuneration.

Note 5: It refers to the remuneration received by directors who are also employees (including general manager, deputy general manager, managers and employees), including salary, job bonus, severance payment, various bonuses, incentives, transportation fees, special expenses, various allowances, dormitory and car expenses. If the expenses of housing, vehicles and other transportation are provided, the nature and cost of the provided assets, as well as the actual or fair market price for the rental, oil and other payments should be disclosed. If there is a driver for the vehicles, please note the company's payment for the driver is not included in the remuneration. In addition, the salary expenses recognized according to the IFRS 2 "share based payment," it shall also be included in the remuneration, including acquiring the employee stock option certificates, restricting employee rights of new shares and participating in cash increment for shares subscription.

Note 6: It refers to the employee compensation (including stocks and cash) received by directors who are also employees (including general manager, deputy general manager, managers and employees), the amount of compensation approved by the board of directors in the most recent year should be disclosed. If the amount cannot be estimated, then it will be calculated based on the proportion of the actual distribution amount from the previous year and the Appendix table 1-3 is required to be filled.

Note 7: The total amount of remuneration paid by all companies in the consolidated statement (including the Company) to the directors of the Company shall be disclosed.

Note 8: The company's total remuneration paid to each of the directors and their names with the remuneration level shall be disclosed.

Note 9: All companies' (in the consolidated statement, including the Company) total remuneration paid to each of the directors and their names with the remuneration level shall be disclosed.

Note 10: The net income after tax refers to the net income after tax of the individual annual financial statement of the latest year.

Note 11: a. This column should clearly state the amount of remuneration paid to the company directors from the reinvested business other than the subsidiaries or the parent company (please indicate "None" if no such remuneration).

b. If the director of the company receives remuneration from the reinvested business other than the subsidiaries or the parent company, the remuneration received by the company director from the re-invested business other than the subsidiaries or the parent company shall be included in the remuneration level column I and the name of the column shall be changed to "the parent company and all of the reinvested business."

c. The remuneration refers to the director's remuneration including the remuneration, compensation (including the compensation of employees, directors and supervisors) and business implementation expenses serving as directors, supervisors or managers of the reinvested business other than the subsidiaries or the parent company.

* The remuneration contents disclosed in this form are different from the concept of the income tax law. Therefore, this form is only for information disclosure and not applicable for tax usage.

(II) The general manager and deputy general manager's remuneration (Individual disclosure of names and remuneration methods)

Unit: NT / NTD in thousands

Position title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonus and Special expense, etc. (C) (Note 3)		Employee compensation (D) (Note 4)				The total amount of item A, B, C and D that accounts for the percentage of net profit after tax(%) (Note 8)		Received remuneration from the reinvested business other than the subsidiaries or from the parent company (Note 9)
		The company	All companies included in the financial report (Note 5)	The company	All companies included in the financial report (Note 5)	The company	All companies included in the financial report (Note 5)	The company		All companies included in the financial report (Note 5)		The company	All companies included in the financial report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General manager	CHOU, CHIH-MING	0	0	0	0	0	0	0	0	0	0	0	0	0
Deputy general manager	YANG, MEI-YUAN	2,412	2,412	0	0	849	849	132	0	132	0	0.48%	0.48%	0
Deputy general manager	WANG, TING-TSE	2,270	2,270	1,298	1,298	578	578	205	0	205	0	0.61%	0.61%	0

* If the position is equivalent to general manager, deputy general manager, associate managers (such as the president, CEO, Chief director...etc.), the information should be disclosed, regardless of the job title.

Table of Remuneration Level

The pay to each of the company's general manager and deputy general managers remuneration level	Name of the General Manager and Deputy General Manager	
	The company (Note 6)	All companies included in the financial report (Note 7) E
Less than 1,000,000 dollars	CHOU, CHIH-MING	CHOU, CHIH-MING
1,000,000 dollars (included) ~ 2,000,000 dollars (not included)	-	-
2,000,000 dollars (included) ~ 3,500,000 dollars (not included)	YANG, MEI-YUAN	YANG, MEI-YUAN
3,500,000 dollars (included) ~ 5,000,000 dollars (not included)	WANG, TING-TSE	WANG, TING-TSE
5,000,000 dollars (included) ~ 10,000,000 dollars (not included)	-	-
10,000,000 dollars (included) ~ 15,000,000 dollars (not included)	-	-
15,000,000 dollars (included) ~ 30,000,000 dollars (not included)	-	-
30,000,000 dollars (included) ~ 50,000,000 dollars (excluding)	-	-
50,000,000 dollars (included) ~ 100,000,000 dollars (not included)	-	-
More than 100,000,000 dollars	-	-
Total	3	3

Note 1: The general manager and the deputy general manager's names shall be listed separately, and the summary of payment amount shall be disclosed. For directors who also serve as the general manager or deputy general manager, this form and the above table (1-1) or (1-2) should be filled out.

Note 2: It refers to the remuneration of the general manager and deputy general managers in the most recent year (including supervisors' salary, position bonus, severance pay, various bonuses, rewards, etc.).

Note 3: It refers to the remuneration received by the general manager and deputy general managers in the most recent year, including salary, job bonus, severance payment, various bonuses, incentives, transportation fees, special expenses, various allowances, dormitory and car expenses. If the expenses of housing, vehicles and other transportation are provided, the nature and cost of the provided assets, as well as the actual or fair market price for the rental, oil and other payments should be disclosed. If there is a driver for the vehicles, please note the company's payment for the driver is not included in the remuneration. In addition, the salary expenses recognized according to the IFRS 2 "share based payment," it shall also be included in the remuneration, including acquiring the employee stock option certificates, restricting employee rights of new shares and participating in cash increment for shares subscription.

Note 4: It refers to the employee compensation (including stocks and cash) received by the general manager and deputy general managers, approved by the board of directors in the most recent year. If the amount cannot be estimated, then it will be calculated based on the proportion of the actual distribution amount from the previous year, and the Appendix table 1-3 is required to be filled. The net profit after tax refers to the net profit after tax in the most recent year; for those using the international financial report standards, the net profit after tax refers to the net profit after tax of individuals or individual financial reports in the most recent year.

Note 5: The total amount of remuneration paid by all companies in the consolidated statement (including the Company) to the general manager and deputy general managers of the Company shall be disclosed.

Note 6: The company's total remuneration paid to each of the general manager and deputy general managers, and their names with the remuneration level shall be disclosed.

Note 7: All companies' (in the consolidated statement, including the Company) total remuneration paid to each of the general manager and the deputy general managers, and their names with the remuneration level shall be disclosed.

Note 8: The net income after tax refers to the net income after tax of the individual annual financial statement of the latest year.

Note 9: a. This column should clearly state the amount of remuneration paid to the company's general manager and deputy general managers from the reinvested business other than the subsidiaries or the parent company (please indicate "None" if no such remuneration).

b. If the general manager or deputy general manager of the company receives remuneration from the reinvested business other than the subsidiaries or the parent company, the remuneration received by the company's general manager or deputy general manager from the reinvested business other than the subsidiaries or the parent company shall be included in the remuneration level column E and the name of the column shall be changed to "the parent company and all of the reinvested business."

c. The remuneration refers to the general manager or deputy general manager's remuneration including the remuneration, compensation (including the compensation of employees, directors and supervisors) and business implementation expenses serving as directors, supervisors or managers of the reinvested business other than the subsidiaries or the parent company.

* The remuneration contents disclosed in this form are different from the concept of the income tax law. Therefore, this form is only for information disclosure and not applicable for tax usage.

(III) The top five remuneration of the executives of the Company (Individual disclosure of names and remuneration methods) (Note 1)

Unit: NT / NTD in thousands

Position title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonus and Special expense, etc. (C) (Note 3)		Employee compensation (D) (Note 4)				The total amount of item A, B, C and D that accounts for the percentage of net profit after tax(%) (Note 6)		Received remuneration from the reinvested business other than the subsidiaries or from the parent company (Note 7)
		The company	All companies included in the financial report (Note 5)	The company	All companies included in the financial report (Note 5)	The company	All companies included in the financial report (Note 5)	The company		All companies included in the financial report (Note 5)		The company	All companies included in the financial report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Deputy general manager	WANG, TING-TSE	2,270	2,270	1,298	1,298	578	578	205	-	205	-	0.61%	0.61%	-
Deputy general manager	YANG, MEI-YUAN	2,412	2,412	-	-	849	849	132	-	132	-	0.48%	0.48%	-
Managing Director	LIN, HSU-CHUAN	2,248	2,248	-	-	904	904	140	-	140	-	0.46%	0.46%	-
Associate Manager	CHENG, AN-TZU	2,218	2,218	-	-	625	625	140	-	140	-	0.42%	0.42%	-
Special Assistant	ZHOU, ZHI-CHENG	2,372	2,372	119	119	410	410	34	-	34	-	0.41%	0.41%	-

Note 1: The "top five top executives with remuneration" mentioned above refer to the managers of the company. The criteria for the identification of managers shall be handled in accordance with the scope of application of "managers" stipulated by the former Securities and Futures Commission of the Ministry of Finance dated March 27, 1992, Tai Cai Zheng San Zi No. 0920001301. The calculation and determination principle of "Top 5 highest remuneration" is based on the total amount of employee remuneration (A+B+ C+D total amount), and the top five with the highest remuneration after sorting will be identified.

Note 2: It refers to the remuneration of top five top executives in remuneration in the most recent year (including directors' salary, position bonus, severance pay, various bonuses, rewards, etc.).

Note 3: It refers to the top five top executives in remuneration' related business implementation expenses (including transportation fees, special expenses, various allowances, housing and car expenses, etc.) in the most recent year. If the expenses of housing, vehicles and other transportation are provided, the nature and cost of the provided assets, as well as the actual or fair market price for the rental, oil and other payments should be disclosed. If there is a driver for the vehicles, please note the company's payment for the driver is not included in the remuneration.

Note 4: It refers to the employee compensation (including stocks and cash) received by top five top executives in remuneration who are also employees (including general manager, deputy general manager, managers and employees), the amount of compensation approved by the board of directors in the most recent year should be disclosed. If the amount cannot be estimated, then it will be calculated based on the proportion of the actual distribution amount from the previous year and the Appendix table 1-3 is required to be filled.

Note 5: The total amount of remuneration paid by all companies in the consolidated statement (including the Company) to the top five top executives in remuneration of the Company shall be disclosed.

Note 6: The net income after tax refers to the net income after tax of the individual annual financial statement of the latest year.

Note 7: a. This column should clearly state the amount of remuneration paid to the company top five top executives in remuneration from the reinvested business other than the subsidiaries or the parent company (please indicate "None" if no such remuneration).

b. The remuneration refers to the top five top executives in remuneration's remuneration including the remuneration, compensation (including the compensation of employees, directors and supervisors) and business implementation expenses serving as directors, supervisors or managers of the reinvested business other than the subsidiaries or the parent company.

* The remuneration contents disclosed in this form are different from the concept of the income tax law. Therefore, this form is only for information disclosure and not applicable for tax usage.

Name of Managers Who Distribute Employee Compensation and the Distribution Status

December 31, 2024
Unit: NT / NTD in thousands

	Title (Note 1)	Name (Note 1)	Stock option	Cash amount	Total	The total amount that accounts for the percentage of net profit after tax(%)
Managerial officer	Acting General Manage	CHOU, CHIH-MING	0	2,140	2,140	0.34%
	Deputy general manager	YANG, MEI-YUAN				
	Deputy general manager	WANG, TING-TSE				
	Director	LIN, HSU-CHUAN				
	Associate manager	YANG, CHIA-CHUN				
	Associate manager	LIAO, SHU-LIANG				
	Associate manager	CHENG, AN-TZU				
	Associate manager	HUANG, TING-CHIEN				
	Manager	WANG, GUO-XI				
	Manager	CHIU, YUNG-TSAI				
	Manager	LI, CHEN-MING				
	Manager	SU, YU-MIN				
	Manager	YU, CHEN-ERH				
	Manager	SU, LI-MEI				
	Manager	CHI, YUN-CHONG				
Manager	LI, WEI-TENG					

Note 1: The individual names and titles should be disclosed, and the profit distribution can be disclosed in a form of summary report.

Note 2: It refers to the employee compensation (including stocks and cash) received by the managers, approved by the board of directors in the most recent year. If the amount cannot be estimated, then it will be calculated based on the proportion of the actual distribution amount from the previous year. The net profit after tax refers to the net profit after tax in the most recent year; for those using the international financial report standards, the net profit after tax refers to the net profit after tax of individuals or individual financial reports in the most recent year.

Note 3: The application scope of the managers is defined as following, which is based on the command document No. 0920001301 of Taiwanese financial document announced on March 27, 2003:

- (1) General manager and equivalent position
- (2) Deputy General Manager and equivalent position
- (3) Associate manager and equivalent position
- (4) Chief of Finance Department
- (5) Chief of Accounting Department
- (6) Others who have the right to manage the affairs of the company and sign for the company

Note 4: For the directors, general manager and deputy general managers who have received employee compensation (including stocks and cash), they should fill out the appendix table 1(2) and this form.

- (IV) Compare and analyze the analysis of the total remuneration accounts for the percentage of the net profit after tax for the directors, Independent director, general managers and deputy general managers of all companies (including the Company) in the consolidated statement of the recent two years; and describe the relationship of the remuneration policy, standards and combinations and the procedures of remuneration judgment, with the operating performance and future risks.

Description:

1. The ratio of the total remuneration accounts for the percentage of the net profit after tax for the directors, Independent director, general managers and deputy general managers of the Company in the recent two years:
2023: 8.58% (NT\$53,626 thousand / NT\$624,719 thousand)
2024: 6.53% (NT\$46,815 thousand / NT\$717,244 thousand)
2. The ratio of the total remuneration accounts for the percentage of the net profit after tax for the directors, Independent director, general managers and deputy general managers of all companies in the consolidated statement of the recent two years:
2023: 8.59% (NT\$53,648 thousand / NT\$624,719 thousand)
2024: 5.88% (NT\$42,163 thousand / NT\$717,244 thousand)
3. The relationship of the remuneration policy of the directors and Independent director, standards and combinations and the procedures of remuneration judgment, with the operating performance and future risks.
 - The following is clearly defined in the “Articles of Incorporation”:
 - Article 21-1 The Company’s directors may bill traffic allowances in the amount which shall be determined by the Board of Directors with reference to the levels of similar company(ies).
 - Article 28 In a fiscal year while the Company makes a profit, the Company shall first set aside 2% minimum as the remuneration to employees and 2% maximum as the remuneration to directors. Where the Company remains in cumulative loss, the sum required to make good the loss shall be first withheld. The aforementioned ratios of appropriation shall be resolved in the Board of Directors with one half majority vote cast by the participating directors who make up a two-thirds majority of the total number of directorship seat and shall be reported to the shareholders’ meeting. The aforementioned remuneration to employees may be granted in either share certificates or in cash.
 - According to the company’s “Performance Evaluation Method of the Board of Directors”, the annual performance of individual directors (including thecomprehension of company goals and tasks, awareness of directors’ responsibilities, knowledge and degree of company operations, internal relationship management and communication, professional and continuing education of directors, and internal control, etc.) as a reference for determining thir remuneration. Relevant performance appraisal and remuneration rationality are reviewd by the remuneration committee and the board of directors.
 - The Remuneration Committee, in accordance with its committee charter, regularly reviews the policies, systems, standards, and structures for performance evaluation and remuneration of directors and managers, and evaluates and determines the remuneration of directors and managers. The proposed suggestions are submitted to the Board of Directors for discussion.
 - Other aspects such as special contributions or significant negative events are also considered as references for the performance and remuneration of directors and

managers.

4. Consult The appointment, dismissal, salary and bonus of the general manager and deputy general manager of the Company:

- “Table of Directors and Managers’ Rights and Duties in the Company:”

II. Personnel affairs

(I) The CEO, general manager, deputy general managers, associate managers and branch office supervisors’ salary, appointment, retirement, rewards and punishments and pensions shall be approved by the board of directors.

- The company’s managers' remuneration is based on the "Remuneration System Management Guidelines", and the relevant bonuses are performance-oriented, and are approved in accordance with the "Performance Bonus Distribution Method" depending on the company's annual operating performance, financial status and personal work performance; the company's annual tax If there is profit before, no less than 2% should be appropriated as employee remuneration.

III. Corporate governance

(I) Information regarding the operation of the Board of Directors and assessment of the Board of Directors

1. Information regarding the operation of the Board of Directors and assessment of the Board of Directors:

The Board of Directors has held 12 meetings in 2024 (27th term), attendance of directors is as follows:

Title	Name (Note 1)	Frequency of actual attendance (B)	Frequency of proxy attendance	Rate of actual attendance (B/A) (Note 2)	Note
Chairperson (27th)	Yang Jen Co., Ltd. Representative: Chou, Chih-Ming	12	0	100%	Inaugurated on 2023.06.07
Director (27th)	China Petrochemical Development Corporation Representative: Chen, Rui-Long	12	0	100%	Inaugurated on 2023.06.07
Director (27th)	Ten King Investment Co., Ltd. Representative: Bai, Jun-Nan	11	1	92%	Inaugurated on 2023.06.07
Director (27th)	Formostar Garment Co. Ltd Representative: Tsai, Chao-Lun	11	1	92%	Inaugurated on 2023.06.07
Director (27th)	Ten King Investment Co., Ltd. Representative: Chen, Wen-Ke	5	0	100%	Inaugurated on 2023.06.07 Resigned on 2024.05.31
Director (27th)	Chang Li Co. Ltd Representative: Liou, Liang-Hai	10	2	83%	Inaugurated on 2023.06.07
Independent director (27th)	Ko, Shu-Jen	8	4	67%	Inaugurated on 2023.06.07
Independent director (27th)	Chang, Fan	11	1	92%	Inaugurated on 2023.06.07
Independent director (27th)	Liu, Deng-Cheng	12	0	100%	Inaugurated on 2023.06.07
Independent director (27th)	Pan, Wei-Gang	6	1	86%	Inaugurated on 2024.05.31

Others:

I. When the operations of the Board of Directors comply with the following circumstances, the report shall specify the date, term, agenda of the Board meeting, and opinions of each independent director and the company's handling of such opinions.

(I) Matters defined by provisions of Article 14-3 of the "Securities and Exchange Act."

1. Date of Board meeting: January 26, 2024 Period: 27th Term, 11th Meeting

Proposal Content: Proposal for the Company's distribution of year-end performance bonus for delegated managers in 2023.

Resolution of the Board of Directors: Due to a conflict of interest, Chairman Chou, Chih-Ming recused himself for conflict of interest because he concurrently served as General Manager. The other attending directors agreed, and the Chairman was authorized to follow the recommendations of the Remuneration Committee and the Board of Directors after comprehensive consideration.

2. Date of Board meetings: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Proposal for the distribution of remuneration to employees and directors for 2023.
 Resolution of the Board of Directors: Approved by all attending directors and listed as a matter for ratification by the shareholders' meeting.
3. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: The Company's 2023 business report and 2023 consolidated financial report.
 Resolution of the Board of Directors: Approved by all attending directors and listed as a matter for ratification by the shareholders' meeting.
4. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: The Company's parent company only financial statements for 2023 (for the years ended December 31, 2023).
 Resolution of the Board of Directors: Approved by all attending directors and listed as a matter for ratification by the shareholders' meeting.
5. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Proposal of the Company's earnings appropriation for 2023 (January 1 to December 31, 2023).
 Resolution of the Board of Directors: Approval by all attending directors, and it is listed as a matter for ratification by the 2024 shareholders' meeting.
6. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: The re-engagement of Deloitte Taiwan to audit the financial statements and tax certification for 2024.
 Resolution of the Board of Directors: Approved by all attending directors.
7. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Amendments to certain provisions of the "Audit Committee Charter" of the Company.
 Resolution of the Board of Directors: Approved by all attending directors.
8. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Amendment to the provisions of the Company's "Managerial Procedure for Lending Funds to Others and Endorsement/Guarantee" and to list it for discussion in the 2024 shareholders' meeting.
 Resolution of the Board of Directors: Approved by all attending directors.
9. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Proposal for the issuance of the Company's 2023 statement of internal control system.
 Resolution of the Board of Directors: Approved by all attending directors.
10. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Amendment to the provisions of the "Regulations Governing the Reward and Protection of Whistleblowers" and the "Regulations on Violation of Integrity Management."
 Resolution of the Board of Directors: Approved by all attending directors.
11. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: By-election of one independent director.
 Resolution of the Board of Directors: Approved by all attending directors and included in the election at the shareholders' meeting.
12. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: The Company nominates and reviews the list of independent director candidates.
 Resolution of the Board of Directors: Approved by all attending directors and included in the election at the shareholders' meeting.
13. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Proposal of the 2024 date, time, place, meeting procedure, main content of the proposal, acceptance of shareholder proposals, as well as the nomination period and location.
 Resolution of the Board of Directors: Approved by all attending directors.
14. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Amendments to certain provisions of the Company's "Articles of Incorporation."
 Resolution of the Board of Directors: Approval by all attending directors and it was proposed to be discussed at the shareholders' meeting.
15. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Amendments to certain provisions of the "Procedures for Election of Directors."
 Resolution of the Board of Directors: Approval by all attending directors and it was proposed to be discussed at the shareholders' meeting.

16. Date of Board meeting: March 13, 2024 Period: 27th Term, 13th Meeting
 Proposal Content: Proposal for the amendments to certain provisions of the "Rules of Procedure for Shareholders' Meetings" of the Company.
 Resolution of the Board of Directors: Approval by all attending directors and it was proposed to be discussed at the shareholders' meeting.
17. Date of Board meeting: May 13, 2024 Period: 27th Term, 15th Meeting
 Proposal Content: Election of the Vice Chairman.
 Resolution of the Board of Directors: All attending directors elected Director Bai, Jun-Nan to serve as Vice Chairman.
18. Date of Board meeting: May 13, 2024 Period: 27th Term, 15th Meeting
 Proposal Content: Passed the Q1 2024 Consolidated Financial Report.
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee and passed by all attending directors.
19. Date of Board meeting: May 13, 2024 Period: 27th Term, 15th Meeting
 Proposal Content: Proposal for the "2024 Early approval of routine non-assurance services and deadlines provided by licensed CPAs".
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee and passed by all attending directors.
20. Date of Board meeting: July 24, 2024 Period: 27th Term, 17th Meeting
 Proposal Content: Proposal for the establishment of the ex-dividend base date and the distribution date of 2024 cash dividends of the Company.
 Resolution of the Board of Directors: The proposal was approved by all attending directors.
21. Date of Board meeting: August 12, 2024 Period: 27th Term, 18th Meeting
 Proposal Content: The proposal for the allocation of director remuneration for the year 2023 of the company.
 Resolution of the Board of Directors: The proposal was approved by the Remuneration Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
22. Date of Board meeting: August 12, 2024 Period: 27th Term, 18th Meeting
 Proposal Content: Proposal for the approval of the Company's Consolidated Financial Report for the first two quarters of 2024.
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
23. Date of Board meeting: September 27, 2024 Period: 27th Term, 19th Meeting
 Proposal Content: Proposal for the Company's 2023 remuneration of employees distributed by the delegated manager in accordance with the "Guidelines Governing Remuneration to Employees."
 Resolution of the Board of Directors: The proposal was approved by the Remuneration Committee, then submitted to and reviewed by the Board of Directors. Chairman Chou, Chih-Ming, due to his concurrent role as General Manager, recused himself in accordance with the law. The proposal was subsequently approved by all remaining attending directors.
24. Date of Board meeting: November 13, 2024 Period: 27th Term, 21st Meeting
 Proposal Content: Proposal for the approval of the Company's Consolidated Financial Report for the first three quarters of 2024.
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
25. Date of Board meeting: November 13, 2024 Period: 27th Term, 21st Meeting
 Proposal Content: Proposal for the approval of amendments to parts of the provisions of the "Rules of Procedure for Board of Directors' Meeting" of the Company.
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
26. Date of Board meeting: December 26, 2024 Period: 27th Term, 22nd Meeting
 Proposal Content: Proposal for the approval of the "Description of the Business Plan and Operating Budgets for 2025" of the Company.
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
27. Date of Board meeting: December 26, 2024 Period: 27th Term, 22nd Meeting
 Proposal Content: Proposal for the approval of the "Assessment for the Independence of the hired CPA, 2024."

- Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
28. Date of Board meeting: December 26, 2024 Period: 27th Term, 22nd Meeting
 Proposal Content: Proposal for the approval of the establishment of the “Sustainable Information Management Operating Procedures” and the “Other Management Control System - Sustainable Information Management” of the Company.
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
29. Date of Board meeting: December 26, 2024 Period: 27th Term, 22nd Meeting
 Proposal Content: Proposal for the approval of the establishment of the “Operational Guidelines for Financial and Business Transactions Between Related Parties” of the Company.
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
30. Date of Board meeting: December 26, 2024 Period: 27th Term, 22nd Meeting
 Proposal Content: Proposal for the approval of the Company’s “2025 Annual Audit Plan.”
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
31. Date of Board meeting: December 26, 2024 Period: 27th Term, 22nd Meeting
 Proposal Content: Proposal for the approval of amendments to the “Internal Control System” and the “Management Guidelines for Self-Assessment of Internal Control System” of the Company.
 Resolution of the Board of Directors: The proposal was approved by the Audit Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
32. Date of Board meeting: December 26, 2024 Period: 27th Term, 22nd Meeting
 Proposal Content: Proposal for the approval of the establishment of the “Sustainability Report Preparation and Assurance Operating Procedures” of the Company.
 Resolution of the Board of Directors: The proposal was approved by the Sustainability Development Committee, submitted to and reviewed by the Board of Directors, then approved by all attending directors.
33. Date of Board meeting: December 26, 2024 Period: 27th Term, 22nd Meeting
 Proposal Content: Proposal for the approval of a donation of NT\$10,000,000 to the Sheen Chuen-Chi Culture and Educational Foundation.
 Resolution of the Board of Directors: The proposal was approved by all attending directors.
- (II) Besides the aforementioned matters, there are other Board of Directors’ resolution items that have been opposed by other independent directors or who have expressed reservations: None of such situation.
- II. Proposals with a director’s recusal due to conflict of interests, shall clearly state the director’s name, proposal content, reasons for recusal and the situation of the entitlement to vote:
1. Date of Board meeting: January 26, 2024 Period: 27th Term, 11th Meeting
 Proposal Content: Proposal for distributing year-end performance bonus to delegated managers of the Company in 2023.
 Resolution of the Board of Directors: Due to a conflict of interest, Chairman Chou, Chih-Ming recused himself for conflict of interest because he concurrently served as General Manager. Director Chen, Jui-Lung presided over the meeting. The other attending directors agreed, and the Chairman was authorized to follow the recommendations of the Remuneration Committee and the Board of Directors after comprehensive consideration.
2. Date of Board Meeting: June 19, 2024 Period: 27th Term, 16th Meeting
 Proposal for the approval of the recommended monthly remuneration for Ms. Pan, Wei-Gang, a newly elected independent director, following her re-election at the General Shareholders’ Meeting on May 31, 2024.
 Resolution of the Board of Directors: The proposal was approved by the Remuneration Committee, then submitted to and reviewed by the Board of Directors. Independent Director Pan, Wei-Gang recused herself from this matter. Furthermore, the delegated managers present left the meeting during the discussion. The proposal was subsequently approved by all attending directors.
3. Date of Board meeting: September 27, 2024 Period: 27th Term, 19th Meeting
 Proposal Content: Proposal for the Company’s 2023 remuneration of employees distributed by the

delegated manager in accordance with the “Guidelines Governing Remuneration to Employees.”

Resolution of the Board of Directors: The proposal was approved by the Remuneration Committee, then submitted to and reviewed by the Board of Directors. Chairman Chou, Chih-Ming, due to his concurrent role as General Manager, recused himself in accordance with the law. The proposal was subsequently approved by all attending directors.

III. Listed and OTC companies should disclose information regarding the evaluation cycle, duration, scope, method, and content of their board of directors' self-assessment (or peer assessment), as specified in Annex 2. Implementation status of the evaluation of the Board of Directors: The Company completed the performance evaluation of the board of directors for the year 2024 as of December 31, 2024, and reported it to the Board of Directors on January 16, 2025. The report was submitted to the Taiwan Stock Exchange and disclosed on the Company's official website <https://www.bes.com.tw/ir-policies.php#gsc.tab=0>.

IV. The goal for the current year and recent year is to strengthen the function of the board of directors (for example, establish audit committee, increase information transparency, and so on) and execute situational assessment:

1. For the current fiscal year and the most recent fiscal year to date, all significant resolutions of the board of directors have been announced in accordance with legal regulations on the Taiwan Stock Exchange.
2. Continue to provide professional training for directors to support directors in exercising their powers to improve the effectiveness of the Board of Directors.

Note 1: Directors, Supervisors who are juristic person, shall disclose the name of the shareholder juristic person and the name of his/her representative.

Note 2: (1) Before the end of the fiscal year, if a supervisor resigns, the date of resignation, actual attendance rate based on his/her total attendance over the total number of meetings held during his/her incumbency as a board of supervisor, shall be clearly stated in the remark section.

(2) Before the end of the fiscal year, if a supervisor is re-elected, all new and ex-members shall be listed, with remarks to identify each member as ex-, new, or re-elected member. The re-election date shall also be stated. The actual attendance rate (%) is based on the total number of meetings attended over the total number of meetings held during incumbency.

2. Status of Evaluation for the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Scope (Note 3)	Evaluation Method	Evaluation Content
Internally, the company conducts it once every year, while externally, it is conducted at least once every three years.	Twelve Months Ended December 31, 2024	Performance evaluation of board of directors, individual directors and functional committees (the Remuneration Committee and the Audit Committee).	1. Internal: Questionnaire self-evaluation for the Board of Directors, individual board members, and various functional committee members. 2. External - Evaluation completed by external professional organization - Taiwan Corporate Governance Association, through questionnaires and on-site interviews in 2023.	Please refer to the official website for the results of both internal and external evaluations of the board of directors' performance. https://www.bes.com.tw/ir-policies.php#gsc.tab=0

(II) Status of the Audit Committee and supervisors' participation in the Board of Directors:

1. Status of the Audit Committee information:

The Audit Committee in 2024 conducted 9 meetings (A), attendance by independent directors are as follow:

Title	Name (Note 1)	Actual attendance Number of times (B)	Proxy attendance Number of times	Rate of actual attendance (B/A) (Note 2)	Note
Independent director	KO, SHU-JEN	9	0	100%	—
Independent director	CHANG PAN	8	1	88.89%	—
Independent director	LIU, DENG-CHENG	9	0	100%	—
Independent director	PAN, WEI-GANG	6	0	100%	Newly elected on May 31, 2024; expected to attend 6 times, actual attendance 6 times.

Others:

I. If there are one of the situations as mentioned below for the audit committee operations, shall clearly state the date, period, proposal content, audit committee resolution outcome and the Company's handling of the audit committee's opinions.

(I) Matters defined by provisions of Article 14-5 of the Securities and Exchange Act.

1. Internal control system established or amended in accordance with Article 14-1 of the Securities and Exchange Act:

(1) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting

Proposal Content: Amendments to certain provisions of the "Audit Committee Charter" of the Company was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

(2) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting

Proposal Content: Proposal to amend some provisions of the Company's "Articles of Incorporation" was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

(3) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting

Proposal Content: Amendments to certain provisions of the "Procedures for Election of Directors" of the Company was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (4) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting

Proposal Content: Proposal to amend some provisions of the Company's "Rules and Procedures of Shareholders' Meeting" was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (5) Date of The Audit Committee meeting: November 12, 2024 Period: 3rd Term, 15th Meeting

Proposal Content: Amendments to certain provisions of the "Rules of Procedure for Board of Directors' Meeting" of the Company was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (6) Date of The Audit Committee meeting: December 24, 2024 Period: 3rd Term, 16th Meeting

Proposal Content: Proposal to amend the Company's "Sustainability Information Management Regulations" and "Other Management Control System - Sustainability Information Management" was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (7) Date of The Audit Committee meeting: December 24, 2024 Period: 3rd Term, 16th Meeting

Proposal Content: Revise the "Rules Governing Financial and Business Related Operations Between Related Parties" of the Company was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (8) Date of The Audit Committee meeting: December 24, 2024 Period: 3rd Term, 16th Meeting

Proposal Content: Amendments to certain provisions of the "Internal Control System" and "Management Measures for Self-Assessment of Internal Control System" was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

2. Evaluation of the Effectiveness of the Internal Control System:

- (1) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting

Proposal Content: proposal to issue the Internal Control System Statement for the year 2023 of the company. Submit for consideration.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (2) Date of The Audit Committee meeting: December 24, 2024 Period: 3rd Term, 16th Meeting

Proposal Content: Propose the Company's 2025 audit plan.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

3. According to Article 36-1 of the S&E Act to establish or amend the procedures for major finance business behavior regarding acquisition or disposal of assets, engagement in derivatives transactions, capital loans, making guarantee or endorsement for others:

- (1) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting

Proposal Content: amendment of certain articles of the "Managerial Procedure for Loaning Funds to Others and Endorsement/Guarantee", submit for consideration.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

4. Matters involving board directors' self-interests: such situation does not exist.
5. A transaction involving material asset or derivatives trading.
 - (1) Date of Audit Committee meeting: June 12, 2024 Period: 3rd Term, 11th Meeting
 Proposal Content: Proposal to subscribe for the secured ordinary corporate bonds issued by Agora Garden Co., Ltd. for NTD 600 million was submitted for review.
 Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.
 Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.
 The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.
6. Major capital loan, guarantee or endorsements:
such situation does not exist.
7. Offering, issuance or private placement of any equity-type securities:
such situation does not exist.
8. Appointment, discharge or remuneration of independent auditor:
 - (1) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting
 Proposal Content: the re-engagement of Deloitte Taiwan to audit the financial statements and tax certification for the year 2024. Submit for consideration.
 Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.
 Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.
 The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.
9. Appointment or discharge of CFO, Controller or Chief Audit Executive:
Such situation does not exist.
10. Annual and semi-annual financial statements:
 - (1) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting
 Proposal Content: Propose to review the Company's 2023 Financial Report.
 Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.
 Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.
 The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.
 - (2) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting
 Proposal Content: Proposal to review the Company's 2023 Parent Company Only Business Report and 2023 Consolidated Financial Report, submit for consideration.
 Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.
 Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.
 The Company's handling of the audit committee's opinions: report the board of

directors' resolution for the current fiscal year.

- (3) Date of The Audit Committee meeting: March 12, 2024 Period: 3rd Term, 9th Meeting

Proposal Content: request for review of the Company's 2023 Appropriation of Earnings and propose approval by audit.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (4) Date of The Audit Committee meeting: May 10, 2024 Period: 3rd Term, 10th Meeting

Proposal Content: Request for review of the Company's 2024 Quarter 1 Consolidated Financial Report and propose for consideration.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (5) Date of The Audit Committee meeting: August 09, 2024 Period: 3rd Term, 12th Meeting

Proposal Content: Request for review of the Company's 2024 Quarter 2 Consolidated Financial Report and propose for consideration.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

- (6) Date of The Audit Committee meeting: November 12, 2024 Period: 3rd Term, 15th Meeting

Proposal Content: Request for review of the Company's 2024 Quarter 3 Consolidated Financial Report and propose for consideration.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.

11. Major matters regulated by other companies or competent authorities:

- (1) Date of Audit Committee meeting: February 23, 2024 Term: 3rd Term, 8th Meeting

Proposal Content: Proposal for Tao Zhu Yin Yuan Residential Tower to allocate NTD 200 million as a public fund and NTD 300 million for warranty reserve was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The company's handling of the Audit Committee's opinions: reported to the current board of directors for review.

- (2) Date of The Audit Committee meeting: May 10, 2024 Period: 3rd Term, 10th Meeting

Proposal Content: Proposal of the Company's 2024 Pre-approved CPA to Provide Routine Non- Assurance Services and Duration" was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The company's handling of the Audit Committee's opinions: reported to the current board of directors for review.

- (3) Date of The Audit Committee meeting: May 10, 2024 Period: 3rd Term, 10th Meeting

Proposal Content: Proposal to liquidate and deregister the Company's BVI-registered subsidiary, BES Global Investment Corp., and to close its bank accounts was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The company's handling of the Audit Committee's opinions: reported to the current board of directors for review.

- (4) Date of The Audit Committee meeting: September 26, 2024 Period: 3rd Term, 13th Meeting

Proposal Content: Proposal for cash capital reduction of investments in Core Pacific World Co., Ltd. and BES Engineering Vietnam Company Limited was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.

The company's handling of the Audit Committee's opinions: report the board of directors' resolution for the current fiscal year.

- (5) Date of The Audit Committee meeting: October 24, 2024 Period: 3rd Term, 14th Meeting

Proposal Content: The Company is undertaking the urban renewal project for nine land lots, including Land No. 551, Section 3, Baoqing, Songshan District, Taipei City (hereinafter referred to as "the Project"), and proposes to proceed with project initiation procedures was submitted for review.

Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.

Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after

- the Chairperson consulted with everyone in attendance.
The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.
- (6) Date of The Audit Committee meeting: October 24, 2024 Period: 3rd Term, 14th Meeting
Proposal Content: In response to the unfavorable macro environment and the government's continuous promotion of housing sales policy, the proposal to revise the investment rate of Tao Zhu Yin Yuan from 37.28% to 10%-25% in order to accelerate the sale and increase the Company's use of cash flow was submitted for review.
Dissenting opinions, qualified opinions, or material recommendations of independent directors: Revision of the sensitivity analysis of the investment rate between 5% and 15%.
Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.
The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.
- (7) Date of The Audit Committee meeting: December 24, 2024 Period: 3rd Term, 16st Meeting
Proposal Content: Proposal for the Company's 2024 assessment of the independence and suitability of the retained CPAs was submitted for review.
Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.
Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.
The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.
- (8) Date of The Audit Committee meeting: December 24, 2024 Period: 3rd Term, 16st Meeting
Proposal Content: Review of the Company's "2025 Business Plan and Operations Budget Explanation." Submit for consideration.
Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.
Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.
The Company's handling of the audit committee's opinions: report the board of directors' resolution for the current fiscal year.
- (9) Date of The Audit Committee meeting: December 24, 2024 Period: 3rd Term, 16st Meeting
Proposal Content: In order to fulfill corporate social responsibility and promote public welfare activities, the company's public works business plans to donate NT\$10 million to the Sheen Chuen-Chi Culture and Educational Foundation to support cultural and educational activities. Submit for consideration.
Dissenting opinions, qualified opinions, or material recommendations of independent directors: none.
Audit Committee Resolution Outcome: the proposal is passed and approved as it is, by the committee members in attendance as a whole after the Chairperson consulted with everyone in attendance.
The Company's handling of the audit committee's opinions: report the board of

directors' resolution for the current fiscal year.

(II) Besides the above-mentioned matters, other resolution matters that have not been passed by the audit committee, but have been adopted with the approval of two-thirds or more of all the board directors: None such situations.

II. Proposals with independent director's recusal due to conflict of interests, the independent director's name, proposal content, reasons for recusal, and the situation of the entitlement to vote shall be clearly stated: None such situations.

III. Situation of the communications between the independent directors, Chief Audit Executive and the independent auditors (which should include the major happenings, method of communications and results of the audits for corporate finance and/or operations and so on):

(I). The Company sends the internal audit report and follow-up report to the entire independent directors for review in accordance with the regulations; Chief Audit Executive will attend the audit committee meeting, to provide related information to the independent directors. The communications status with the independent directors went well.

(II). The independent directors and the independent auditor regularly communicates on the financial situation via meeting method, the key points of communications between the Company's audit committee and the independent auditor for the 2024 fiscal year is as below:

1. March 12, 2024, 2023 Financial Report audit explanation, 2023 results for key audit matters.
2. May 10, 2024, Quarter 1 of 2024 Financial Statement review communications.
3. August 9, 2024, communication regarding the review of the financial statements for the first two quarters of the fiscal year 2024, including the introduction of applicable laws and the latest regulatory requirements from regulatory authorities.
4. November 12, 2024, Quarter 3 of 2024 Financial Statement review communications, communications for the 2024 results for key audit matters.

(III). December 24, 2024, the independent director communicated separately with the signing accountant via a meeting, utilizing a direct communication channel.

Note1: Before the end of the fiscal year, if an independent director resigns, the date of resignation, actual attendance rate based on his/her total attendance over the total number of audit committee meetings held during his/her incumbency, shall be clearly stated in the remark section.

Note2: Before the end of the fiscal year, if an independent director is re-elected, all new and ex-members shall be listed, with remarks to identify each member as ex-, new, or re-elected member. The re-election date shall also be stated. The actual attendance rate (%) is based on the total number of meetings attended over the total number of meetings held during incumbency.

(III) Discrepancies between actual implementation of corporate governance operations and the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons:

Items for Evaluation	Operation status (Note1)		Discrepancies and reasons	
	Yes	No		Brief summary
I. Does the Company establish and disclose the Company’s “Corporate Governance Best Practice Principles” in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?”	V		“Corporate Governance Best Practice Principles” of the company was stipulated pursuant to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” adopted by The Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) to establish sound corporate governance system, and these Principles were approved by the Board of Directors on November 11,2020, continuously comply with regulatory amendments, and publish updates on the official website.	None.
II. Shareholder structure and shareholders’ rights				
(I) Has the Company established internal operations procedures to handle shareholders’ suggestions, concerns, dispute, and litigation matters, and has implemented in accordance with the procedure?	V		(I) Besides appointing professional stock agency to handle the stock transactions, the Company has built a spokesperson system, established procedures for spokesperson and representative, and has designated personnel handling shareholders’ suggestions or concerns and so on matters.	None.
(II) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?	V		(II) The Company keeps aware of the stock transactions at all times, and through the shareholders’ name list provided by the stock agency, the Company is able to know the major shareholders and the beneficial owners of these major shareholders.	None.
(III)Has the Company built and executed risk management and firewall mechanisms between the Company and its affiliated companies?	V		(III) The Company and its affiliates have built the appropriate risk control system and firewall, and the assets, financial management rights and responsibilities of each of these affiliates are separate and independent. The Company’s financial unit has designated personnel to take care of managing subsidiaries, and the audit unit will execute monitoring and control under subsidiaries audit management.	None.
(IV)Has the Company established internal rules to prohibit insider trading on undisclosed information?	V		(IV) The Company has established “Procedures for the handling of major information and management for insider trading prevention,” “Related parties trading management,” and “Handling of major information and management for insider trading prevention.” “Operational Guidelines for Financial and Business Transactions Between Related Parties”	None.
III. Composition and Responsibilities of the Board of Directors				
(I) Has the board developed and does it implement a diversity policy and specific management goals?	V		(I) The Company has formulated a diversity policy and disclosed it on the official website. https://www.bes.com.tw/ir-policies.php#gsc.tab=0 1. There are 9 Directors in the Board, including 4 independent directors. The area of expertise	None.

Items for Evaluation	Operation status (Note1)		Discrepancies and reasons																					
	Yes	No																						
(II) Besides setting up the Remuneration Committee and the Audit Committee, has the Company voluntarily set up Committees for other functions?	V		None.																					
	V																							
(III) Has the Company established the regulations and method to evaluate the performance of the board of directors, and conduct such evaluation regularly every year? Have the results of the performance evaluations been submitted to the board, while applied as the reference for the remunerations and re-election of each director?	V		None.																					
	V																							
<p>covers accounting, legal, engineering construction, and industrial knowledge. The nomination and selection of members of the Company's Board of Directors are in compliance with the Company's Articles of Incorporation, and we adopt a candidate nomination system. In addition to evaluating the education and experience and qualifications of each candidate, we refer to our stakeholders' opinions, while complying with the Rules of Election of Directors and Supervisors and the Corporate Governance Best Practice Principles to ensure the diversity and independence of our directors.</p> <p>2. The Board aims for gender equality among its members, with a current target of having 1 or more female directors. The Company has elected 1 female independent director in 2024.</p> <p>(II) Besides setting up a remuneration committee and audit committee, the Company has also set-up a management committee and Sustainable Development Committee. In future, will take actions to plan the establishment of committees for other functions in line with the regulations.</p> <p>(III) The Company has formulated the Regulations Governing the Board of Directors Performance Evaluation of BES Engineering Inc. and disclosed these Regulations on the official website and MOPS. Article 3 of the Regulations provides the scope of the performance evaluation, which includes the Board of Directors as a whole, individual Board members, each functional committee (including the Remuneration Committee and Audit Committee), and the evaluation of the current year shall be report to the Board of Directors prior to Q1 of the next year, so that the operation of the Board of Directors and functional committees may be complementary to each other. The 2024 performance evaluation on Directors and functional committees was completed on December 31, 2024, and reported to the Board of Directors of the 27th term, 23rd meeting on January 16, 2025. The evaluation results will be used as a reference for the remuneration and nomination of directors in the future. The evaluation result is as follows:</p> <p>1. The board of directors scored as follows in various aspects, with an average score of 96.3 out of 100, rated as good. This indicates that the board has effectively guided and supervised the company's strategies, significant operations and risk management responsibilities. The overall operation is sound, complying with regulatory requirements from regulatory authorities and relevant corporate governance regulations.</p> <table border="1"> <thead> <tr> <th>Five aspects of self-evaluation</th> <th>Number of questions</th> <th>Average score</th> </tr> </thead> <tbody> <tr> <td>A. Involvement in the company's operations</td> <td>12</td> <td>95.0</td> </tr> <tr> <td>B. Improvement to the board's decision-making quality</td> <td>12</td> <td>96.9</td> </tr> <tr> <td>C. Board composition and structure</td> <td>7</td> <td>97.8</td> </tr> <tr> <td>D. Election of directors and continuing education</td> <td>7</td> <td>95.9</td> </tr> <tr> <td>E. Internal control</td> <td>7</td> <td>96.5</td> </tr> <tr> <td>Total/Average score</td> <td>45</td> <td>96.3</td> </tr> </tbody> </table>			Five aspects of self-evaluation	Number of questions	Average score	A. Involvement in the company's operations	12	95.0	B. Improvement to the board's decision-making quality	12	96.9	C. Board composition and structure	7	97.8	D. Election of directors and continuing education	7	95.9	E. Internal control	7	96.5	Total/Average score	45	96.3	
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Items for Evaluation	Operation status (Note1)		Discrepancies and reasons																																																															
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			<p>2. Board members: There are nine directors (including independent directors) on the Board. The score of each aspect of the self-evaluation is as follows. The average score is 96.9 (out of 100), which is rated as excellent.</p> <table border="1"> <thead> <tr> <th>Six aspects of self-evaluation</th> <th>Number of questions</th> <th>Average score</th> </tr> </thead> <tbody> <tr> <td>A. Understanding of the company's goals and tasks</td> <td>3</td> <td>97.0</td> </tr> <tr> <td>B. Awareness of directors' responsibilities</td> <td>3</td> <td>97.0</td> </tr> <tr> <td>C. Involvement in the company's operations</td> <td>8</td> <td>95.6</td> </tr> <tr> <td>D. Internal relations management and communication</td> <td>3</td> <td>97.8</td> </tr> <tr> <td>E. Directors' professional training and continuing education</td> <td>3</td> <td>97.8</td> </tr> <tr> <td>F. Internal control</td> <td>3</td> <td>98.5</td> </tr> <tr> <td>Total/Average score</td> <td>23</td> <td>96.9</td> </tr> </tbody> </table> <p>3. Functional committees: The Company has set up functional committees of the Audit Committee and the Remuneration Committee. After self-evaluation by the committee members, the score of each aspect is as follows, all of which is rated as excellent and meets the requirements of corporate governance; thus, our functional committees can effectively enhance the functions of the Board.</p> <table border="1"> <thead> <tr> <th rowspan="2">Five aspects of self-evaluation</th> <th colspan="2">The Audit Committee</th> <th colspan="2">Remuneration Committee</th> </tr> <tr> <th>Number of questions</th> <th>Average score</th> <th>Number of questions</th> <th>Average score</th> </tr> </thead> <tbody> <tr> <td>A. Involvement in the company's operations</td> <td>4</td> <td>97.5</td> <td>4</td> <td>96.7</td> </tr> <tr> <td>B. Awareness of functional committees' responsibilities</td> <td>5</td> <td>97.0</td> <td>5</td> <td>94.7</td> </tr> <tr> <td>B. Improvement to the functional committees' decision-making quality</td> <td>7</td> <td>100</td> <td>7</td> <td>100</td> </tr> <tr> <td>D. Composition of functional committees and appointment of members</td> <td>3</td> <td>98.3</td> <td>3</td> <td>100</td> </tr> <tr> <td>E. Internal control</td> <td>3</td> <td>98.3</td> <td>1</td> <td>100</td> </tr> <tr> <td>Total/Average score</td> <td>22</td> <td>98.4</td> <td>20</td> <td>98</td> </tr> </tbody> </table>	Six aspects of self-evaluation	Number of questions	Average score	A. Understanding of the company's goals and tasks	3	97.0	B. Awareness of directors' responsibilities	3	97.0	C. Involvement in the company's operations	8	95.6	D. Internal relations management and communication	3	97.8	E. Directors' professional training and continuing education	3	97.8	F. Internal control	3	98.5	Total/Average score	23	96.9	Five aspects of self-evaluation	The Audit Committee		Remuneration Committee		Number of questions	Average score	Number of questions	Average score	A. Involvement in the company's operations	4	97.5	4	96.7	B. Awareness of functional committees' responsibilities	5	97.0	5	94.7	B. Improvement to the functional committees' decision-making quality	7	100	7	100	D. Composition of functional committees and appointment of members	3	98.3	3	100	E. Internal control	3	98.3	1	100	Total/Average score	22	98.4	20	98
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Items for Evaluation	Operation status (Note1)		Discrepancies and reasons
	Yes	No	
(IV) Has the Company evaluate the independence of the independent auditor on a regular basis?	V		<p>4. The above evaluation is conducted internally using a questionnaire-based method. Each functional committee distributes the questionnaires, which are collected by December each year. The Company's Chairman's Office analyzes the results in accordance with the established procedures and submits the findings to the Board of Directors in January or February of the following year. Based on the directors' feedback, the Company proposes action plans for further improvement.</p> <p>5. Our company has commissioned the Taiwan Corporate Governance Association to conduct the external evaluation of the board of directors' performance for the fiscal year 2024 through questionnaires and on-site interviews. This evaluation covered various aspects, including board composition and structure, selection and continuing education of directors, level of involvement in company operations, enhancement of board decision-making quality, internal controls, value creation, as well as environmental, social and corporate governance (ESG) aspects. The report was submitted to the February 2024 board meeting and published on the official website following its approval.</p> <p>(IV) The audit committee and the board of directors of the company evaluate the independence, competence and professionalism of their certified accountants every year. In addition to requiring certified accountants to provide "detached independence statement" and "audit quality indicators (AQIs)", they also follow the evaluation form in Note 2 It is evaluated with 13 AQI indicators. It is confirmed that the accountant has no other financial interests or business relationship with the company except for the fees of visa and financial and tax cases, and the family members of the accountant do not violate the requirements of independence. With reference to the AQI index information, it is confirmed that the accountant and the firm are in the process of checking experience and The number of training hours is better than the average level of the industry, and in the last 3 years, it will continue to introduce digital audit tools to improve audit quality. When discussing the independence of the CPAs and the appointment of the CPAs, the Board of Directors of the Company also provided the resumes of the CPAs and the independence statement of each CPAs for the Board of Directors to discuss their independence.</p> <p>The evaluation results of the past fiscal year have been discussed and approved by the Audit Committee on December 24, 2024. They were then submitted to the board of directors and approved on December 26, 2024, regarding the evaluation of the independence and suitability of the auditors.</p>
(V) Does the company disclose the link between performance evaluation and remuneration for directors and managers?	V		<p>(V) Explanation as follows:</p> <p>1. Pursuant to Article 28 of the Company's Articles of Incorporation, shall there be profit before tax, and no accumulative losses to be made up, no less than 2% shall be contributed as the employee's remuneration and less than 2% shall be contributed as the directors' remuneration.</p>

Items for Evaluation	Operation status (Note1)		Discrepancies and reasons
	Yes	No	
(VI) Does the Company disclose the policy of linking the remuneration of senior managers with ESG-related performance evaluation	V		<p>In the event of any accumulative loss incurred by the Company, it shall reserve for offsetting the accumulative loss. The preceding pre-paid ratio, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders, and it shall be reported in the shareholders' meeting.</p> <p>2. Per the Company's "Regulations Governing the Board of Directors Performance Evaluation of BES ENGINEERING CORPORATION," the annual performance of individual directors (based on six key areas: understanding of the Company's objectives and missions, understanding of the responsibilities of directors, level of participation in the Company's operations, internal relationship management and communication, directors' expertise and continuing education, and internal control) is assessed to determine whether to continue their nomination and to serve as a reference for setting their remuneration. The relevant performance evaluations and the rationality of the remuneration have been reviewed and approved by both the Remuneration Committee and the Board of Directors.</p> <p>3. The Remuneration Committee, in accordance with its committee charter, regularly reviews the policies, systems, standards, and structures for performance evaluation and remuneration of directors and managers, and evaluates and determines the remuneration of directors and managers. The proposed suggestions are submitted to the Board of Directors for discussion.</p> <p>4. Other aspects such as special contributions or significant negative events are also considered as references for the performance and remuneration of directors and managers.</p> <p>(VI) In 2024, the Company internally amended the "Procedures for Performance Appraisal and Promotion of Employees of BES Engineering Corporation" by adding the link between the performance appraisal of senior managers and ESG, and taking into account the bonuses and remuneration.</p> <p>The evaluation items are as follows: Appointed managers (including presidents and vice presidents) should set short-term ESG goals and implement long-term strategic performance reviews that include legal compliance, workplace inclusion, risk management, employee health and safety, labor-management relations, and carbon emission reduction, etc. The aforementioned ESG performance items will be included in the consideration of salary and remuneration.</p>
IV. Has the listed company assigned the properly competent and amount of corporate governance unit or personnel to be responsible for related matters to corporate governance (including but not limited to providing directors and supervisors the data required to execute the work, assisting directors and supervisors to comply with	V		<p>(I) The Company's Board of Directors Secretary and General Manager Office, Finance Section are responsible, and their key responsibilities are as follow:</p> <ol style="list-style-type: none"> 1. Draw up the agenda of the board meeting, notify directors at least 7 days before the meeting, and provide sufficient meeting materials so that directors can understand the contents of relevant topics; remind them in advance. 2. Provide the information required by the directors to exercise their powers and regulations, and related news related to corporate governance, to assist the directors to comply with the laws and regulations and to convene board meetings and shareholders' meetings.

Items for Evaluation	Operation status (Note1)		Discrepancies and reasons																								
	Yes	No																									
laws and regulations and organize Board of Directors and Shareholders meetings related matters, produced meeting minutes for Board of Directors and Shareholders meetings)?			<p>3. Assisting the Company in complying with the relevant laws and regulations of the Board of Directors and Shareholders' Meetings, preparing the minutes of the Board of Directors' meetings and handling investor relations and other related affairs.</p> <p>4. Register the shareholders' meeting date each year according to the law, release meeting notices prior to the deadline, prepares meeting handbook and minutes.</p> <p>5. According to the Financial Supervisory Commission's regulations, organizes the Corporate Governance evaluation work.</p> <p>(II) March 27th, 2019, the board of directors approved the establishment of a corporate governance director position, to be concurrently held by the head of the finance department. On October 25th, 2023, the board of directors approved the appointment of Manager SU, YU-MIN from the accounting department to this position.</p> <p>(III) Key implementations of corporate governance related matters are as follows:</p> <ol style="list-style-type: none"> 12 Board of Directors meeting and 9 Audit Committee meetings were summoned in 2024. 1 annual shareholders' meeting was summoned in 2024. All directors completed at least 6 credits of educational trainings. The company insured Directors and important staff with liability insurance and reported to the Board of Directors after the policies are renewed. Conducted the performance evaluations of the Board of Directors and functional committees, and reported the results to the Board before the first quarter of the following year. The corporate governance director completed a total of 3 hours of training in year 2024. Newly appointed individuals are required to complete 18 hours of training within one year according to regulations. Corporate governance evaluation and reporting for the fiscal year 2024. 1 Institutional Investor Conference was held in 2024. <p>(IV)The educational training for the Corporate Governance Officer in 2024 is as follows:</p> <table border="1"> <thead> <tr> <th>Transaction</th> <th>Training Course</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>2023/11/16</td> <td>2023 ESG Summit: Sustainability Disclosure and ESG Practices</td> <td>3</td> </tr> <tr> <td>2023/11/17</td> <td>Analysis of Hostile Takeovers, Struggles for Control and Company Countermeasures</td> <td>3</td> </tr> <tr> <td>2024/3/22</td> <td>CDP Taiwan Launch Event - Promoting a New Carbon Era Through Sustainability Knowledge</td> <td>3</td> </tr> <tr> <td>2024/8/23</td> <td>AI Applications and Trends in the Construction Industry</td> <td>3</td> </tr> <tr> <td>2024/8/27</td> <td>Establishing ESG Sustainability Strategies to Improve Competitiveness</td> <td>3</td> </tr> <tr> <td>2024/9/19</td> <td>Sustainability Knowledge Empowerment Course - Building a New Carbon Era with Sustainability Knowledge for the Finance and Service Industries</td> <td>6</td> </tr> <tr> <td>2024/11/14</td> <td>The Incoming Carbon Wave: An Overview of Carbon Credits Formation and Trading Systems</td> <td>3</td> </tr> </tbody> </table>	Transaction	Training Course	Credit	2023/11/16	2023 ESG Summit: Sustainability Disclosure and ESG Practices	3	2023/11/17	Analysis of Hostile Takeovers, Struggles for Control and Company Countermeasures	3	2024/3/22	CDP Taiwan Launch Event - Promoting a New Carbon Era Through Sustainability Knowledge	3	2024/8/23	AI Applications and Trends in the Construction Industry	3	2024/8/27	Establishing ESG Sustainability Strategies to Improve Competitiveness	3	2024/9/19	Sustainability Knowledge Empowerment Course - Building a New Carbon Era with Sustainability Knowledge for the Finance and Service Industries	6	2024/11/14	The Incoming Carbon Wave: An Overview of Carbon Credits Formation and Trading Systems	3
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Items for Evaluation	Operation status (Note1)		Discrepancies and reasons	
	Yes	No		
V. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, and so on) and created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	V		<p>(I) Our company's website has established an investor relations section and a contact window and has added a survey section for stakeholders' concerns to emphasize the importance of stakeholders' opinions.</p> <p>(II) There are designated departments responsible for the communications and co-ordination between the Company and banks, construction companies, supporting suppliers, government authorities, and the Company's staffs, through internal emails, and responses to meeting communications on a non-regular basis.</p> <p>(III) In the 2023 Sustainability Report, the Company identified its stakeholders and material issues., colleagues, customers/clients, investors/shareholders, suppliers, community, government agencies, investment institutions/banks and media have been identified. There are a total of 8 types of stakeholders and responses are provided to address significant issues concerning stakeholders, such as: safety and health in the workplace, integrity in operations, talent recruitment and retention, resource management, environmentally friendly technology application, innovative technology application, career development and training, green building, sustainable supplier management and social engagement.</p> <p>In addition, the 2024 sustainability report will continue to disclose the status of communication with related parties. Please refer to the official website. https://www.bes.com.tw/csr-pdf.php#gsc.tab=0</p>	None.
VI. Has the Company appointed a professional registrar for its Shareholders' meetings?	V		The Company appoints an independent professional shareholder service agency to handle shareholders' affairs in President Securities Corporation.	None.
VII. Information disclosure				
(I) Has the Company established a corporate website to disclose information regarding its finance, business and corporate governance?	V		(I) The Company's website has been revised. address: www.bes.com.tw ; www.besland.com.tw discloses the Company's finance, businesses and corporate governance situations in full.	None.
(II) Does the Company use other information disclosure channels (such as, create an English-language website, designate staff responsible for the handling of information collection and disclosure, establish spokespersons system, webcasting investors conference and so on)?	V		(II) The company's website also contains English version of material financial and corporate governance information, and designated personnel is in charge of the collection and disclosure of company information. Meanwhile, the company also establishes spokesperson system, publishes Rules Governing Information Reporting, release material information and latest announcements. The website also contains the link to the Market Operation Post System. In addition, the Institutional Investor Conference of the company is disclosed on the official website regular basis. In addition, the official website regularly discloses information about "the company holding corporate briefing sessions." Please refer to https://www.bes.com.tw/ir-policies.php#gsc.tab=0	None.
(III) Does the Company announce and register the annual financial reports	V		(III) Pursuant to Paragraph 1, Article 36, the Securities and Exchange Act, within three months after the close of each fiscal year, the Company publicly announces and registers financial reports	The Company conducts such

Items for Evaluation	Operation status (Note1)		Discrepancies and reasons	
	Yes	No		Brief summary
within two month upon the end of a financial year, and announce and register the first, second and third quarter financial reports and the monthly operations before the required due date?			duly audited and attested by a certified public accountant, approved by the board of directors, and recognized by the supervisors, as well as within 45 days after the end of the first, second, and third quarters of each fiscal year publicly announces and registers with the Competent Authority financial reports duly reviewed by a certified public accountant and reported to the board of directors, pursuant to Paragraph 2, and Paragraph 3, within the first ten days of each calendar month publicly announces and registers the operating status for the preceding month.	pursuant to the Securities and Exchange Act.
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		<p>(I) Our company emphasizes employee rights, employee care, and human rights. We have established regulations such as the "Organization Regulations of the Labor Retirement Preparation Supervisory Committee," the "Employee Retirement, Severance, and Layoff Regulations," the "Employee Welfare Committee Scholarship Regulations" and the "Company Gender Equality Promotion Measures" to address these issues. Please refer to the official website.https://www.bes.com.tw/hr-benefits.php#gsc.tab=0</p> <p>(II) In accordance with domestic procurement regulations, contracts are established with suppliers, and suppliers are regulated according to our company's "Vendor Assessment and Evaluation Guidelines" to ensure quality standards are met. Meanwhile, our company has established effective communication mechanisms with investors. The official website and annual reports provide detailed disclosures regarding the company's internal operations and significant information.</p> <p>(III) The company has established an investor relations section and a spokesperson system. Investors can contact our company at any time to address relevant inquiries and receive information about the company's governance practices.</p> <p>(IV) Training status of directors and independent directors: Chairman Chou Chih-Ming, Director Chen Jui-Lung, Director Pai Chun-Nan, Director Tsai Chao-Lun, Director Liu, Liang-Hai, Independent Director Ko, Shu-Jen, Independent Director Liu, Deng-Cheng, Independent Director Chang, Pan, and Independent Director Pan-Wei-Gang, all comply with the training hours requirement in the "Guidelines for Continuing Education for Directors and Supervisors of Listed and Over-the-Counter Companies." Point Three, Continuing Education Measures, Item Two. Newly appointed directors should receive at least 12 hours of training in the year of their appointment and a minimum of 6 hours annually from the second year of their appointment. Please refer to Note 3 for details of the courses.</p> <p>(V) The situation of insurance purchase for the directors by the Company: The Company has established the rule of insurance purchase for directors and supervisors in the Articles of Incorporation. Insured by Fubon Insurance Co., Ltd. from January 2, 2025 to January 2, 2026 and reported to the Board of Directors.</p>	None.
<p>IX. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange. (I) Our company will discuss the direction of improvement for unresolved issues following the review.</p>				

Items for Evaluation	Operation status (Note1)		Discrepancies and reasons
	Yes	No	
(II) Our company strengthens disclosure on corporate governance matters: <ol style="list-style-type: none"> 1. Contents of videotaping of the general shareholders' meeting. 2. Amendment to the regulations governing Board of Directors and shareholders' meetings. 3. The supervision of the Board of Directors on the promotion of sustainable development. 4. Participation in domestic cultural industry activities. 5. Greenhouse gas inventory results and third-party assurance. (III) For the first time, the Company was awarded the Silver Award in the TCSA 2024 Sustainability Report Award.			

Note 1: When selecting “Yes” or “No” for the operations, a description must be provided in the field of “Remarks.”

Note 2: 2024 CPA independence assessment

Item	Evaluation item	Evaluation results	Whether or not the CPAs are independent
1	Whether or not the CPAs have direct or material indirect financial interest with the company?	No	Yes
2	Whether or not the CPAs have close business relationship with the company?	No	Yes
3	Whether or not the CPAs have a potential employment relationship while auditing the company?	No	Yes
4	Whether or not the CPAs have any financial borrowing or lending with the company?	No	Yes
5	Whether or not the CPAs have any value from our company or from the directors and managers of the company? Significant gifts or presents (with a value exceeding normal social etiquette standards).	No	Yes
6	Whether or not the CPAs have the signing accountant provided auditing services to the company continuously for seven years.	No	Yes
7	Whether or not the CPAs hold shares in our company.	No	Yes
8	Whether or not the CPAs, their spouse or dependents served as directors, supervisors or managers of our company or held positions with significant influence on audit cases during the audit period or in the past two years?	No	Yes
9	Whether or not the CPAs complied with the provisions regarding independence in the Code of Professional Ethics for Certified Public Accountants No. 10 and obtained the “Independence Declaration” issued by the signing accountant?	Yes	Yes
10	Whether or not the CPAs obtained information on the 13 Audit Quality Indicators (AQIs) provided by the accounting firm, and evaluated the audit quality of the accounting firm and audit team based on the “Audit Committee's Interpretation of Audit Quality Indicators (AQI) Guidelines” issued by the regulatory authority?	Yes	Yes

Note 3: 2024 directors' continuing education

Juristic Person Directors	Title	Name	Date of Assuming of Duties	Construction Name	Total hours
Yang Jen Co., Ltd.	Legal Representative / Chairman of BES Engineering Corporation	ZHOU, CHIH-MING	2023/6/7	AI Applications and Trends in the Construction Industry	6
				The Incoming Carbon Wave: An Overview of Carbon Credits Formation and Trading Systems	
China Petrochemical Development Corporation	Legal Representative / Director	CHEN, JUI-LUNG	2023/6/7	Enhancing Enterprise Forecasting and Predictive Analytics Capabilities Driven by Emerging Technologies	9
				2024 Generative AI Trends and Major Challenges	
				Tax Governance	
				Global Compliance Management and Development Trends	
Ten King Investment Co., Ltd.	Legal Representative / Director	BAI, CHUN-NAN	2023/6/7	Corporate Control Disputes and an Introduction to the Commercial Case Adjudication Act	18
				How Enterprises Can Utilize the Latest AI Application Trends for Continuous Innovation and Transformation	
				AI Applications and Trends in the Construction Industry	
				The 13th Annual Chinese Family Business Forum	
				The Incoming Carbon Wave: An Overview of Carbon Credits Formation and Trading Systems	
Formostar Garment Co. Ltd	Legal Representative / Director	TSAI, CHAO-LUN	2023/6/7	Corporate Governance 3.0: Legal Compliance and Regulatory Responses of the Board of Directors	6
				The 62nd Corporate Governance Forum	
Chang Li Co. Ltd	Legal Representative / Director	LIU, LIANG-HAI	2023/6/7	AI Applications and Trends in the Construction Industry	6
				The Incoming Carbon Wave: An Overview of Carbon Credits Formation and Trading Systems	
Independent director	KO, SHU-JEN	2023/6/7	AI Applications and Trends in the Construction Industry	9	
			Analysis of the Renewable Energy Certificate System and Green Electricity Trading		
			The Incoming Carbon Wave: An Overview of Carbon Credits Formation and Trading Systems		
	CHANG, FAN	2023/6/7	AI Applications and Trends in the Construction Industry	6	
			The Incoming Carbon Wave: An Overview of Carbon Credits Formation and Trading Systems		
	LIU, DENG-CHENG	2023/6/7	AI Applications and Trends in the Construction Industry	6	
			2024 Taishin Net-Zero Summit Forum		
	PAN, WEI-GANG	2024/5/31	Corporate Management - Information Security - Personal Data Security Audit	9	
2024 Cathay Sustainable Finance and Climate Change Summit					
				AI Applications and Trends in the Construction Industry	

(IV) If the Company has set up a Remuneration Committee, shall disclose its composition, responsibilities and operation situations:

1. Member information of the Remunerations Committee

Identity (Note 1)	Qualifications Name	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of other public offering companies where the member services as a part-time remuneration committee member
Independent director (Serving as the convener of the fifth session)	KO, SHU-JEN	Please refer to Table 1 for information on directors and supervisors on page 10~12 for relevant information.	As per the requirements of the listing rules, the Company has obtained a written statement from each independent director, confirming that they and their immediate family members have no direct or indirect personal interests involved in terms of their independence from the Company.	0
Independent director	CHANG, FAN	Please refer to Table 1 for information on directors and supervisors on page 10~12 for relevant information.	According to the requirements of the listing rules, the company has obtained written statements from each independent director confirming their own and their immediate family members' independence from the company, without any direct or indirect conflicts of interest.	0
Independent director	LIU, DENG-CHENG	Please refer to Table 1 for information on directors and supervisors on page 10~12 for relevant information.	According to the requirements of the listing rules, the company has obtained written statements from each independent director confirming their own and their immediate family members' independence from the company, without any direct or indirect conflicts of interest.	0

Note 1: Please specify in the table the relevant years of service, professional qualifications, experience, and independence of the members of the Remuneration Committee.

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual Remuneration Committee members.

Note 3: Independence: Specify the independence of individual Remuneration Committee members, including but not limited to whether they, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliates; the number and percentage of the Company's shares held by them, their spouses, or relatives within the second degree of kinship (or by nominee arrangement); whether they serve as directors, supervisors, or employees at a company with a specific relation with the Company (refer to Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange; the amount of remuneration received by them for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last two years.

2. Information on the Operations Situation of the Remuneration Committee

(1) Members of the Remuneration Committee, a total of 3 persons.

(2) Current term of the Committee: From June 28, 2023 to June 27, 2026; The Remuneration Committee has held 8 meetings in 2024. The qualifications and attendance of members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance (%) (B/A) (Note)	Note
Convener	Ko, Shu-Jen	8	0	100%	
Committee member	Chang, Fan	7	1	87.5%	
Committee member	Liu, Deng-Cheng	8	0	100%	
Others:					
I. If the Board of Directors declines to adopt or modify recommendation(s) of the Remuneration Committee, the date, period, content of the motion and the results of the resolution of the Board meeting shall be clearly stated; as well as the action(s) taken by the company in response to the recommendation(s) of the Remuneration Committee. (If the remuneration passed by the Board exceeds what the Remuneration Committee has recommended, the circumstances and causes for such difference shall be clearly stated.): No such situation.					
II. Regarding matters related to the resolution of the Remuneration Committee, if member(s) has opposing or retaining opinion that has been recorded or written statement issued, the date, period, content of the proposal, and all opinions of the members and corresponding actions to these opinions of the Remuneration Committee meeting shall be clearly stated: No such situation.					
III. The meeting date, term, proposal content, resolution of the Remuneration Committee of the past year, and the company's disposition on the opinions proposed by the Remuneration Committee are as follows:					
5th term 3rd meeting 2024/01/25	Proposal I. To comply with the amendment of regulations by the Ministry of Finance, it is proposed to adjust the tax-exempt limit of meal allowances for all employees (including appointed managers) of the company to NT\$ 3,000. II. Review on the proposal for the Company's distribution of year-end performance bonus for delegated managers in 2023	The first case was approved by all of the committee members The second case is conditionally approved, but considering that the Financial Goal of the Public Engineering Division achieved a target completion rate of 129% last year, despite encountering four workplace safety incidents, the target completion rate has been adjusted to 110%. Further details regarding the related management responsibilities and the appropriate adjustment range should be clarified before submitting for approval at the 27th meeting of the 11th Board of Directors		Proposal 1 was submitted to the Board meeting and was approved by all attending directors Proposal 2 was submitted to the board meeting, which was approved by all directors present, and the Chairman was authorized to make a decision based on the recommendations of the Remuneration Committee and the board of directors after comprehensive consideration	
5th term 4th meeting 2024/02/21	Proposal I. Proposal for the appointment and remuneration of six managers of the Company (including Wang, Ting-Tse) II. Proposal for the appointment and remuneration of the two new managers of the Company (including Chang, Wen-Bin)	Approved by all of the committee members		Approval by all attending directors.	
5th term 5th meeting 2024/03/12	Proposal Proposal for the distribution of remuneration to employees and directors for 2023.	Approved by all of the committee members		Approval by all attending directors.	
5th term 6th meeting 2024/05/10	Proposal Proposal for the appointment and remuneration of Mr. Zhou, Zhi-Cheng, the Company's special assistant of the Chairman and General Manager's Office and Information Department and Audio-Visual Command Center Supervisor.	Approved by all of the committee members		Approval by all attending directors.	

5th term 7th meeting 2024/06/12	Proposal I. Proposal for the recommended monthly remuneration for Ms. Pan, Wei-Gang, a newly elected independent director, following her re-election at the General Shareholders' Meeting on May 31, 2024. II. Proposal for the remuneration of Pai, Chun-Nan, Vice Chairman of the Company.	Approved by all of the committee members	Approval by all attending directors.
5th term 8th meeting 2024/08/09	Proposal Proposal for the Company's 2023 distribution of remuneration of directors	Approved by all of the committee members	Approval by all attending directors.
5th term 9th meeting 2024/09/26	Proposal I. Proposal for the discontinuation of the consultant fee payment to Shen, Ching-Jing, Senior Advisor of the Company. II. Proposal for the appointment and remuneration of You, Li-Cheng, manager of the finance department of the Company. III. Proposal for the distribution of the surplus bonus from the airport earthwork construction to the eight appointed managers, including Yang, Mei-Yuan, of the Company. IV. Proposal for the Company's 2023 remuneration of employees distributed by the delegated manager in accordance with the "Guidelines Governing Remuneration to Employees."	Approved by all of the committee members	Approval by all attending directors.
5th term 10th meeting 2024/12/24	Proposal To encourage appointed managers to continuously pursue outstanding performance, support stable business growth, fulfill operational responsibilities, enhance industry competitiveness, and achieve the vision of sustainable growth, it is proposed to implement a remuneration adjustment for appointed managers.	Approved by all of the committee members	Approval by all attending directors.

Note:

- (1) Before the end of the fiscal year, if a member of the Remuneration Committee resigns, the date of resignation, actual attendance rate based on his/her total attendance over the total number of meetings held during his/her incumbency on the Remuneration Committee, shall be clearly stated in the remarks section.
- (2) Before the end of the fiscal year, if the Remuneration Committee is re-elected, all new and ex-members shall be listed, with remarks to identify each member as ex-, new, or re-elected member. The re-election date shall also be stated. Actual attendance rate (%) is based on the total number of meetings attended over the total number of meetings held during incumbency.

3. Responsibility: all members of the committee shall exercise the due care of a prudent manager, honestly fulfill the duties listed below, and be responsible to the Board of Directors, and submit their recommendations to the Board of Directors for discussion:
 - (1) Establish and periodically review the policy, system, standard, and structure for the performance evaluation and remuneration of directors and managers.
 - (2) Periodically review and establish remuneration to directors and managers.

(V) Discrepancy between the implementation of sustainable development and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor :

Items for evaluation	Operations Situation (note 1):			Discrepancy between the Code of Practice for Corporate Social Responsibility of Listed Company and actual implementation, and the reasons.
	Yes	No	Brief summary	
I. Has the company established a sustainable development governance structure and exclusively (or concurrently) dedicated units to implement sustainable development, and has the board of directors authorized the senior management to handle it, and the board supervised the process?	V		<p>(I) The company established the Sustainable Development Committee on May 11, 2022, and the organization structure, members, responsibilities, and the operation of the committee, which has held two meetings in 2024, can be found on the official website: https://www.bes.com.tw/ir-sd-committee.php#gsc.tab=0.</p> <p>(II) The Sustainable Development Committee has established a Sustainability Implementation Team, which coordinates and implements sustainable development action plans and regularly reports the results to the committee.</p> <p>(III) In the year 2024, the company's efforts in promoting corporate sustainability yielded results, including (1) communication with stakeholders and corresponding action plans, (2) goals and policies related to sustainability issues, (3) the implementation status of sustainability-related issues, and (4) sustainability report. These were reported to the Board of Directors on July 24, 2024 and December 26, 2024. The Board of Directors listened to the report of the Sustainable Development Committee, reviewed the implementation status of sustainability issues and urged the management team to make rolling adjustments to the execution plans.</p> <p>(IV) Relevant educational training courses in 2024 were as follows: Promotion of the disclosure items related to the sustainability report on January 7, 2024</p>	None
II. Does the company conduct the risk evaluation of the	V		(I) The Company's risk management policy and procedure have been approved by the Board of directors of the 26th term in the 4th meeting.	None

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environmental, social and governance issues pertinent to the Company's operation based on the principle of materiality, and establishes the related risk management policies or strategies? (Note 2)			<p>Risks are defined in accordance with our overall operational principles, and the policy and procedure establishes a risk management mechanism that can have the feature of early risk identification, precise risk evaluation, effective monitoring, and strict control. The Company prevents any possible losses within the affordable risk scope, continues to adjust and improve the best practice of risk management in response to the domestic and overseas changes, protects the interests of employees, directors, customers, and stakeholders. Please refer to the official website:https://www.bes.com.tw/ir-policies.php#gsc.tab=0(Risk management policy and procedure).</p> <p>(II) The Company's Risk Management Team convened a risk management meeting on November 26, 2024, to conduct a risk assessment of the Company's operations (excluding subsidiaries) related to environmental, social, and corporate governance aspects. 30 high-risk issues were identified, and ongoing mitigation measures were proposed. These were submitted to the Audit Committee on December 24, 2024, and the Board of Directors on December 26, 2024, for implementation.</p> <table border="1"> <thead> <tr> <th>Type of Risks</th> <th>Risk topics</th> <th>Implementation of Risk Countermeasures</th> </tr> </thead> <tbody> <tr> <td>Operational Risk</td> <td>Operational strategies and annual budgeting, performance, mergers and acquisitions investment management</td> <td>Improve company operational efficiency through strengthened governance mechanisms, risk management, performance management, and transparent communication.</td> </tr> <tr> <td>Operational Risk</td> <td>Shareholder litigation impacts the stability of decision-making and management execution</td> <td>Actively maintain communication with banks and shareholders to explain the Company's operational status, increase the capital level through accelerated asset disposal, and strengthen risk management reporting mechanisms to maintain operational stability.</td> </tr> </tbody> </table>	Type of Risks	Risk topics	Implementation of Risk Countermeasures	Operational Risk	Operational strategies and annual budgeting, performance, mergers and acquisitions investment management	Improve company operational efficiency through strengthened governance mechanisms, risk management, performance management, and transparent communication.	Operational Risk	Shareholder litigation impacts the stability of decision-making and management execution	Actively maintain communication with banks and shareholders to explain the Company's operational status, increase the capital level through accelerated asset disposal, and strengthen risk management reporting mechanisms to maintain operational stability.	
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III. Environmental Issues (I) Does the Company establish a suitable environmental management system based on the characteristics of the industry where it is?	V		The company has obtained ISO 14001:2015 Environmental Management System and CNS 45001:2018 Occupational Health and Safety Management System certifications. Each year, we engage third-party verification bodies to conduct verification audits, ensuring the continuous effectiveness and improvement of our management systems, thereby enhancing environmental protection and workplace safety. Our management objectives are "reduce environmental pollution," "use green building materials," "minimize waste generation," "reduce carbon emissions," and "zero major occupational accidents." We implement the following	None															

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			<p>measures to achieve these goals:</p> <p>(I) Measures to Reduce Environmental Pollution: We have comprehensively installed vehicle washing equipment and sedimentation tanks. The supernatant is extracted and recycled for use, preventing vehicle and wastewater pollution of roads and receiving water bodies, and increasing the reuse of water resources. Additionally, we implement dust suppression measures such as watering and covering exposed ground surfaces, and install fences and soundproofing facilities to reduce noise pollution.</p> <p>(II) Measures to Use Green Building Materials: For our self-developed projects, we consider indicators such as greening volume, site water retention, daily energy saving, carbon dioxide reduction, indoor environment, and water resources, and strive to obtain green building certifications.</p> <p>(III) Measures to Reduce Waste Generation: We prioritize prefabrication methods to minimize waste generation. For temporary works, we use recyclable materials to facilitate recycling. Furthermore, we implement a classification system for general, hazardous, and recyclable waste, and engage qualified waste disposal contractors to transport waste to treatment plants. Recyclable waste is transported to recycling plants for reuse, enhancing resource circularity.</p> <p>(IV) Measures to Reduce Carbon Emissions: We conduct annual greenhouse gas inventories and external verification to understand the proportion of carbon emissions from our various sources. Our offices utilize LED lighting and high-efficiency motors, and we enforce power-off management during non-working hours.</p> <p>(V) Measures for Zero Major Occupational Accidents: Prior to construction, we conduct risk assessments to understand potential</p>	

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			<p>hazards and plan appropriate prevention facilities and measures. We conduct daily pre-work briefings and implement thorough self-inspections to ensure all safety facilities are in effective condition. Additionally, we provide Taiwan Occupational Safety and Health Card (OSHC) training to our employees and subcontractors to enhance their understanding of risks and foster a corporate culture that values occupational safety.</p> <p>Guided by the philosophy of sustainable construction, our company integrates management systems with practical actions, committed to creating safe, low-carbon, and environmentally friendly construction sites to fulfill our commitments to society and the environment.</p> <p>For relevant ISO 14001, CNS 45001, and ISO 45001 management system certificates, please refer to our official website: https://www.bes.com.tw/environment.php#gsc.tab=0</p>	
(II) Does the company strive to enhance the resource utilization efficiency and use the recycled materials with low environmental impact?	V		To enhance the resource utilization efficiency, we have formulated the “Guidelines for Management of Domestic Materials” and the “Operating Manual for Material Management in Engineering Office,” as the basis of procurement, allotment, and treatment of idle and waste of materials. Not only the effective management and utilization of each material, the offcuts, such as waste steel are recycled regularly. The proceedings from recycling, based on the previous mentioned guidelines, are contributed partly as the welfare of employees, for the purpose of enhancing the resource utilization efficiency and rewarding employees’ environmental protection efforts.	None
(III) Has the Company evaluated the current and potential risks and opportunities in the future of the climate	V		Our company responds to the impacts of global climate change and extreme weather events on society and the economy by utilizing the framework of the Task Force on Climate-related Financial Disclosures (TCFD), which includes four key areas: governance, strategy, risk management and metrics and targets.	None

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changes, and take responding measures to the issues of climate change?			<p>We disclose climate governance-related information accordingly. After the establishment of the Sustainability Development Committee in 2022, the committee has been responsible for deliberating and formulating climate change adaptation and mitigation management plans, reviewing their implementation status, discussing future plans and overseeing climate-related risk environment response, risk management priorities, and risk assessment conducted by senior executives across departments. The Sustainability Development Committee regularly reports its progress to the Board of Directors.</p> <table border="1"> <thead> <tr> <th>Transition Risks</th> <th>Physical Risks</th> <th>Climate Opportunities</th> </tr> </thead> <tbody> <tr> <td>1. Greenhouse gas management and carbon fee collection</td> <td>7. Extreme weather events causing operational disruptions or losses</td> <td>A. Increasing demand for green buildings</td> </tr> <tr> <td>2. Requirements to reduce indirect greenhouse gas emissions (energy saving, water saving, waste reduction, etc.)</td> <td>8. Global warming leads to increased air-conditioning loads and heat-related injuries among employees</td> <td>B. Increasing demand for installing renewable energy equipment in buildings (such as rooftop solar panels).</td> </tr> <tr> <td>3. High carbon offset costs</td> <td>9. Water resource scarcity</td> <td>C. Increasing demand for energy-efficient and nearly zero-carbon buildings</td> </tr> <tr> <td>4. Legislative requirements for the proportion of renewable energy usage</td> <td></td> <td>D. Creation of carbon offsets/credits</td> </tr> <tr> <td>5. Uncertainty surrounding new energy-saving and carbon-reduction technologies</td> <td></td> <td>E. Carbon reduction in the supply chain</td> </tr> <tr> <td>6. Pressure from raw material shortages</td> <td></td> <td></td> </tr> </tbody> </table>	Transition Risks	Physical Risks	Climate Opportunities	1. Greenhouse gas management and carbon fee collection	7. Extreme weather events causing operational disruptions or losses	A. Increasing demand for green buildings	2. Requirements to reduce indirect greenhouse gas emissions (energy saving, water saving, waste reduction, etc.)	8. Global warming leads to increased air-conditioning loads and heat-related injuries among employees	B. Increasing demand for installing renewable energy equipment in buildings (such as rooftop solar panels).	3. High carbon offset costs	9. Water resource scarcity	C. Increasing demand for energy-efficient and nearly zero-carbon buildings	4. Legislative requirements for the proportion of renewable energy usage		D. Creation of carbon offsets/credits	5. Uncertainty surrounding new energy-saving and carbon-reduction technologies		E. Carbon reduction in the supply chain	6. Pressure from raw material shortages			
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(IV) Does the Company have the statistics regarding the greenhouse gas emission, water usage, and the total weight of the waste for the past two years and established the management policies for energy-saving, greenhouse gas reduction, water and other waste reduction?	V		<p>We are committed to encouraging various engineering offices to work together to reduce water, electricity, and oil consumption, thereby jointly contributing to the slowdown of global warming, energy conservation, and carbon reduction.</p> <p>(I) Greenhouse Gas and Water Statistics and Management Policy Explanation:</p> <ol style="list-style-type: none"> 1. Greenhouse Gas Reduction Policy and Goals: In 2024, our company's management team collectively signed the "Net-Zero Commitment," formally expressing support for the international goal of limiting global warming to within 1.5°C as outlined in the Paris Agreement, with a long-term vision of achieving net-zero emissions by 2050. Using 2023 as the baseline year, we have set the following targets to be achieved by 2030: <ol style="list-style-type: none"> (1) Reduce Scope 1 and Scope 2 emissions by 42% (6% annual reduction). (2) Reduce Scope 3 emissions by 25% (3.6% annual reduction). 2. In 2023, the company's total greenhouse gas emissions were 7,884.827 metric tons of CO_{2e}. External verification was completed in 2024, and we obtained a reasonable assurance statement. Data collection for Scope 3 emissions began in 2024, and we anticipate disclosing complete Scope 1, 2, and 3 information starting in 2026. 3. Management strategies and practices include: <ol style="list-style-type: none"> (1) Establishing the "Greenhouse Gas Inventory Management Procedure" and the "Internal Verification and Management Review Operating Procedure" as the basis for inventory. (2) The General Manager has signed a declaration and appointed a chairperson for the promotion task force, establishing a cross-departmental task force. (3) Conducting inventory work and internal verification based on the inventory list and procedure manual, and implementing corrective 	None

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			<p>actions for identified deficiencies.</p> <p>(4) Engaging a third party to perform external verification and obtain reasonable assurance.</p> <p>(5) Convening management review meetings to review deficiencies and improvement strategies, and reporting the results to the Sustainable Development Committee.</p> <p>(II) For statistics on greenhouse gas emissions and intensity, please refer to table 1-1 on page 79 and visit our official website: https://www.bes.com.tw/environment.php#gsc.tab=0</p>	
<p>IV. Social Issues</p> <p>(I) Has the Company complied with relevant laws and regulations, and the International Bill of Human Rights, to establish the related management policies and procedures?</p>	V		<p>(I) The company adheres to the objectives outlined in international human rights conventions such as the International Covenant on Civil and Political Rights, the United Nations Global Compact Ten Principles and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. This ensures that employees work in a safe and secure environment, fully reflecting the responsibility to respect and protect human rights and treating all employees with dignity and respect. Furthermore, human rights assessments are integrated into the Company's major sustainability agenda. The Company regularly reviews the impact of human rights issues on its business operations and manages them accordingly.</p> <p>(II) Starting in 2022, the Chairman of the Company has signed the human rights policy and disclosed on the Company's website.</p> <p>(III) The company continues to deepen human rights issues, and with reference to international human rights conversations and workplace safety-related laws and regulations, the following specific management plans will be formulated as follows:</p>	None

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(II) Has the Company established a grievance mechanism and channels and dealt with the grievance properly?	V		The principle of overall remuneration of employees is to balance internal fairness and external competitiveness, including fixed and floating remuneration, and bonuses from operation performance are distributed timely to employees, to attract, encourage and keep the talents. In accordance with the Articles of Incorporation, no lower than 2% of the current profit before tax before deducting the employees' compensation and remuneration of directors and supervisors should be distributed to the total amount of employee remuneration. Personal remuneration of employees is distributed based on their duties and professionalism, and the bonus and employee remuneration are rewarded based on the comprehensive work performance and contribution.	None
(III) Has the Company provided a safe and healthful work environments for their employees, and organize training on safety and health for their employees on a regular basis?	V		(I) Occupational Health and Safety Management System BES Engineering Corporation has adopted and implemented the ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System, covering all BES Engineering Corporation employees, activities, and workplaces and has been verified by SGS Taiwan Inspection Technology Co., Ltd. The company's Occupational Safety and Health Management Division conducts inspections at various construction sites with the following frequencies: on-site inspections 20 times per month, online inspections 20 times per month, joint inspections 3 times per month. Additionally, appointed managers of the company also conduct periodic inspections at the construction sites. In 2024, the Company launched the "Engineering Office Self-Initiated Joint Inspection Plan," and in 2025, the "Engineering Office Director's Management by Walking Around Plan" will be launched.	None

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	Yes	No	Brief summary	
			<p>(II) Occupational Health and Safety Training Courses BES Engineering Corporation, in compliance with government policies, provides comprehensive education and training for occupational safety to its employees. It has established regulations mandating employees to undergo education and training based on the needs of the workplace prior to operations. Additionally, BES Engineering Corporation also organizes Taiwan Occupational Safety Card training courses regularly. Additionally, the engineering Office conducts specialized training for its professional tasks (such as aerial work platforms, steel structure lifting, PC board installation, etc.) and selects colleagues to participate in professional education and training, totaling 24 categories.</p> <p>(III) Recent statistics on occupational safety and health: Please refer to the official website https://www.bes.com.tw/environment.php#gsc.tab=0</p> <p>(IV) Mitigation and prevention of the impacts of occupational safety and health. Occupational accidents often occur due to individual unsafe behaviors and insufficient recognition of workplace hazards. Therefore, guiding workers in self-safety maintenance and increasing awareness of workplace hazards is fundamental in accident prevention. BES Engineering Corporation adheres to the ISO 45001:2018 Occupational Health and Safety Management System, obtaining verification for its occupational health and safety management. Besides, the company ensures compliance with occupational health and safety regulations and standards while continuously reviewing management processes to ensure effective implementation of safety management systems.</p>	

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			<p>The main cause of occupational accidents lies in deficiencies in site management and a lack of safety awareness among subcontractors. Hence, establishing robust site safety and health management practices and providing comprehensive education and training for workers are crucial steps in eliminating occupational accidents. Safety and health constitute essential aspects of management, and their effectiveness should be integrated with rewards, penalties, performance evaluations, promotions, and bonus distributions. Establishing a fair and reasonable system of rewards and penalties is vital for the effective implementation of safety and health plans or measures.</p> <p>Therefore, the Company remains committed to educating workers on self-safety maintenance and enhancing their sensitivity to workplace hazards to prevent accidents. Since safety and health are integral to management, linking the effectiveness of safety and health implementation with rewards, punishments, performance appraisals, promotions, and bonuses is necessary. Only through the establishment of a fair and reasonable system of rewards and penalties can safety and health plans or measures be effectively implemented.</p> <p>(V) Tunnel construction personnel physiological condition monitoring system BES Engineering Corporation utilizes a physiological monitoring system to proactively monitor the physical condition of construction workers. In case of any abnormalities detected, the system halts the workers' activities and tracks the number and relative positions of workers inside the tunnel. It also monitors the concentration of personnel in the tunnel to prevent excessive concentration in any single area, thereby avoiding potential risks. This allows for real-time awareness of sudden incidents and enables</p>	

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			<p>appropriate measures to be taken promptly, thus enhancing occupational safety management.</p> <p>(VI) The Company conducts a comprehensive employee health check every two years. In 2024, employees received subsidies of over NT\$8,000 each for health check packages based on their seniority and position. Out of 1,032 eligible employees, 1,012 completed the check, resulting in a 98% participation rate. In 2023, in compliance with regulations, all five eligible employees underwent the check, achieving a 98% participation rate.</p> <p>(VII) In 2024, in addition to the monthly visits by contracted physicians to the construction sites for employee health care, on-site hazard identification was also conducted. The Company hired a full-time nurse and 8 contract nurses assigned to the construction offices to conduct monthly scheduled/ad-hoc health interviews at the construction sites. There were a total of 104 visits to the construction sites in 2024.</p>	
(IV) Has the Company created an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills?	V		<p>(I) The Company values long-term career development of employees, and establishes education and training plan annually. In addition, training is performed according to the strategic development of the Company. Employees are encouraged to participate in internal and external trainings in order to improve their job competency in practice.</p> <p>(II) In addition to annual regular training sessions for different hierarchical levels and management functions, as well as common course training, the company also organizes various courses and seminars on topics such as new technologies, new skills and emerging trends periodically. This is aimed at expanding employees' abilities and perspectives in various dimensions.</p>	None

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(V) For the customer health and safety, clients' privacy, marketing and labeling of the products and services, has the company complied with the related laws and regulations and the international standards, and established the policies and complaint procedures to protect consumers' or customers' interests?	V		<p>(I) The Company operates in the construction industry, and all the contracted works are implemented pursuant to the clients' working specifications and national standards. In recent years, to build quality and safe residencies, the self-construction projects of the Company have been implemented in a rigorous and transparent manner, while actively providing the quality certificates of the construction materials to meet the requirements of tenants regarding the working quality.</p> <p>(II) Apart from signing contracts with customers for warranty services to protect customer interests, the procurement contract also specifies that suppliers and their sub-contractors will not be liable for punishment if they voluntarily report and appeal the situation of being coerced, solicited for bribes, intimidated, harmed or facing other abnormal circumstances; The Audit Office of the company is the window for receiving reports and appeals. The email address is: report@bes.com.tw; Phone: (02)8787-7735 、 (02)8787-6522; Fax number: (02) 8787-6250</p>	None						

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			<p>(III) To protect customer rights, our company's Marketing and Customer Service Department has established dedicated customer service contact windows (telephone: 02-8787-6223, 02-8787-3257) to provide immediate responses or assist in referring customer inquiries to relevant departments for handling. The scope covers, but is not limited to, issues such as installment payments, change orders, bank loan signing, property inspection and handover, and urban renewal.</p> <p>(IV) During the sales process of our self-developed projects, our company diligently adheres to and regularly updates relevant regulations promulgated by the competent authorities, such as the amended "Equalization of Land Rights Act" in July 2023 and the "Seventh Wave of Credit Control Measures" issued in 2024. Prior to formal contract signing, we provide customers with a contract review period of no less than seven days. During the signing process, we proactively explain and respond to customer concerns to ensure information disclosure and transaction transparency principles are upheld.</p>	
(VI) Has the company disclosed its established supplier management policies, to require suppliers to comply with the related regulations in the regards of environment, occupational safety and health, and human rights of labors, and specified the implementation?	V		<p>As per the Company's vendors safety, health, and environmental protection management guidelines,</p> <p>(I) The Company's onsite manager invites all representatives of the vendors and their supervisors onsite to visit the site, and inform them regarding their contracted works and scopes, features of the working environment, potential hazardous factors to health, safety, and environmental pollution, the measures required to prevent occupational disasters, public nuisances and pollution, pursuant to the health, safety, and environmental protection-related laws and regulations. Vendors are required to sign the "Promissory Note for the Requirements of Health, Safety, and Environmental Protection by Vendors of BES Engineering Corporation" to manage our vendors.</p>	None

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			<p>(II) Our vendors shall formulate appropriate code of practice for labor safety and health according to the nature of work and the environment and shall comply with the regulations.</p> <p>(III) All suppliers are required to sign the “Supplier Code of Conduct Commitment Letter” before cooperation, in order to indicate their commitment in the compliance with the national and local related labor laws and social standards. BES Engineering’s “Supplier Code of Conduct Commitment Letter” explicitly describes the requirements and expectations for suppliers in terms of the aspects of ethical management, basic human rights and diversity issues, as well as environmental health and safety.</p>	
V. Does the company prepare the non-financial information reports such as the Sustainability Report, by referring the international recognized standards or guidelines of report preparation? Has the above-mentioned reports received any assurance from a third party certifying institution?	V		<p>The Company has prepared the 2023 Sustainability (ESG) Report according to the GRI Standards (core compliance). In addition, Deloitte Taiwan has also performed limited assurance and issued an assurance report in accordance with the International Standard on Assurance Engagements 30000 “ Assurance Engagements Other than Audits or Reviews of Historical Financial Information” and an English version of the report is available for review. The aforementioned report has been uploaded onto the Market Observation Post System (MOPS) website on July 24, 2024. For BES Engineering’s ESG Report, please download from the following website: https://www.bes.com.tw/csr-pdf.php#gsc.tab=0</p>	None.
<p>VI. If the company has its own Sustainable Development Best Practice Principles in place in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please specify the difference between its operations and these principles: The Company proceeds as per the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>				

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<p>VII. Other important information to facilitate better understanding of the Company's promotion of sustainable development: Please visit the official website: https://www.bes.com.tw/ir-policies.php#gsc.tab=0 for detailed promotion plans and implementation results related to corporate sustainability (ESG).</p>				

Note 1: If you checked "Yes" for the implementation status, please specify your important policies, strategies, measures, and implementation situation; if you checked "No" in the implementation status, please specify the discrepancies and reasons in the column of "Discrepancy between the implementation of sustainable development and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor", and describe relevant policies, strategies, and measures you will adopt in the future. However, for the promotion items 1 and 2, a public company shall describe the governance and supervisory structure for the sustainable development, including but not limited to management policy, strategy and objective establishment, review measures, etc. In addition, the Company's risk management policies or strategies with respect to the issues of environment, society and corporate governance related to business operation as well as the evaluation status thereof shall be described.

Note 2: The principle of materiality refers to the ESG issues that significantly affects the investors and other stakeholders of the company.

Note 3: Please refer to the Best Practice Principles on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the disclosure methods.

(VI) Climate-related information for listed and OTC Companies

1. Implementation status of climate-related information

Item	Execution:
<p>1. Description of the supervision and governance by the board of directors and management regarding climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the company (short-term, medium-term, long-term).</p>	<p>1. Governance The Board of Directors serves as the Company’s highest governance body, overseeing its long-term business strategy, assessing risks, and evaluating the appointment, dismissal, and remuneration of the management team to ensure sustainable growth and risk management. The board’s risk assessments include climate change risks as part of environmental risk. Significant risks posed by climate change are addressed through the risk management mechanism, covering topics related to climate-related risks and opportunities. Since 2022, the Company’s Sustainability Development Committee has been established to identify climate-related risks and opportunities in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). In collaboration with department heads and guided by expert input, the Committee formulates approaches for climate change adaptation and mitigation.</p> <p>2. Strategy To evaluate the impact of climate change on the Company’s operations, we identify climate-related risks and opportunities through surveys and interviews with department heads. Based on these findings, we develop short-, medium-, and long-term climate strategies. Regarding physical risks, extreme weather could lead to a higher likelihood of flooding, blizzards, and droughts. Since the Company’s engineering offices are located throughout Taiwan, climate change may cause operational disruptions at those offices. Regarding transition risks, as our country has legislated a net-zero emissions target for 2050, the tightening of carbon emissions reporting requirements and the introduction of carbon fees represent high-probability short-term risks. Climate change may also create new market opportunities. In recent years, the Company has followed green building standards, integrating green construction methods and innovative technologies into its project planning. In the future, it will continue investing in related technological advancements, using carbon management data from the BES EcoTech Industrial Park as the analytical foundation for low-carbon planning in future developments.</p>

<p>3. Describe the financial impact of extreme weather events and transition actions.</p>	<p style="text-align: center;">Transition Risks</p> <ol style="list-style-type: none"> 1. Greenhouse gas management and carbon fee collection 2. Requirements to reduce indirect greenhouse gas emissions (energy saving, water saving, waste reduction, etc.) 3. High carbon offset costs 4. Legislative requirements for the proportion of renewable energy usage 5. Uncertainty surrounding new energy-saving and carbon-reduction technologies 6. Pressure from raw material shortages 	<p style="text-align: center;">Physical Risks</p> <ol style="list-style-type: none"> 7. Extreme weather events causing operational disruptions or losses 8. Global warming leads to increased air-conditioning loads and heat-related injuries among employees 9. Water resource scarcity 	<p style="text-align: center;">Climate Opportunities</p> <ol style="list-style-type: none"> A. Increasing demand for green buildings B. Increasing demand for installing renewable energy equipment in buildings (such as rooftop solar panels). C. Increasing demand for energy-efficient and nearly zero-carbon buildings D. Creation of carbon offsets/credits E. Carbon reduction in the supply chain
	<p>3. Financial Implications of Climate Change</p> <ol style="list-style-type: none"> (1) In consideration of the impact of climate-related risks and opportunities on the organization's operations, BES is also actively researching and developing related countermeasures and adaptation measures to improve climate resilience. The introduction of the PAS 2080 standard in 2022 to plan to reduce the overall carbon emission of the building's life cycle, to confirm the climate adaptation and the circular economy principles, and to urge all members of the value chain to set the future carbon management basis. (2) BES has not yet defined internal carbon pricing, purchased green power certificates, proposed the greenhouse gas emission reduction program, etc. However, it is not ruled out that it will be further included in BES's net zero route planning strategy. (3) The energy saving and carbon reduction of the construction industry must be combined with the operation activities. To optimize the carbon management of the construction stage, BES has become the first asset owner in the world to pass the PAS 2080 carbon management standard verification for construction and infrastructure in 2022. The carbon emissions from raw materials and engineering contents are managed, and the greenhouse gas emissions are reduced, to implement the energy saving and carbon reduction. (4) BES Engineering Corporation has considered the carbon emission and carbon reduction at the source through the PAS2080. 		

<p>4. Describe how the identification, assessment and management process of climate risks are integrated into the overall risk management system.</p> <p>5. If using scenario analysis to assess resilience to climate change risks, it should outline the scenarios, parameters, assumptions, analysis factors and major financial impacts involved.</p> <p>6. If there is a transformation plan to address climate-related risks, explain the content of the plan, and the indicators and objectives used to identify and manage physical and transitional risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.</p> <p>8. If climate-related targets are set, information should be provided on the activities covered, scope of greenhouse gas emissions, planning timeframe, progress achieved annually, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, the source and quantity of offset carbon emissions or the quantity of RECs exchanged should be explained.</p> <p>9. <u>Greenhouse gas inventory and assurance situation, as well as reduction targets, strategies and specific action plans (also filled in sections 1-1 and 1-2).</u></p>	<p>4. Through surveys on climate-related risks and opportunities and interviews with the department heads, we identify climate-related risks and opportunities and incorporate them into our risk management processes.</p> <p>5. Scenario Analysis BES analyzes the impact of climate-related risks and opportunities under different scenarios and possible countermeasures. In terms of physical risks, BES has considered the three scenarios of RCP 2.6, RCP 4.5, and RCP 8.5, as well as the impact on Taiwan based on the RCP scenarios (representative concentration methods) proposed by the IPCC of the United Nations.</p> <ul style="list-style-type: none"> ● RCP2.6 is a scenario of low radiated force mitigation, meaning that global warming may be kept within the temperature range of 2 degrees C above pre-industrial level, as indicated by "scenario assumptions." ● RCP4.5 is a moderate and stable scenario. ● RCP8.5 is a scenario of high greenhouse gas emission, representing a “scenario assumption” in which governments worldwide make no efforts to reduce greenhouse gas emissions. <table border="1" data-bbox="824 715 2038 1410"> <thead> <tr> <th></th> <th>RCP2.6</th> <th>RCP4.5</th> <th>RCP8.5</th> </tr> </thead> <tbody> <tr> <td>2031-2050 Average temperature rise</td> <td>0.3-2.1°C</td> <td>0.7-2.4°C</td> <td>1.0-3.1°C</td> </tr> <tr> <td>2031-2050 Average precipitation</td> <td>-5.3-12%</td> <td>-4.7-13.6%</td> <td>-7.7-13%</td> </tr> <tr> <td>Description</td> <td> Situation: The rise in temperature may result in the increase in temperature of the surrounding environment, which in turn may result in the decrease in production efficiency. Due to extreme weather, drought or sudden torrential rain may result in flooding, leading to an increase in equipment and personnel cost. </td> <td> Situation: The rise in temperature may result in the increase in temperature of the surrounding environment, which in turn may result in the decrease in production efficiency. Due to extreme weather, drought or sudden torrential rain may result in flooding, leading to equipment damage or preventing personnel from working. </td> <td> Situation: As temperature rises intensify and occur more frequently, engineering offices and surrounding areas may become too hot to carry out work. Due to extreme weather, drought or sudden torrential rain may result in flooding, leading to more frequent instances of equipment damage and situations where personnel are unable to work. </td> </tr> </tbody> </table>		RCP2.6	RCP4.5	RCP8.5	2031-2050 Average temperature rise	0.3-2.1°C	0.7-2.4°C	1.0-3.1°C	2031-2050 Average precipitation	-5.3-12%	-4.7-13.6%	-7.7-13%	Description	Situation: The rise in temperature may result in the increase in temperature of the surrounding environment, which in turn may result in the decrease in production efficiency. Due to extreme weather, drought or sudden torrential rain may result in flooding, leading to an increase in equipment and personnel cost.	Situation: The rise in temperature may result in the increase in temperature of the surrounding environment, which in turn may result in the decrease in production efficiency. Due to extreme weather, drought or sudden torrential rain may result in flooding, leading to equipment damage or preventing personnel from working.	Situation: As temperature rises intensify and occur more frequently, engineering offices and surrounding areas may become too hot to carry out work. Due to extreme weather, drought or sudden torrential rain may result in flooding, leading to more frequent instances of equipment damage and situations where personnel are unable to work.
	RCP2.6	RCP4.5	RCP8.5														
2031-2050 Average temperature rise	0.3-2.1°C	0.7-2.4°C	1.0-3.1°C														
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Transition risk-related scenarios			
In terms of transformation risks, the 6th Assessment Report (AR6) of BES IPCC provides the climate change assessment method, "Common Social and Economic Pathways" (Common Socioeconomic Pathways, abbreviated as SSP), to assess the transformation risks.			
	Low-risk scenarios	Medium-risk scenarios	High-risk scenarios
	SSP1-1.9 pathway	SSP1-2.6 pathway	SSP4-6.0 pathway
Scenario Description	The world is transitioning in an orderly manner, and is expected to reach net zero by 2050.	Delayed transition implementation Global achievement of the Paris Agreement's <2°C target	No new carbon reduction measures Various countries maintain existing policies
Temperature Rise at the end of the Century	1.4°C	1.6°C	>3°C
Transition Risk Explanation	Gradual implementation of climate policies starting in 2021	Urgent implementation of climate policies starting in 2031	Maintaining the status quo with no new policies introduced
Impact on BES	Since the government has legislated the net-zero target for 2050, BES will follow the national target to achieve the carbon reduction target in phases. Currently, BES has passed the ISO14064-1: In 2018, the Company will conduct a greenhouse gas inventory and plan for carbon reduction based on the results.		BES will monitor the implementation of energy saving and carbon reduction in each engineering office depending on the local situation.
Please refer to page 61 of the Company's 2023 Sustainability Report. https://drive.google.com/file/d/1htatklykWJ_2avLfd3YLCbYvAFvU_5t/view			

1-1 The recent two years' inventory and verification status of the company's greenhouse gases.

1-1-1 Greenhouse Gas Inventory Information

Statement of Greenhouse Gas Emissions for the Past Two Years (Metric Tons CO ₂ e), Intensity (Metric Tons CO ₂ e per Million Dollars), and Data Coverage Scope.								
Statistics on greenhouse gas emissions and intensity								
Year		Category 1				Category 2		Total
		Fixed	Process	Mobile	Fugitive emissions	Sub-total	Indirect energy	
2023	TCO ₂ e Emissions	124.2643	3.9596	799.3755	323.1773	1250.7767	6634.0501	7884.827
	Percentage	1.58%	0.05%	10.14%	4.10%	15.86%	84.14%	100%
Year		2022				2023		
Direct greenhouse gas emissions (tons of CO ₂ e)		1104.1034				1250.7767		
Indirect greenhouse gas emissions from energy sources (tons of CO ₂ e)		4164.0083				6634.0501		
Indirect greenhouse gas emissions from energy sources (tons of CO ₂ e)		Exclusion of materiality identification				Exclusion of materiality identification		
Total greenhouse gas emissions (metric tons of CO ₂ e)		5268.112				7884.827		
Greenhouse gas emission intensity (metric tons of CO ₂ e per million dollars of revenue)		0.3795				0.4446		
Data Boundary:		Parent company				Parent company		
Whether or not verification is obtained		Yes				Yes		

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., emissions from the generation of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from activities of the company, not included in Scope 2, that occur from sources owned or controlled by other companies).

Note 2: The coverage scope of direct emissions and energy indirect emissions data should be in accordance with the schedule specified in Article 10, paragraph 2 of this guideline. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse Gas Inventory Standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emissions intensity may be calculated per unit of product/service or revenue, but at least data calculated based on revenue (in million New Taiwan Dollars) should be disclosed.

1-1-2 Greenhouse Gas Verification Information

Statement of Assurance for the Most Recent Two Years up to the Annual Report Printing Date, Including the Scope of Assurance, Assurance Provider, Assurance Standards, and Assurance Opinion.		
	2022	2023
Confidence interval	Parent company	Parent company
Assurance institution	SGS	SGS
Certainty standards	WBCSD/WRI GREENHOUSE GAS (GHG) PROTOCOL	WBCSD/WRI GREENHOUSE GAS (GHG) PROTOCOL
Assurance opinion	Reasonable assurance, no recommendations.	Reasonable assurance, no recommendations.

Greenhouse gas reduction baseline year: 2023

Note 1: According to Article 10, paragraph 2 of this guideline, companies should follow the schedule specified by the competent authority. If the company fails to obtain a complete assurance opinion on greenhouse gases by the printing date of the annual report, it should note "Complete assurance information will be disclosed in the sustainability report." If the company does not compile a sustainability report, it should note "Complete assurance information will be disclosed on the Public Information Observation Platform," and disclose the complete assurance information in the next annual report.

Note 2: Assurance providers shall comply with the relevant regulations for sustainability report assurance providers set forth by TWSE and Taipei Exchange. °

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Statement of Greenhouse Gas Reduction Baseline Year and its Data, Reduction Targets, Strategies, Specific Action Plans, and Achievement Status of Reduction Targets.
<p>The greenhouse gas emission intensity of BSE headquarters and all construction sites in Taiwan has been listed as one of the issues monitored by the Greenhouse Gas Inventory Implementation Team and has set 2023 as the base year. The total greenhouse gas emission intensity in that year was 7884.827 tons CO₂e and it was externally verified by a third party. Based on the mission of environmental protection and sustainable development, BES Engineering has established a systematic greenhouse gas inventory program, reduction plan and file management according to the GHG Protocol and implemented the control and reduction of greenhouse gas emissions in the spirit of PDCA Engineering. In response to the particularity of climate change, we actively promote green procurement, green design and construction projects with the framework of TCFD. Smart carbon management tools are gradually introduced for ongoing projects, and short-, medium-, and long-term goals for total greenhouse gas control are set based on quantitative evidence.</p> <ol style="list-style-type: none"> 1. The greenhouse gas reduction base year and data: 2023 is the base year, and the greenhouse gas emission amount in 2023 is 7884.827 ton CO₂e, which has been externally verified by a third party. 2. Reduction goals, strategies, and specific action plans and achievement of reduction goals: related to the establishment of specific greenhouse gas reduction goals, formulation of reduction target strategies (including energy conversion, energy conservation and emission reduction, carbon trading, etc.), and financial and technical support. The Company is actively planning.

Note 1: Compliance should be conducted according to the schedule specified in Article 10, paragraph 2 of these guidelines.

Note 2: The baseline year should be the fiscal year in which the greenhouse gas inventory within the scope of the consolidated financial statements is completed. For example, according to the regulations specified in Article 10, paragraph 2 of these guidelines, companies with a capital of over 10 billion NT dollars should complete the inventory of the fiscal year 2024 in the fiscal year 2025. Therefore, the baseline year is the fiscal year 2024. If the company has completed the inventory of the consolidated financial statements earlier, it may use that earlier fiscal year as the baseline year. Additionally, the data of the baseline year may be calculated based on a single fiscal year or an average of multiple fiscal years.

Note 3: Please refer to the Best Practice Principles on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the disclosure methods.

(VII) Ethical Corporate Management – Implementation status and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX listed companies and the reasons

Assessed Items	Operations Situation (note 1):			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary	
<p>I. Establishment of the Ethical Corporate Management Policy and Program</p> <p>(I) Has the Company established the policies and measures of the ethical corporate management in the charter or external documents, and the commitment of the Board of Directors and management to actively implement such policies?</p>	V		(I) The Company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct to specify the matters to be noted for directors, managers, and all employees when performing their duties. They shall actively implement and follow the ethical management policy.	None
<p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establishes prevention programs accordingly, at least include preventive measures against the behaviors specified in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?”</p>	V		<p>(II) The company has established risk evaluation mechanism for unethical conducts to analyze and evaluate operating activities with higher unethical conducts risks within the business scope on a regular basis, and thus stipulate prevention plans and regularly review the appropriateness and effectiveness of the prevention plans.</p> <p>The prevention measures against the following conducts are included in the prevention plan:</p> <p>I. Bribery</p> <p>II. Providing illegal political donations.</p> <p>III. Improper charity donation expense or sponsors</p>	None

Assessed Items	Operations Situation (note 1):			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary	
(III) Has the Company established the programs to forestall unethical conduct, including operational procedures, guidelines, penalties and complain filing in the program, and implemented the program, and review and amend the mentioned programs regularly?	V		<p>IV. Providing or accepting inappropriate gifts, hospitalities, or other tangible or intangible improper interests.</p> <p>V. Substantial controller infringes trade secret, trademark, patent, copyright, and other intellectual property rights.</p> <p>VI. Engaging in unfair competition activities.</p> <p>Other than the "Conduct Code for All Employees of BES" and the "Guidelines for Rewards and Penalties for Employees" aimed at preventing unethical behavior among employees, the "Guidelines of Whistle-blowing of BES Engineering Corporation" outlines penalties for unlawful benefits obtained through unethical behavior and provides channels for whistle-blowing. In addition, the "Regulations Governing Whistleblowing on Violation of Ethical Corporate Management" also disclose complaint reporting channels.</p> <p>(III)The company has stipulated operation procedures, guidelines, disciplines for violations, and appeal system for the prevention of unethical conducts and instructed all responsible units to firmly implement the measures. The implementation and improvement plans are reviewed annually.</p> <p>Please refer to the official website: https://www.bes.com.tw/ir-policies.php#gsc.tab=0</p>	None

Assessed Items	Operations Situation (note 1):			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary	
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Has the Company assessed the ethical conducts records of the business partners, and specified the ethical conduct clauses in the contracts entered with the counterparties?</p> <p>(II) Has the Company established a dedicated unit of ethical management that is under the board of directors and report to the board of directors on a regular basis (at least once a year) of the ethical management policies, prevention measures against unethical behaviors and the status of oversight and implementation?</p> <p>(III) Has the Company established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?</p>	V		<p>(I) Since 2022, the Company has announced to include the “Supplier Code of Conduct Commitment Letter” in the purchase agreement, and suppliers are requested to commit to comply with the Ethical Corporate Management Best Practice Principles of the Company, such that during the process of business performance, it is prohibited to directly or indirectly offer, accept, commit or request illegal benefits for the purpose of obtaining or maintaining its own interest.</p> <p>(II) The company has established an integrity operation team, and reported on its execution on December 26, 2024 Period: 27th Term, 22nd Meeting.</p> <p>(III) The Company has established policies to prevent conflicts of interest and provided appropriate communication channels.</p> <p>1. The Company’s official website, procurement tender documents, and contract terms have all specified the complaint channels (phone, fax and e-mailbox of the Audit Office). Posters for the complaints channel are also posted at the all Engineering Offices.</p>	<p>None</p> <p>None</p> <p>None</p>

Assessed Items	Operations Situation (note 1):			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary	
			2. In 2022, the Company has established the “Regulations for Reporting of Violation Against Ethical Corporate Management Principles” to publicly announce the reporting and complaint filing channels (phone, fax and e-mail of the Audit Office) in order to protect reporters from the disposition of dismissal, demotion, salary reduction or other improper dispositions due to reporting of cases. The Company has also stipulated the “Ethical Corporate Management Best Practice Principles of BES Engineering Corporation” and “Procedures for Ethical Management and Guidelines for Conduct of BES Engineering Corporation” to implement the ethical operation policy and prevent fraud actions.	
(IV) To implement the ethical management, has the Company has established effective accounting and internal control system, and prepare the related audit program by the internal audit unit based on the evaluation results of the unethical risk, as the basis to audit the compliance of the prevention measures against unethical behaviors, or delegate accountants to audit?	V		(IV) The Company has the “Management Guidelines for Self-Assessment of Internal Control System,” and the IFRSs have been introduced to officially enforced. The related accounting operations are based on various accounting standards of the Company as well as the certification of CPA’s audits to the financial statements. The Audit Office presents the annual audit plan every year in accordance with relevant laws and regulations, and carry out the audits to various business activities based on the plan.	None

Assessed Items	Operations Situation (note 1):			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary	
(V) Has the Company provided internal and external ethical conduct training programs on a regular basis?	V		<p>In addition, it will also conduct project audits for each engineering office, special management matters, or complaint cases from time to time. The audit results and recommendations are made as the audit reports for management’s reference.</p> <p>(V) The Company holds educational trainings on a regular basis to promote and enhance the principle of ethical corporate management of employees.</p> <ol style="list-style-type: none"> 1. The Legal Department launched the “Integrity Management and Fraud Risk Prevention” course on October 17. 2. The Chairman and General Manager’s Office produced a 4-minute AI promotional video titled “Road of Integrity” to convey the Company's ethical corporate management philosophy to all colleagues, (1) 1,155 people (including engineering offices) at Headquarters; (2) 795 Thai colleagues; (3) 709 people (subsidiaries, CKS Guard/Core Asia Human Resources Management Co., Ltd./Cinemark); (4) 14 people from Vietnam who have completed the viewing. 3. Each quarter, in accordance with the letter from Taiwan Stock Exchange Corporation regarding “Common Types of Violations in Insider Shareholding Change Reporting under 	None

Assessed Items	Operations Situation (note 1):			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary	
			the Securities and Exchange Act,” we provide guidance to insiders (including directors) and ensure strict compliance with the regulations to avoid penalties.	
<p>III. Operations of the Whistle-Blowing System</p> <p>(I) Has the Company established any concrete whistle-blowing and incentive system, with a convenient whistle-blowing channel and assigned proper dedicated persons to the whistle blown objects?</p>	V		<p>(I)</p> <p>1. Our company has established the "Whistleblowing Policy for Violations of Integrity in Operations", which includes contact information for the Audit Department for whistleblowers, including telephone numbers, fax numbers, and email addresses. This information is also published on the official website. When the Audit Department receives a report or complaint, it will conduct an investigation in a dedicated manner. After verifying the facts, disciplinary actions will be taken in accordance with the company's "Employee Reward and Punishment Policy". The results of disciplinary actions will be communicated to all employees of the company to serve as a deterrent.</p> <p>2. The Company plans to formulate the "Regulations Governing the Reward and Protection of Whistleblowers" and construct a culture of eliminating corruption in which "Corporate Anti-Corruption is Everyone's Responsibility" to reward and protect</p>	None

Assessed Items	Operations Situation (note 1):			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons
	Yes	No	Summary	
(II) Has the Company established the investigation standards, the follow-up measure to be taken after the investigation, and confidentiality mechanism for the whistle-blowing cases?	V		whistle-blowers. (II) The Company has the SOPs for the investigation of complaints and related confidentiality mechanism in place. All the whistle blowers are protected.	None
(III) Has the Company taken measures to prevent the whistle-blower from ill treatment due to the whistle-blowing?	V		(III) The Company always treats the information of whistle-blowers as confidential.	None
IV. Enhancing Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and MOPS?	V		The company has passed the “Code of Integrity in Business Operations” and the “Code of Conduct and Operational Procedures for Integrity in Business” and has established an Integrity in Business Committee to report on the implementation of operations. Relevant achievements are also disclosed on the company's website. Please refer to the official website for more information. https://www.bes.com.tw/ir-policies.php#gsc.tab=0 for the implementation of ethical corporate management.	None
V. If the company has established its ethical management codes of practice according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please describe the operating status and differences: no material difference: The company stipulated the “Ethical Corporate Management Best Practice Principles” and “BES Procedures for Ethical Management and Guidelines for Conduct” in 2020, and the management follows these regulations.				
VI. Other important information to facilitate better understanding of the company’s corporate conduct and ethics compliance practices: None.				

Note 1: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

(VIII) Other information to further the understanding of the corporate governance may be disclosed altogether:

I. The succession planning and operation of the Directors of the Board

- (1) In accordance with our "Articles of Incorporation," the size of our Board of Directors ranges from 7 to 11 members. We employ a full candidate nomination system, allowing shareholders to elect directors and independent directors from the publicly announced list of nominees. The nomination process and relevant regulations are strictly governed by the Company Act, the Securities and Exchange Act, and the stipulations of the competent authorities, ensuring the legality and stability of the Board's operations.
- (2) Our Board succession plan considers the company's operational model and future development strategies. We select individuals who possess professional knowledge, ethical conduct, and whose values and personal attributes align with our company's business philosophy. Independent directors are required to have expertise in law, finance, accounting, business management, or other fields relevant to our business operations. We prioritize recruiting professionals from both academia and industry who possess a blend of practical experience and theoretical understanding.
- (3) To effectively implement our Board diversity policy, director candidates must meet fundamental criteria and embody diverse values (such as gender, age, nationality, and culture). Furthermore, they should represent a variety of professional backgrounds (including law, finance, accounting, engineering, and technology). This approach aims to enhance the overall quality of the Board's decision-making and risk management capabilities, as well as promote sustainable corporate governance.
- (4) Our company provides ongoing annual professional development courses for directors. These courses integrate industry trends, company strategies, and corporate governance topics to strengthen the directors' professional knowledge and enhance their effectiveness in fulfilling their duties.
- (5) Since 2019, we have implemented the "Board Performance Evaluation Guidelines." The evaluation criteria encompass aspects such as the understanding of company objectives, awareness of responsibilities, participation in operations, professional development, internal control systems, and the articulation of specific opinions. The evaluation results serve as a significant reference for future director selection or nomination, with the goal of improving the Board's operational efficiency and professionalism.

II. The succession plan and operation for important managements.

- (1) Our Human Resources and General Affairs Department is responsible for establishing a comprehensive mechanism for key position succession and talent development. For each critical role, we identify 2 to 3 potential successors and define a timeframe for their readiness (short-term: within 1 year; mid-term: 3 to 5 years; long-term: over 5 years), which serves as the basis for our human resource planning.
- (2) Based on the strengths and development needs of the identified successors, we provide training mechanisms encompassing competency development, job rotation, and enhanced AI-powered management. Since 2019, we have implemented the "Individual Development Plan (IDP)" and integrated it with the performance appraisal system. This systematic approach facilitates the accumulation of practical experience and leadership skills.
- (3) Each year, we hold a senior management consensus camp, focusing on discussions of annual objectives and strategies. This camp incorporates thematic courses designed to enhance strategic thinking and practical leadership skills. Furthermore, we select promising mid-level managers to participate in the Group Summit, providing them with opportunities to broaden their macro perspectives through the experience sharing of senior executives and cross-departmental exchange.
- (4) Each year, we organize multiple sessions of management training for senior, middle, and junior management cadres. These programs integrate best practices from external benchmark companies and the latest technological knowledge to strengthen

organizational management capabilities. Furthermore, internal senior executives share the company's culture and operational practices to enhance corporate identity and leadership.

- (5) Our company implements an annual performance appraisal system. Through daily observation and results evaluation, we monitor the current status of talent development. This information serves as the basis for future succession planning and resource allocation, ensuring a stable and continuous succession pipeline for key positions.

(XI) Implementation of the internal control system :

I. Statement of the Internal Control System

BES ENGINEERING CORPORATION

Statement of the Internal Control System

Date: March 13, 2025

For the Internal Control System of 2024, the Company states the following, on the basis of self-inspection:

- I. The Company clearly acknowledges that establishing, implementing, and maintaining the internal control system, are the responsibilities of the Board and managers. The Company has already established the system. The objectives are to reasonably assure the effects and efficiency of operations (including the profits, performance, and protection to the asset securities); the reliability, timeliness, and transparency of the reports; and the achievement of the compliance with the related laws and regulations.
- II. The internal control system has its own inherent limitations. No matter how perfect it is designed, the effective internal control system may only reasonably assure the achievements of the three abovementioned objectives; also, the effectiveness of the internal control system is subjected to the changes of environments and circumstances. However, the internal control system has set up a self-monitoring mechanism. Once a defect is identified, the correction will be taken immediately.
- III. The Company applies the “ Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Regulations”) to determine the effectiveness of the design and executions of the internal control system. The Regulations divide the internal control system based on the process of the managerial control as five constituent elements: 1. Control environment; 2. Risk assessment; 3. Control activities; 4. Information and communications; and 5. Monitoring activities. Each constituent element has several items. For the above-mentioned items, please refer to the “Regulations.”
- IV. The Company has applied the five constituent elements to assess the effectiveness of the design and executions of the internal control system
- V. Based on the outcomes of the above-mentioned assessment, it is believed that up to December 31, 2024, in the regard of the internal control system (including the supervision and management to the subsidiaries), including the understanding of the effects and efficiency of operations; the reliability, timeliness, and transparency of the reports; and the achievement of the compliance with the related laws and regulations, the design and executions are effective, and able to reasonably assure the achievement of the said objectives.
- VI. The Statement is an integral part of the Annual Report and the Public Statement, and is disclosed to the public. Shall there be any false or concealing, the Company will be held legally responsible according to Article 20, 32, 171, and 174 of the Securities Exchange Act.
- VII. This statement was approved by the board of directors of the Company on March 13, 2025. Among the 9 directors, no one disagreed the contents of this statement and made a statement.

BES ENGINEERING CORPORATION

Chairman: Chou Chih-Ming
General Manger: Chou Chih-Ming

II. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(X) Key resolutions of the Board of Directors and Shareholders Meeting during the most recent fiscal year up to the date of publication of the annual report
Key resolutions of the Board of Directors and Shareholders Meeting for 2024

Date	Type of Meeting	Key Resolutions
2024.01.26	27-11 Board of Directors	Approved the proposal for the Company's 2023 year-end performance bonus distribution to delegated managers.
2024.03.13	27-13 Board of Directors	<ol style="list-style-type: none"> 1. Passed the 2023 Proposal of Compensation Distributions to Employees and Directors. 2. Approved the 2023 parent company only financial statements for the year ended December 31, 2023. 3. Approved the 2023 business report and the 2023 consolidated financial report and made public announcements pursuant to laws. 4. Approved the Company's 2023 earnings appropriation. 5. Approved the Company's 2023 financial statements and taxation certification audited by Deloitte Taiwan proposal. 6. Approved the amendments to certain provisions of the "Audit Committee Charter." 7. Approved the amendments to certain provisions of the "Managerial Procedure for Loaning Funds to Others and Endorsement/Guarantee." 8. Approved the amendments to the provisions of the "Regulations Governing the Reward and Protection of Whistleblowers" and the "Regulations on Violation of Integrity Management." 9. Approved the issuance of the 2023 Internal Control System Statement. 10. Approved the by-election of one independent director. 11. Approved the nomination and review of the list of independent director candidates. 12. Approved the amendments to certain provisions of the "Articles of Incorporation." 13. Approved the amendments to certain provisions of the "Procedures for Election of Directors." 14. Approved the amendments to certain provisions of the "Rules of Procedure for Shareholders Meetings." 15. Approved the date, time, venue, meeting procedure, main proposal content, acceptance of shareholders' proposals and nomination period and venue for the 2024 annual general shareholders' meeting of the Company.
2024.05.13	27-15 Board of Directors	<ol style="list-style-type: none"> 1. All attending directors unanimously elected Director PAI, CHUN-NAN as the Vice Chairman. 2. Passing the Company's consolidated financial statements for Q1 2024. 3. Approved the "Pre-approval of routine non-assurance services provided by CPAs in 2024".
2024.05.31	Shareholders' Meeting	<ol style="list-style-type: none"> 1. Recognition of the 2023 financial statements, 2023 financial statements, consolidated financial statements and distribution of earnings

Date	Type of Meeting	Key Resolutions
		<ol style="list-style-type: none"> 2. By-election of one independent director of the Company. 3. Approved the amendments to some provisions of the Company's "Articles of Incorporation," "Procedures for Election of Directors," "Rules and Procedures of Shareholders' Meeting," and "Management Procedures for Loaning Funds and Endorsements/Guarantees."
2024.07.24	27-17 Board of Directors	Approved the ex-dividend date and payment date for the cash dividend of the Company for year 2024.
2024.08.12	27-18 Board of Directors	<ol style="list-style-type: none"> 1. Approved the Company's 2023 distribution of remuneration of directors. 2. Approved the Company's consolidated financial statements for the first two quarters of 2024.
2024.09.27	27-19 Board of Directors	Approved the Company's 2023 distribution of remuneration of employees.
2024.11.13	27-21 Board of Directors	<ol style="list-style-type: none"> 1. Approved the Company's consolidated financial statements for the first three quarters of 2024. 2. Approved the amendment to parts of the provisions of the "Rules of Procedure for Board of Directors' Meeting" of the Company.
2024.12.26	27-22 Board of Directors	<ol style="list-style-type: none"> 1. Approved the "Description of the Business Plan and Operating Budgets for 2025" of the Company. 2. Approved the 2024 assessment of the independence and suitability of CPAs. 3. Approved the establishment of the "Sustainability Information Management Regulations" and the "Other Management Control System - Sustainability Information Management." 4. Approved the amendment of the "Rules Governing Financial and Business Related Operations Between Related Parties". 5. Approved the "2025 Audit Plan" of the Company. 6. Approved the amendments to the Company's "Internal Control System" and "Regulations Governing Self-Assessment of Internal Control System." 7. Approved the "Procedures for the Preparation of Sustainability Report and Assurance" of the Company. 8. Approved the motion for the Company to donate NTD 10 million to Sheen Chuen-Chi Culture & Educational Foundation.
2025.01.16	27-23 Board of Directors	Approved the proposal for the Company's 2024 year-end performance bonus distribution to delegated managers.
2025.02.25	27-24 Board of Directors	Approved the date, time, venue, meeting procedure, main proposal content, acceptance of shareholders' proposals and nomination period and venue for the 2025 annual general shareholders' meeting of the Company.
2025.03.13	27-25 Board of Directors	<ol style="list-style-type: none"> 1. Approved the Company's 2024 financial statements and taxation certification audited by Deloitte Taiwan proposal. 2. Approved the "Pre-approval of routine non-assurance services provided by CPAs in 2025". 3. Approved the 2024 Proposal of Compensation Distributions to Employees and Directors.

Date	Type of Meeting	Key Resolutions
		4. Approved the 2024 parent company only financial statements for the year ended December 31, 2024. 5. Approved the 2024 business report and the 2024 consolidated financial report and made public announcements pursuant to laws. 6. Approved the Company's 2024 earnings appropriation. 7. Approved the proposal for capitalization of 2024 earnings by issuing new shares of the Company. 8. Approved the amendments to the main proposals in the 2025 shareholders' meeting. 9. Approved the Company's issuance of the 2024 statement of internal control system. 10. Approved the amendments to certain provisions of the "Articles of Incorporation" of the Company. 11. Approved the partial amendments to the "Corporate Governance Best Practice Principles" of the Company. 12. Approved the remunerations to the Directors for 2024. 13. Approved the Company's 2025 renewal of lease from China Petrochemical Development Corporation.

(XI) Where, during the most recent fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration: None.

(XII) Review of the Implementation of the Resolutions of 2024 AGM:

Timeline	Matters	Execution
2024.5.31	1. By-election of one independent director of the Company	Elections were announced and reported in accordance with the Company's Regulations Governing the Election of Directors.
	2. Recognition of financial statements for 2023	It has been announced and reported in accordance with the regulations.
	3. IRatification to the profit distribution for 2023. (cash dividend of NTD 0.52 per share)	August 18, 2024 has been set as the ex-dividend base date, and cash dividends have been distributed from September 13, 2024.
	4. Partial amendment to the Company's "Articles of Incorporation"	Implemented in accordance with the revised version of the announcement.
	5. Partial amendment to the Company's "Procedures for Election of Directors"	Implemented in accordance with the revised version of the announcement.
	6. Partial amendment to the Company's "Rules of Procedure for Shareholders' Meetings"	Implemented in accordance with the revised version of the announcement.
	7. Amendment of some provisions in the "Managerial Procedure for Loaning Funds to Others and Endorsement/Guarantee."	Implemented in accordance with the revised version of the announcement.

IV. Information of CPA's service fee

Information of CPA's Service Fee

Table I

Unit: Thousand NT\$

Name of the Accounting Firm	Name of CPAs	Period of Audit	Service Fee of Audit	Non-Audit Service Fee	Total	Remarks
Deloitte Taiwan	Yao-Lin, Huang	Full Year of 2024	8,338	1,759	10,097	Non-audit public fees are mainly tax visas, annual report reading public fees, professional consulting services, and visas for voting financial certification documents.
	Shih-Chieh, Chou					

Please specify the non-audit services (such as tax audit, assurance, or other financial advisory services):

- (I) When the securities firm changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: N/A
- (II) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: N/A

V. Information about changing CPA : None.

VI. Where the company's chairman, general manager or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

Changes of Equity Interests of Directors, Supervisors, Managerial Officers, and Major Shareholders

Title (Note 1)	Name	Year 2024		The year up to April 30	
		Increased (decreased) shares held	Increased (decreased) shares pledged	Increased (decreased) shares held	Increased (decreased) shares pledged
Chairperson	Yang Jen Industrial Co., Ltd.	0	0	0	0
	Corporate Representative: CHOU, CHIH-MING	0	0	0	0
Director	China Petrochemical Development Corporation	0	49,000,000	0	0
	Representative: CHEN RUI-LONG	0	0	0	0
Director	Formostar Garment Co., Ltd.	(8,000)	0	0	0
	Representative: TSAI, CHAO-LUN	(9,000)	0	7,000	0
Director	Ten King Investment Co., Ltd.	0	0	0	0
	Representative: CHEN, WEN-KE (Note 4)	0	0	0	0
Director	Ten King Investment Co., Ltd.	0	0	0	0
	Representative: BAI, JUN-NAN	0	0	0	0
Director	Chang Li Co., Ltd.	0	0	0	0
	Representative: LIOU, LIANG -HAI	0	0	0	0
Independent director	KO, SHU-JEN	0	0	0	0
Independent director	CHANG, FAN	0	0	0	0
Independent director	LIU, DENG-CHENG	0	0	0	0
Independent director	PAN, WEI-GANG (Note 3)	0	0	0	0
General manager	CHOU, CHIH-MING	0	0	0	0
Deputy General Manager	YANG, MEI-YUAN	0	0	0	0
Deputy General Manager (Note 4)	WANG, TING-TSE	0	0	0	0
Special Assistant (Note 4)	YANG, CHIA-CHUN	0	0	0	0
Special Assistant (Note 3)	CHANG, WEN-BIN	0	0	0	0
Special Assistant (Note 5)	ZHOU, ZHI-CHENG	0	0	0	0
Associate manager (Note 4)	SU, BO-CHENG	0	0	0	0
Associate manager	LIAO, SHU-LIANG	0	0	0	0
Associate manager	CHENG, AN-TZU	0	0	0	0
Associate manager	LIN, HSU-CHUAN	0	0	0	0
Associate manager (Note 4)	HUANG, TING-CHIEN	0	0	0	0
Associate Manager (Note 3)	CHANG, HSU-TENG	0	0	0	0
Manager	CHIU, YUNG-TSAI	0	0	0	0
Manager	LI, CHEN-MING	0	0	0	0
Manager	YU, CHEN-ERH	0	0	0	0
Manager	WANG, GUO-XI	0	0	0	0
Manager	SU, LI- MEI	0	0	0	0
Manager	CHI, YUN-CHONG	0	0	0	0
Manager	LI, WEI-TENG	0	0	0	0
Manager	JIA, OAI-SHA	0	0	0	0
Manager	YOU, LI-CHENG	0	0	0	0
Manager	SU, YU-MIN	0	0	0	0
Manager (Note3)	CAI, YUE-FENG	0	0	0	0
Major shareholder	CHINA PETROCHEMICAL DEVELOPMENT CORPORATION	0	0	0	0

Note 1: Shareholders holding 10% or more of the total shares of the Company shall be indicated as major holders and listed separately.

Note 2: Should the counterparties of the share transfer or pledge be related parties, the following form shall be completed.

Note 3: Director Pan, Wei-Kang was elected to fill the vacant seat on May 31, 2024; Chang, Wen-Bin assumed office on January 26, 2024; Chang, Hsu-Teng assumed office on August 1, 2024; and Cai, Yue-Feng assumed office on January 26, 2024

Note 4: Director Chen, Wen-Ko was dismissed on May 30, 2024; Wang, Ting-Tse resigned on December 24, 2024; Yang, Jia-Chun resigned on November 27, 2024; Su, Bo-Cheng resigned on November 15, 2024; and Huang, Ting-Chien resigned on November 27, 2024.

Note 5: Zhou, Zhi-Cheng assumed office on May 13, 2024 and resigned on December 31, 2024.

Information of Share Transferred

Name (Note 1)	Reason of Transfer (Note 2)	Date of Transaction	Date of Counterparty	Relationship of counterparty with the Company, directors, supervisors, and major shareholders holding 10% or more of the total shares	Shares	Date of Price:
None						

Note 1: List the name of the directors, supervisors, and major shareholders holding 10% or more of the total shares

Note 2: List acquisition or disposal

Information of Share Pledged

Name (Note 1)	Reason of Pledge Changes (Note 2)	Changes Transaction	Date of Counterparty	Relationship of counterparty with the Company, directors, supervisors, and major shareholders holding 10% or more of the total shares	Shares	Shareholding %	Pledge %	Collateral (Redemption) Amount
China Petrochemical Development Corporation	Pledge	2024/2/21	President Securities Corporation	N/A	49,000,000	10.7%	91.6%	NT\$299 million

Note 1: List the name of the directors, supervisors, and major shareholders holding 10% or more of the total shares

Note 2: List pledge or redemption

VIII. The relationship between top ten shareholders and their relationship with each other, spouse or second-degree relative

March 30, 2025

Name (Note 1)	Shares held by shareholders		Shares held by spouse or minor children		Shares held under other's Name		Among top ten shareholders, the shareholders who are spouses or 2nd degree kinship (Note 3)		Note
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Name	Relationship	
China Petrochemical Development Corporation	164,348,449	10.735%	-	-	-	-	Sheen Chuen-Chi Cultural and Educational Foundation	The director representative of the Company is corporate director	
Lin, Wen-Yang	27,807,000	1.816%	-	-	-	-	None	None	
JP Morgan Advanced Starlight Advanced Comprehensive International Stock Index	18,702,754	1.221%	-	-	-	-	None	None	
JP Morgan Chase Bank N. A. Taipei Branch in Custody for Vanguard Emerging Market Stock Index Fund, a Series of Vanguard Equity Index Funds	17,755,000	1.159%					None	None	
Standard Chartered Bank's iShares Emerging Markets ETF	14,028,000	0.916%					None	None	
Sheen Chuen-Chi Cultural and Educational Foundation	12,793,179	0.835%	-	-	-	-	China Petrochemical Development Corporation	The director is corporate director representative of the Company	
Ten King Investment Co., Ltd.	12,179,632	0.795%	-	-	-	-	None	None	
HSBC Custodian Account for Mitsubishi UFJ Morgan Stanley Securities Trading	11,525,000	0.752%	-	-	-	-	None	None	
JPMorgan Chase Bank Custodian Account for Advanced Stock Index II Investment	9,830,000	0.642%	-	-	-	-	None	None	
JPMorgan (U.S.) Custodian Account for JPMorgan Securities Ltd. Investment	8,687,509	0.567%	-	-	-	-	None	None	

Note 1: The top ten shareholders shall be all listed; the institutional shareholders shall list all their institutional shareholders and representatives separately

Note 2: the calculation of shareholder percentage refers to the shareholding percentage of the shares held by shareholders, their spouses, minor children, and under others' names.

Note 3: the shareholders referred in the preceding paragraph shall disclose their relationship.

IX. The total number of shares and consolidate shareholding percentage held in any single enterprise by the Company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the Company

Consolidate Shareholding Percentage

Unit: share

Re-invested Business	Invested by the Company		Invested by the directors and supervisors, managers, and any companies controlled either directly or indirectly by the Company		Consolidated Investment	
	Shares	Percentage of Holding	Shares	Percentage of Holding	Shares	Percentage of Holding
Chung Kung Safeguarding & Security Corporation	3,880,000	64.67%	1,440,000	24%	5,320,000	88.67%
Huading Enterprise Co., Ltd.	44,109,000	90%	4,901,000	10%	49,010,000	100%

Three. Status of Fundraising

I. Capital and shares

(I) Source of share capital:

1. Source of equity over the years

Note: thousand (shares) NT\$

Year/Month	Issuance Price:	Approved share capital		Paid-up capital		Note		
		Shares	Amount	Shares	Amount	Source of share capital	Shareholder paid shares with property other than cash	Others
1994	10	330,000	3,300,000	330,000	3,300,000	-	-	
1995	10	500,000	5,000,000	480,000	4,800,000	Capital increased by cash	-	
1996	10	800,000	8,000,000	648,000	6,480,000	Capital increased by profit and capital reserve	-	
1997	10	1,200,000	12,000,000	937,600	9,376,000	Capital increased by cash, profit and capital reserve	-	
1998	10	1,200,000	12,000,000	1,125,120	11,251,200	Capital increased by profit and capital reserve	-	
1999	10	1,200,000	12,000,000	1,192,627	11,926,272	Capital increased capital reserve	-	
2000	10	1,800,000	18,000,000	1,276,111	12,761,111	Capital increased by profit	-	
2002/September	10	1,800,000	18,000,000	1,365,439	13,654,389	Capital increased by capital reserve (approved by Securities Supervisory Commission' letter on 2002.8.12 Taitsaichengyi Zhi No. 0910144405)	-	
2003/September	10	1,800,000	18,000,000	1,421,781	14,217,812	Capital increased by profit (approved by Securities Supervisory Commission' letter on 2003.8.7 Taitsaichengyi Zhi No. 0920135497)	-	
2004/September	10	1,800,000	18,000,000	1,450,217	14,502,168	Capital increased by profit (approved by Financial Supervisory Commission' letter on 2004.8.9 Jinguanchengyi Zhi No. 0930134620)	-	
2007/September	10	1,800,000	18,000,000	1,525,017	15,250,175	Capital increased by profit (approved by Financial Supervisory Commission' letter on 2007.8.6 Jinguanchengyi Zhi No. 0960041422)	-	
2010/September	10	3,000,000	30,000,000	1,525,017	15,250,175	Conversion of convertible corporate bonds	-	
2015/December	10	3,000,000	30,000,000	1,530,899	15,308,998	(Jinshou Shang Zhi No. 10401258070)	-	

Note: Due to the flood resulted by Typhoon Nally on September 17, 2001, the Company is unable to provided supporting documents, and only the approval dates and letter numbers are provided.

2. Type of shares

Unite: Thousand shares

Type of Shares	Approved Shared Capital			Note
	Outstanding shares (listed)	Unissued shares	Total	
Common shares	1,530,899	1,469,101	3,000,000	

3. Information about shelf registration: None.

(II) List of major shareholders:

March 30, 2025

Name of Major Shareholders	Shares	Shares held	Percentage of Holding
China Petrochemical Development Corporation		164,348,449	10.74%
Lin, Wen-Yang		27,807,000	1.82%
JP Morgan Advanced Starlight Advanced Comprehensive International Stock Index		18,702,754	1.22%
JP Morgan Chase Bank N. A. Taipei Branch in Custody for Vanguard Emerging Market Stock Index Fund, a Series of Vanguard Equity Index Funds		17,755,000	1.16%
Standard Chartered Bank's iShares Emerging Markets ETF		14,028,000	0.92%
Sheen Chuen-Chi Cultural and Educational Foundation		12,793,179	0.84%
Ten King Investment Co., Ltd.		12,179,632	0.80%
HSBC Custodian Account for Mitsubishi UFJ Morgan Stanley Securities Trading		11,525,000	0.75%
JPMorgan Chase Bank Custodian Account for Advanced Stock Index II Investment		9,830,000	0.64%
JPMorgan (U.S.) Custodian Account for JPMorgan Securities Ltd. Investment		8,687,509	0.57%

(III) Dividend policy and execution:

1. Dividend policy:

By considering the future business, fund demands, and long-term financial plan, the dividend policy takes both cash and share dividends; shall there be any earning after the annual settlement, the earnings may be distributed by the following order:

- (1) Paying the income tax of profit-seeking enterprises
- (2) Covering the losses of the past years
- (3) Setting aside ten percent of such profits as a legal reserve.
- (4) Providing or reversing the special reserves by the laws or operation demands

The balance after deducting the abovementioned items, plus the accumulated undistributed earnings of the previous year, shall there be any profit, at least 20% shall be provided as the bonus to the shareholders. Provided, such the percentage of profit distribution, and the percentage of cash distribution may be proposed by the Board of Directors based on the actual earning and funds, to be resolved by the AGM for implementation. However, the abovementioned distribution of bonus to the shareholders, may be made in cash or share dividends. The cash dividends shall not be less than 10% of the total dividends. But if the cash dividend is lower than NT\$ 0.1, the dividends will be paid in shares.

2. Execution:

- (1) The 2024 dividends distribution proposal has been resolved by the 25th meeting of the 27th Board of Directors of the Company on March 13, 2025, as per the attached table:

Unite: NT\$

Item	Amount	
	Subtotal	Total
Undistributed balance at the beginning of the term		3,183,352,333
Current profit after tax	717,244,029	
Actuarial income (loss) listed in the retained earnings	19,972,616	
Disposal of equity instrument measured at fair value through other comprehensive income transferred to retained earnings (realized)	439,188	
The current net income after tax, plus the items other than the current net income that are included in the undistributed earnings for the current year		737,655,833
Set aside 10% legal reserve provision		(73,765,583)
Current Distributable Profits		3,847,242,583
Dividends to shareholders (stock dividend)	(770,042,620)	
Undistributed profit at the end of period		3,077,199,963
<p>Note : For the capital increase by share distribution, the Board of Directors is authorized to determine the ex-dividend base date and the capital increase base date. If there is any change in the number of common shares issued by the Company, which results in a change in the share distribution ratio, the chairman is authorized to adjust the share distribution ratio based on the actual number of shares issued on the base date of distribution of new shares. If the amendment is made by the competent authority, the amended content shall prevail. In case of any amendment to the relevant laws and regulations, the chairman is authorized to handle such amendment according to the laws and regulations.</p>		

(2) Shareholders' dividends are intended to be distributed entirely in shares, and the share dividends are about NTD 0.503 per share.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution: This shareholders' meeting did not propose a free allotment of shares, so it is not applicable.

(V) Compensation to employees, directors and supervisors:

1. The percentages or ranges with respect to employees' and directors' remunerations, as set forth in the company's articles of incorporation:

If the company generates profits before the tax in the current year, no less than 2% of the profit will be the employees' remuneration and no more than 2% of the profit will be the directors' remuneration. In the event of any accumulative loss incurred by the Company, it shall reserve for offsetting the accumulative loss. The preceding pre-paid ratio, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders, and it shall be reported in the shareholders' meeting. The preceding employee compensation can be paid in stock or in cash.

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

On March 13, 2025, the Board of Directors resolved the compensations to employees and directors, based on the profit of the year and their contributions. The compensations to employees and directors were estimated for NT\$18,378,903 and NT\$18,378,902, respectively. Shall the estimated amounts are different from the actual amount paid, such deviance will be treated as accounting changes, and the adjustment is accounted for at the year of payment.

3. Information on any approval by the board of directors of distribution of compensation:

(1) 2024 Employee and Director Compensation

Item	Resolution of the Board of Directors (March 13 2025)
	Amount (NT\$)
Compensations to directors (cash)	18,378,902
Compensations to employees (cash)	18,378,903
Total	36,757,805

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: N/A

4. The actual distribution of compensations to employees and directors in the previous year:

	Resolution of the Board of Directors March 13, 2024 Amount (NT\$)	Actual paid amount (NT\$)
Compensations to directors (cash)	15,703,318	15,703,318
Compensations to employees (cash)	15,703,319	15,703,319
Total	31,406,637	31,406,637

(VI) Share re-purchase: N/A

II. Corporate bonds status: N/A

III. Preferred shares: N/A

IV. Global depository receipt: N/A

V. Employee stock option certificates: N/A

VI. The issuance of new shares for the acquired or transferred company: N/A

VII. Implementation status of fund application plan: N/A

Four. Operation Overview

I. Business contents

(I) Business scope

1. Main contents of the business operations

- (1) Quarrying industry
- (2) Other petroleum and manufacturing industry of coal products [premixed asphalt concrete]
- (3) Premixed concrete manufacturing industry
- (4) Cement and concrete products manufacturing industry
- (5) Metal structure and construction component manufacturing industry
- (6) Integrated construction industry
- (7) Channel dredging industry
- (8) Sandstone silting ocean dumping industry
- (9) Water pipe installation industry
- (10) Fuel conduit installation industry
- (11) Piping engineering industry
- (12) Electrical equipment industry
- (13) Cable installation industry
- (14) Elevator installation industry
- (15) Fire safety equipment industry
- (16) Automatic control equipment industry
- (17) Traffic sign engineering
- (18) Lighting equipment industry
- (19) Mechanical installation industry
- (20) Construction materials wholesale industry
- (21) Department store industry
- (22) Supermarket industry
- (23) Convenience store industry
- (24) Warehousing industry
- (25) Residential/building development and rental industry
- (26) Industrial plant development and rental industry
- (27) Development of a specific professional region
- (28) Investment in the construction of the public construction industry
- (29) New town and new community development industry
- (30) Regional land collection and city land redistribution agency industry
- (31) Urban renewal industry
- (32) Construction management industry
- (33) Real estate industry
- (34) Real estate leasing industry
- (35) Elderly housing industry
- (36) State-owned non-public property management industry
- (37) Management and consulting industry
- (38) Landscape, interior design industry
- (39) Waste removal industry
- (40) Waste treatment industry
- (41) Environmental testing services industry
- (42) Waste [stain] water treatment industry
- (43) Waste recycling industry
- (44) Other environmental sanitation and pollution prevention services industry
- (45) Auto repair industry
- (46) Conference and exhibition industry
- (47) Leasing industry
- (48) Refrigeration and air conditioning industry

2. Business percentage

<u>Item</u>	<u>Percentage</u>
Civil engineering	63.19 %
Construction engineering	18.50 %
Electromechanical engineering	7.72 %
Development engineering project	5.43 %
Real estate sales	0.34 %
Other operating costs	4.82 %

3. The company's current products (services) and new products in development

Public civil engineering projects, constructions, mechanical and electrical undertaking projects, civil construction projects, industrial land development and sales, urban renewal projects and MRT joint development. In the future, we plan to undertake for private joint civil construction and overseas construction projects. The ongoing BES projects as of now are listed below:

1. Taoyuan Airport MRT (A14 station) (terminal 3) and extension section to Zhongli Railway Station's E&M system project (tender ME06A) (108)
2. Tseng Wen Nan Hua Leveling Pipe Turnkey Project A1
3. Turnkey project for renovation of the First Vegetable and Fruit Market (in-embankment relay) and Wan-Da Wholesale Market
4. CR580C Eastward Section Project of Xinyi Section in the Taipei MRT System
5. The construction of parking apron, taxiway and apron facilities in terminal III of Taiwan Taoyuan International Airport
6. Shimen Reservoir Anti-silt Tunnel Project (Phase 1) –Amuping Anti-silt Tunnel Project
7. Health Building construction works
8. Taoyuan MRT Green Line's E&M system primary contract project (tender GM01)
9. The new construction project of the pumping machine room #7, 8 and 9 and water inlet/outlet underdrain in Taitan Power Plant
10. Primary contract for civil engineering of the underground section from the GC02 tender's southern out-of-underground section up to the G07 station of the Taoyuan MRT Green Line
11. Wuxi Niazuitan artificial lake project-lake district construction works
12. Hsing Tai Wen Zai Jun Zone 2 land replotting project in New Taipei City
13. Taoyuan Aerotropolis Zone Expropriation Project A1 Section Turnkey Project
14. Tai No.15 and Tai No.4 pipeline rerouting project (including pipeline burial) in cooperation with the expansion of Taiwan Taoyuan International Airport.
15. The new construction project of the Health Building in National Taiwan University Hospital (the first bid for electrical, plumbing, and air conditioning engineering)
16. Zengwen Reservoir discharge channel and expansion with sludge extraction project
17. Hsinchu Science Park (Baoshan land) Phase 2 expansion - First tender project
18. Kaohsiung New Town Phase 2 development zone (cooperating with Science Park) development project section expropriation public works (2 zones)
19. Niazui Lake purification field new construction turnkey project (continued)
20. Hsinchu Science Park (Baoshan land) Phase 2 expansion - Second tender project
21. Sun Ba Power Phase 2 administrative zone general construction turnkey project
22. Taipei City West Gateway Taipei Main Station Specialized Zone C1/D1 (East Block) land development project (management tender)

23. Sun Ba Phase 2 solar photovoltaic equipment and detention basin turnkey project
24. Public facilities and plant maintenance project in Changhua Coastal Industrial Park (Xianxi and Lunwei District)
25. Road and public pipeline project in Changhua Coastal Industrial Park - Lunwei West District 1 (phase 2)
26. Lunwei West District 1 Phase 2 Drainage Trunk and Gate Project in Zhangbin Industrial Zone
27. Changhua Coastal Industrial Park - Lunwei West District 2 environmental protection land public facility project
28. Changhua Coastal Industrial Park - Lunwei West District 1 (Phase 4) road and public facilities project
29. Changhua Coastal Industrial Park Xianxi District A2405 road embankment (phase 2) project
30. Changhua Coastal Industrial Park - Lunwei District & West District Metal Surface Treatment Zone Temporary Sewage Treatment Facility Project
31. Yunlin Science and Technology Industrial Park (Dabeixi Area) public facilities and plant maintenance project
32. Letzer Industrial Park land protection project
33. Yanshou Zone K (BES Yun Cui)
34. Yanshou Zone I (BES Bi Yen Ge)
35. Yanshou Zone J renewal project (BES Mingsenyuan)
36. Urban renewal project of Chongyang Road in Nangang
37. Xing'an street urban renewal project
38. BES EcoTech Industrial Park
39. Public Urban Renewal Project in Dongsheng Section Shulin District, New Taipei City
40. Chengnan Shuiyuan Section Public Urban Renewal Project
41. General Welfare Service of Ministry of National Defense Banqiao Public Urban Renewal Project
42. Section 3, Minsheng E Rd Urban Renewal Project
43. Tucheng Jin'an street urban renewal project
44. Section 2, Da'an Rd Urban Renewal Project
45. Jiankang Road urban renewal project
46. Tongxiao Power Plant Phase 2 renewal and renovation project for cooling circular water system pump facility room, retarded flow basin, and related works project
47. Bridge construction project at the intersection of AL1 and AL2 plants
48. Kaohsiung New Town Road 1-1, 1-2 and 1-3 cross the highway project (Tender X101G)
49. Construction of Songhu Ultra-High Voltage Substation and Multi-Purpose Building
50. Tainan Seawater Dampening Plant turnkey project (Phase 1) and maintenance and operation
51. New Taipei Circular Line 0403 Earthquake Recovery Project (civil work tender)
52. 345kV Gangfeng - Central Taiwan Science Park, Hengshan - Central Taiwan Science Par Cable Line Tunneling and Associated Electromechanical Turnkey Project (1st worksite)
53. Formosa Plastics Building's urban renewal and new construction master turnkey project

(II) Industry overview

Engineering projects:

The total budget for 2024 includes NT\$192.8 billion for public construction projects, an increase of NT\$29.8 billion or about 18.3% from 2023, mainly due to the addition of NT\$3.5 billion for the improvement project of provincial expressways and the infrastructure construction project, NT\$2.88 billion for the 2030 electronic bus program, NT\$2 billion for the sustainable pedestrian safety improvement project, NT\$2.02 billion for the addition of Qiaotou Science Park external transportation overall project - Taiwan 39 line extension priority section, NT\$1.76 billion for the railway traffic safety improvement project, NT\$1.6 billion for the Phase 2 project of Chaozhou Base at Kaohsiung Machinery Plant, NT\$1.5 billion for the Da-an-Dajia River Interconnection Pipe Project, NT\$1.41 billion for the construction of Zengwen River Bridge of Xibing Expressway, NT\$1.36 billion for the construction of the southern branch of the National Library of China and the United Collection Center project, NT\$1.28 billion for the construction of agricultural product cold chain logistics and quality assurance demonstration system, NT\$1.06 billion for the Shimen Reservoir to Hsinchu connecting pipe project, NT\$1.05 billion for the Kaohsiung urban railway underground project. The total budget allocation amounted to NT\$192.8 billion, in addition to a special budget of NT\$84.4 billion for the Fourth Phase of Forward-looking Infrastructure Projects, bringing the total to NT\$277.2 billion. This represents an increase of NT\$31 billion compared to 2023, approximately a 12.6% increase on the same basis.

By the department, the descriptions are as the following:

1. The Transportation construction budget amounts to NT\$172 billion. This primarily includes projects such as the construction of the Taoyuan International Airport Terminal 3 Area by the Taoyuan International Airport Company, seismic reinforcement of highway bridges, provincial highway improvements, overall procurement and replacement of vehicles by the State-owned Taiwan Railway Corporation, Ltd., and the future development and construction of international commercial ports, totaling NT\$147.4 billion. The Ministry of the Interior is responsible for projects like the construction of urban road traffic systems (city roads), the enhancement of road quality, and sustainable pedestrian safety improvements, totaling NT\$13.41 billion. The Ocean Affairs Council is managing projects such as the construction of Coast Guard vessels and maritime patrol readiness, totaling NT\$8.8 billion. The Ministry of Agriculture is responsible for projects like upgrading safety equipment for the Alishan Forestry Railway, totaling NT\$1.52 billion. The Council of Indigenous Peoples is managing projects for the improvement of distinctive roads in indigenous communities, totaling NT\$0.73 billion.
2. The environmental resources budget amounts to NT\$82.8 billion. This primarily includes projects managed by the Ministry of Economic Affairs and Taiwan Water Corporation, such as overall improvement and adaptation of central watershed management, comprehensive improvement of rivers and regional drainage systems managed by counties and cities, reducing water leakage rates, the Daan-Dajia River interconnection pipeline project, and the backup water transmission pipeline projects, totaling NT\$51.96 billion. The Ministry of the Interior is responsible for projects like the Sixth Phase Construction of Sewage and Stormwater Drainage Systems, promoting the reuse of recycled water in public sewage treatment plants, and medium-term national park projects, totaling NT\$24.96 billion. The Ministry of Environment is handling projects such as phase two of diversified garbage disposal and the promotion of waste reduction, recycling, and resource circulation, totaling NT\$4.03 billion. The Ministry of Agriculture is responsible for projects like overall improvement of rivers and regional drainage systems managed by counties and cities,

- as well as overall improvement and adaptation of central watershed management, totaling NT\$1.7 billion.
3. The economic development budget amounts to NT\$240.7 billion. This primarily includes projects managed by Taiwan Power Company, such as the phase two of offshore wind power generation and the construction of new gas turbine units at the Taichung Power Plant, totaling NT\$171.3 billion. Taiwan Oil Company is responsible for handling the Kaohsiung Port Intercontinental Container Terminal Phase II and the Third Liquefied Natural Gas Receiving Station of the Natural Gas Division, totaling NT\$33.71 billion. The National Science and Technology Commission is handling construction projects for science parks in Hsinchu, central, and southern regions, totaling NT\$20.25 billion. The Ministry of Economic Affairs is responsible for developing local industrial parks and constructing the Taoyuan International Convention and Exhibition Center, totaling NT\$6.13 billion. Chunghwa Post Company is managing projects such as the construction of the Postal Logistics Park (Airport MRT A7 Station) and the purchase of postal offices, totaling NT\$5.43 billion.
 4. Urban and regional development is allocated NT\$16.2 billion, primarily managed by the Ministry of the Interior for the development of new towns in Tamsui, Kaohsiung and Linkou, as well as the reinforcement and reconstruction of public service facilities, dangerous public buildings, and the creation of urban landscapes and revitalized environments, totaling NT\$8.97 billion. The National Development Council is responsible for the construction of national archives preservation and service facilities, and accelerating the promotion of local revitalization, totaling NT\$1.63 billion. The Ministry of National Defense is responsible for engineering and facility renovation projects, totaling NT\$1.35 billion. The Ministry of Education is responsible for the establishment of the National Chung Hsing University Nantou Branch university town and preparation of public service hubs—reinforcement and reconstruction of public hazardous buildings, totaling NT\$1.23 billion. The Ministry of Justice is managing projects including the construction of new office buildings for the Investigation Bureau in Zhonghe Investigation Park and the relocation of the Taiwan Changhua District Prosecutors Office and Changhua Branch Administrative Enforcement Agency and other related projects, totaling NT\$1.11 billion. The Council of Indigenous Peoples is responsible for projects related to creating livable tribal communities, totaling NT\$0.57 billion.
 5. The Cultural facility budget is NT\$11 billion, which is allocated as follows: The Ministry of Culture is responsible for projects such as the maintenance and development of historical and cultural assets (Phase 5), construction of cultural living circles, transformation of the Taipei depot into the National Railway Museum Park and the National Taiwan Museum of Comics, totaling NT\$7.7 billion. National Palace Museum's project to promote public engagement and stimulate tourism industry development, totaling NT\$1.3 billion. NT\$1.2 billion is allocated for the Hakka Affairs Council to implement projects related to Hakka village revitalization and environmental development, Hakka Village 369 Happiness initiative, and the establishment of the Locomotive Park. NT\$0.8 billion is allocated for the Council of Indigenous Peoples to conduct projects including the construction of indigenous tribal communities, and the promotion of the Indigenous Peoples' Diversified Industries Development 2.0 program.
 6. The Education facility budget is NT\$11.7 billion, primarily allocated as follows: The Ministry of Education is responsible for projects such as the 2030 Bilingual Policy, the construction of the National Library Southern Branch and Joint Repository Center, the construction of new (or additional) school buildings for public senior high schools and below in emerging population growth areas, overall development and talent

cultivation in national sports parks, and establishing regional industry talent and technology training bases, and the enhancement of public sports environments, totaling NT\$10.63 billion. NT\$0.55 billion is allocated for the National Science and Technology Development Committee to implement projects including the construction of the National Experimental Senior High Schools in Pingtung and Chiayi, and the construction of comprehensive teaching buildings in the construction of the Central Taiwan Science Park Experimental High School.

7. Agricultural construction budget is NT\$36.8 billion, which mainly includes NT\$36.6 billion for the Ministry of Agriculture for village revitalization construction and development, construction of agricultural product cold chain logistics and quality assurance demonstrative system, improvements on the farmland irrigation construction, forest sustainable operation and industry recovery, sustainable forest management and industry revitalization, comprehensive watershed management and disaster prevention, and the long-term construction project of Qianzhen Fishing Harbor.
8. NTD\$14.9 billion for health and welfare facilities, including NT\$4.69 billion for the Ministry of Education to organize the new construction of the Health Building in the National Taiwan University Hospital, and the expansion of the second phase of the National Yang Ming Chiao Tung University Hospital; NT\$4.1 billion for the Ministry of Health and Welfare to organize food safety construction, National Health Research Institute new biological reagent plant and strategic platform resource pool, and the establishment of a community public childcare for children aged 0 to 2, and the reconstruction of the long-term care health and welfare bases; NT\$ 3.27 billion for the Council of Assistance for Resigned Officers to organize the establishment of the Taichung Veterans General Hospital quality care center, the construction of the third medical building of the Taichung Veterans General Hospital, the new construction of the heavy particle cancer treatment center in the Taipei Veterans General Hospital, and the increase of care for the mentally and physically challenged people in the memory park; NT\$2.84 billion for the Ministry of National Defense to organize the new medical building in Taichung and Taoyuan Veterans General Hospital.

Private construction business:

Based on factors such as the demand for updating old buildings in Taiwan's metropolitan areas, urban planning and development, and economic conditions, the level of activity in various types of development projects such as urban renewal, joint development, BOT (Build-Operate-Transfer), land reclamation, and industrial land development is closely related. These initiatives directly drive the volume of private engineering projects.

Although the government has implemented a series of policies to cool down the residential property market in recent years, the impact on the demand for housing swaps and the necessity of demolishing and rebuilding old and dangerous buildings is limited. Additionally, investment clients have shifted towards commercial construction investment. Optimistic growth is anticipated in the industry's development regarding industrial zone renewal and land utilization. Therefore, in the overall context, the volume of private construction projects is expected to remain at a peak in the coming years.

Considering Taiwan's labor shortage and lack of management talent, the development of private construction projects necessitates continuous research and development of new construction methods to reduce manpower. Additionally, integrating smart systems into the construction process to enhance management efficiency and the adoption of migrant workers have become inevitable trends. The rate of internalization of new construction methods and digital transformation will directly impact the

competitive ability of private construction contractors.

In addition, in response to the trend of nearly zero-energy buildings, carbon footprint assessments for projects and the selection of low-carbon green building materials during planning and design have become important considerations. Green procurement practices, such as cost control and carbon reduction during construction, are also crucial aspects of private construction management. Enhancing differentiation capabilities through the adoption of new materials, new construction methods, new technologies and other factors is an important challenge for the industry.

The direction of private construction contracting business at BSE is primarily divided into two main parts:

1. Real Estate Development Division: The real estate development projects at BSE's Business Division primarily focus on urban renewal projects. These projects are subject to approval by the competent authorities through business plans and rights transformation plans. After obtaining demolition and construction permits, the construction is contracted out to the Private Engineering Business Division.

As of the end of December 2024, ongoing construction projects of the Real Estate Division include the construction of residential communities, namely “Biyange Pavilion”, “Mingsenyuan”, located on Yanshou Street, “Chongyang Road Project in Nangang renewal project”, as well as the “BES Cloudverse AI Park” in Tucheng Industrial Zone. The total contract amount for these projects is close to 30 billion, and they are scheduled for completion between 2025 and 2027. Subsequently, manpower and organizational adjustments will continue to be made in accordance with the development schedule of projects under the Real Estate Division, such as the redevelopment projects in Nangang Chungyang Road, the public redevelopment project in Dongsheng Section, Shulin, and the public redevelopment project in Fulong Station, Banqiao, to manage and coordinate construction operations effectively.

2. External Contracting Business: As of the end of 2024, ongoing construction includes the Formosa Plastics Building's urban renewal and new construction master turnkey project and the Taipei Twin Towers C1D1 project. Additionally, in line with manpower recruitment, external tenders for medium to large-scale projects are pursued on a case-by-case basis. Examples include the renewal construction projects for Taiwan Plastics Corporation on Dunhua North Road, the construction of the Yu Cheng Section for Fubon Bank, the renewal construction project for Taipei Post Office, and the construction of the Ho Kun Building for E. Sun Bank. Depending on the requirements of each project owner, contracts are undertaken through either cost-plus or lump-sum pricing models. In the future, there will be opportunities to secure contracts for diverse building products such as commercial offices, hospitals, smart campuses, and hotels, thereby enhancing the company's brand reputation. This approach will concurrently build up capabilities in planning, interface integration, and construction management, serving as a strategic objective for the sustainable development of the department's business.

Construction business:

1. Overview of the development trends in the real estate:

Due to the impacts of the worldwide COVID-19 pandemic and Russo-Ukrainian War, global raw materials have been in shortage such that international prices increase significantly. To overcome the economic difficulties, countries around the globe have adopted the relaxed currency policy with increase printing of bills, leading to severe global inflation. Consequently, the U.S. Federal Reserve System (Fed) adopts the continuous increase of interest rate to suppress inflation, and the government in Taiwan also follows such trend with the increase of the interest rate, causing increase of financing interest rate. As a result, the construction and development industry

originally suffering the shortage labor and materials needs to further face the tough challenge of increase of construction cost. In addition, it also causes the house price to continue to reach new highs, such that groups expecting the increase of the house price to purchase real property based on the consideration of value preservation and measures against inflation.

As the house price continues to surge in Taiwan, the government has implemented numerous tough real estate hype prevention policies and actions, including the Integrated Housing and Land Tax and Land Value 2.0, increase of land tax and land value increment tax, construction financing control, the Equalization of Land Rights Act to prevent exchange of pre-sale house contracts, construction commencement within 18 months after acquisition of land, Loan Restriction Order, etc., causing postponement of project release, shift of seller's market to buyer's market and the overall exception for decrease of future house prices. In view of the above, next year (2023) is expected to be a year for destocking and slow market growth. Since construction cost cannot be predicted, a lot of constructors have adopted the "build first and sale after" policy to ensure the stability of cash flows.

To cope with the real estate development trend for next year, in terms of the development and operation policy, BES Engineering will still mainly focus on the urban renewal development business, and will engage in cooperating alliance or joint venture development with other constructors in the same industry. Accordingly, in addition to the combination of advantages of various business operators in the same industry, resources can be sought more effectively and professional complementation can be achieved, thereby diversifying the development risk and expanding the scope of development business.

2. Ongoing construction projects:

(1) "Tao Zhu Yin Yuan:"

In the third quarter of year 2018, the usage license and the registration of property rights were acquired. The project includes 40 households with 210 parking spaces.

(2) "BES Yun Cui" construction project:

The construction started in the third quarter of 2017, and the pre-sale operation began in the fourth quarter. We have obtained the use permit on March 19, 2021 and completed the handover in the fourth quarter. Up to the end of 2025, there were still remaining house units for sale.

(3) "BES Bi Yen Ge" residential renewal project:

It completed the review process in the fourth quarter of 2018, and the residential renewal project is officially approved. We have obtained the building permit in the second quarter of 2019, completed the relocation in the first quarter of 2020, and completed the demolition work in the third quarter. As of the end of 2021, the underground structure project was still in progress. In September 2022, beam-raising ceremony was organized, and up to the end of 2025, the structure construction was still under process.

(4) "BES Ming Sen Yuan" residential renewal project:

It submitted a review of the rights change plan in the fourth quarter of 2018; Right transfer was approved in the second quarter of 2020. As of the end of 2021, 100% consent has been obtained, and the relocation was completed in June 2022. As of the end of 2022, demolition work is still in progress. In September 2022, beam-raising ceremony was organized, and up to the end of 2025, the structure construction was still under process.

(5) “Chongyang Road Project in Nangang” residential renewal project:

In December of 2015, the business plan was submitted for review. In the fourth quarter of 2018, a special project team meeting was convened to discuss the business plan. In the fourth quarter of 2019, the business plan was approved. In the fourth quarter of 2020, the business plan was officially authorized. It is anticipated that in the second quarter of 2021, the rights conversion plan will be submitted for review and in the fourth quarter of 2023, the rights conversion plan will be officially authorized. As of the end of 2025, work for the demolition operations is underway.

(6) Urban renewal project of the BES Cloud Universe Industrial Park:

In the fourth quarter of 2016, the business plan was submitted for review. In the third quarter of 2018, a special project team meeting was convened to discuss the business plan. In the fourth quarter of 2019, the urban renewal review process was completed. In February 2020, the construction permit was obtained, and construction commenced in the fourth quarter. In March 2021, a design change review was submitted and in December 2021, the second special team meeting was held to review it. In April 2021, a public hearing was conducted. In May 2022, the design change was approved. As of the end of 2022, the application for the new construction permit was processed, and sales operations are ongoing as of the end of 2024.

(7) “BES Shulin Office Building” Urban Renewal Project:

In November 2021, the qualification of the most optimal investor was obtained. In December 2021, the Company completed the contract signing with the New Taipei City government. Up to the end of 2022, the urban renewal scope application has been reported to the Department of Finance. In March 2024, the plan of affairs was reviewed and verified. Planning and design operations are in progress as of December, 2024.

(8) “BES Xing’an Street” Urban Renewal Project:

In December 2022, the project development operation was completed. In June 2022, the urban renewal unit planning scope was submitted for review. Up to the end of 2022, the urban renewal unit planning scope was still under review. As of the end of 2024, renewing the project of change scope, planning and designing operations are in progress.

(9) “Chengnan Shuiyuan Section” Public Urban Renewal Project

On April 26, 2023, the preferred investor was secured, and on August 8 of the same year, an agreement was signed with the Taipei City.

The Residential and Urban Renewal Center completed the contract signing, and as of the end of 2023, it is still in the process of the rights planning, in the planning phase. As of the end of 2024, conduct urban design review procedures.

(10) “Banqiao Welfare Station” Public Urban Renewal Project:

In July of year 2023, the preferred investor was secured. In October of the same year, a contract was signed with the National Housing and Urban Renewal Center. As of the end of year 2024, as of the end of 2024, the executive authority plan is in the review stage.

(11) Tucheng Jin’an street urban renewal project:

In August of 2023, the development operations for the project were completed. As of the end of 2024, it is in the contract signing phase of the joint construction agreement.

(12) Section 2, Da'an Rd Urban Renewal Project:

In September of 2023, the development operations for the project were completed. As of the end of 2024, it is in the property selection phase.

(13) Section 3, Minsheng E Rd Urban Renewal Project:

In August of 2023, the development operations for the project were completed.

As of the end of March 2024, it is in the planning and design phase.

Development of industrial zone:

1. Current industrial status and development of the industry

Looking at the global economic development in 2024, inflationary pressure is gradually decreasing. The central banks of the U.S., some European countries, and emerging markets have successively reduced interest rates, and the employment market has developed steadily. However, the geopolitical conflicts continue. The central banks of various countries have turned to a relaxed monetary policy, which is still unclear. The Chinese economy is still sluggish, and industry recovery is expected to take longer. Although there are unfavorable factors aforementioned, the strong demand for AI technology, cloud data services, and other related industries drives the growth of the domestic electronic and information and communication products related to AI, and major domestic semiconductor companies are increasingly willing to invest in expansion. However, traditional industries are still affected by the Chinese economy, and exports have declined. After the US President, Trump, took office, he may implement tariffs and sanctions on the world. The overall economic situation is still to be observed.

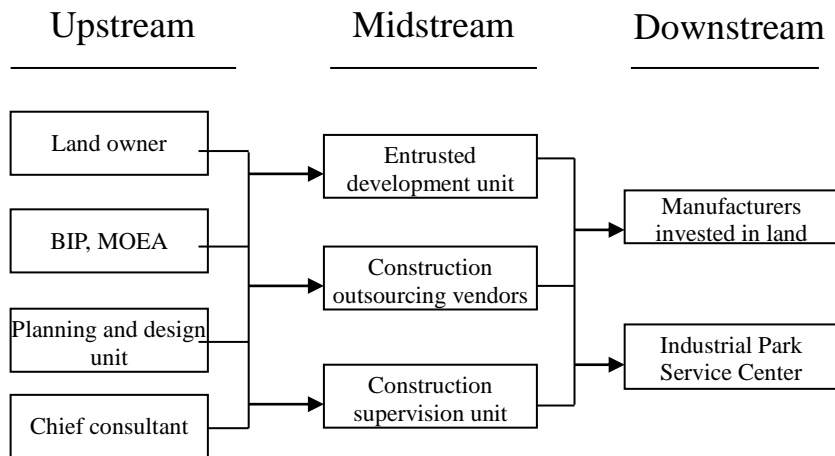
On the other hand, aside from a half-point rate hike in the first quarter of 2024, the domestic central bank maintained its policy interest rates unchanged for the following three consecutive quarters. The central bank's discount rate, secured loans rediscount rate, and short-term lending rate remained at 2%, 2.375%, and 4.25%, respectively. While there is potential for gradual rate cuts in 2025 if inflation slows down, the current selective credit control policy has yet to be loosened, and decisions are still being made based on observing global economic and trade situations, domestic economic growth, and the actions of the U.S. Federal Reserve.

According to the statistics of CBRE, a foreign institution, the annual growth rate of the industrial real estate transaction amount in Taiwan in the first half of 2024 reached 37%, a record high in the past three years. Among them, the annual growth rate of the self-own buyer's trading amount reached 48%, indicating that the demand for the industry is still strong, with investment activities primarily driven by their essential needs.

In conclusion, the overall domestic industry has recently benefited from the booming demand for high-performance computing and artificial intelligence applications, as well as the recovery of the semiconductor industry, which drives the investment growth of testing equipment and related peripheral industries (such as electronic components, machinery and equipment, chemical materials), which in turn drives the increasing demand for industrial (and economic) land use. However, the investment demand of the traditional industry is inconsistent. Traditional industries are facing challenges from China's economic downturn. In addition, the domestic central bank has not yet reduced interest rates and has not relaxed the land loan restrictions, and there is uncertainty over whether political conflicts following the new U.S.

president's inauguration will further impact Asian economic development. All these factors require careful evaluation in the planning and announcement of projects in the Changhua Coastal Industrial Park to facilitate future land disposition.

2. Industrial upstream, midstream and downstream relations



3. Trend of product development and competition situation

According to the aforementioned current state of industry development, the future economic and industrial outlook remains uncertain, and differences among companies and industries may affect factory investment decisions, thereby introducing variability in land demand. It is therefore necessary to target companies with strong self-use demand or those seeking land due to policy incentives, which includes being in line with the direction of the industrial land policy white paper, actively preventing industrial zone land hype, guiding illegal factories via legal improvements, facilitating the relocation of illegal factories, and prioritizing returning Taiwanese businesses as well as domestic firms expanding their factories as potential development clients..

Additionally, following the presidential elections, it is expected that the government will continue to promote the non-nuclear homeland policy and strive for net-zero emissions by 2050. There will be continued efforts to develop renewable energy sources such as offshore wind power and solar energy. Furthermore, with the decreasing availability of land for domestic industrial development and the growing scarcity of industrial water supply nationwide, the completion and transfer of the 50,000-ton water supply project in the Fuma Canal in the Changhua Coastal Industrial Zone to the Park Management Bureau signify a stable water supply for industrial use in the future. This advantage will actively attract domestic and foreign investors to invest in setting up factories in the Changhua Coastal Industrial Zone. However, to cope with the shortage of industrial land, recently, the government has engaged in cooperation with Taiwan Sugar Corporation. As Taiwan Sugar releases its farmland at the central and southern areas of Taiwan for the development of new industrial parks, the number of competitors for the project in Chung Hua Coastal Industrial Park will be increased, shall highlight the area's strengths to actively attract investment.

For overseas industries:

Take Vietnam and Myanmar as follows:

1. Vietnam

Vietnam continues to leverage its abundant natural resources (such as oil, natural gas, and coal), low labor costs, high trade openness, and superior geographical location to attract substantial foreign investment. Its political stability has also solidified its appeal as an investment destination.

Vietnam's economic performance was strong in 2024. According to reports,

Vietnam's GDP growth rate accelerated to 7.09% in 2024, mainly driven by strong manufacturing and exports. In addition, the total foreign direct investment (FDI) in Vietnam in 2024 reached US\$25.35 billion, a 9.4% increase compared to the previous year and a record high. Singapore was the largest foreign investor, with an investment of US\$10.2 billion, accounting for 26.7% of the total investment and a 31.4% increase compared to the previous year.

The Vietnamese government is currently implementing new incentive measures to attract foreign investors in high-tech industries, including semiconductor manufacturing, artificial intelligence and green energy. These measures include special discounts for land lease fees, corporate taxes, import and export tariffs, and the establishment of investment support funds to provide cash subsidies or cost-based discounts.

2. Myanmar

Myanmar's industries mainly are gasoline, natural gas exploitation, small machine manufacturing, garments, wood processing, sugar manufacturing, basic foods, fishery products processing and plastic products. However, due to long-term political instability and economic sanctions, the scale of the industry remains relatively small.

The political and economic environment in Myanmar in 2024 is still full of challenges. Despite the above, Myanmar has attracted US\$661 million of foreign investment in 2023-2024, of which Singapore invested the most, US\$345 million, followed by China, US\$225 million. In addition, 60 new investment projects were approved in Yangon in 2024, creating nearly 30,000 job opportunities.

Despite the challenges, the infrastructure and real estate market in Myanmar is still promising. Under the current environment, there may be opportunities to obtain quality land at a lower price, which is the foundation of future development

(III) Technology and R&D overview

Other than undertaking the public engineering projects, the company has been dedicated to the development of its own construction technology. The cost of construction can be effectively controlled and it actively integrates the existing technologies and resources to create higher value-added products with its innovation and R&D. Furthermore, the Company's R&D in the construction management of information technology system not only effectively improves the project timeline, cost, quantity control, it also simplifies the operation interface and related functions; it also expands the maintenance manpower, thus saving huge production costs; in addition, it has created the knowledge management and research system to retain the valuable experience and works for future learning.

For the construction business. The content of research and development is mainly to shorten the construction period, improve the construction method, reduce pollution and enhance efficiency. There is no patent right involved and the improvement of production technology or the research and development department is founded by the Technology R&D Department to conduct research and the introduction of technology.

1. Research and development expenses for the most recent year, as of the printed out date of the annual report:

Unit: NT NTD in thousands

Year	Year 2024	Year 2023	Year 2022
Amount	41,314	33,571	30,838

2. Research and development results in the recent three years:

Serial number	Research project	Research results
1	Optimize construction management system functions and processes	<ol style="list-style-type: none"> 1. The functions and processes of the existing battalion management system are reviewed and planned, and a more comprehensive management and control mechanism is incorporated to produce useful information for management practices and provide reliable operational decision information for management reference. 2. Through optimized user experience, improve system operation efficiency, and ensure information input integrity and preservation.
2	Introduce the electronic signature system and enhance the effectiveness in the APP application of Google Enterprise Edition	<ol style="list-style-type: none"> 1. Introduce the electronic process signature system, and complete the online electronic signing process of procurement requisition and payment request. 2. Promote the simplification procedures of platform, to provide convenience to the employees of the company. 3. Create education and training platforms for mutual communication, coordination and fast learning of new knowledge, to significantly save costs of the company.
3	Create a command system of audio and video	<ol style="list-style-type: none"> 1. Establish an audio and video instant command center to instantly grasp the on-site operation of each site. 2. Create an instant command system of audio and video for interactive confirmation and information return. The system can be used to instantly video call to the supervisors of the company during the on-site operation via the system, to save traffic time and improve the work efficiency.
4	Establishment of a high-availability integrated private cloud architecture	<ol style="list-style-type: none"> 1. Plan a multi-circuit core network framework to build a high-availability integrated network framework to enhance the performance of the Company's IT system network and ensure the continuity of the Company's network despite a dysfunctional single switch node. 2. Construct a high-availability private cloud architecture and establish a multi-host backup private cloud to improve the application of the Company's internal cloud services and provide system services that are not affected by anomaly in a single host with a high-availability system architecture.
5	Establishment of the smart site management mechanism	<ol style="list-style-type: none"> 1. Implement smart construction sites to manage and prevent safety incidents. Establish electronic fences, safety helmet and reflective vest detection systems, facial recognition and vehicle monitoring systems, and micro weather stations to help prevent workplace accidents. 2. As for the quality of the project, portable photography equipment as well as fixed and movable cameras are introduced, to instantly communicate with the command center with the synchronous recording function, in order to instantly monitor the quality of construction.
6	Establish Intelligence Decision Making Platform	<ol style="list-style-type: none"> 1. With a highly visualized graphic interface, the information including the annual total revenue target of the Company, revenue of each site, health and safety, completed works without billing, procurement schedule management, among other things, are presented. KPIs are defined for the system logic to determine and send alerts, so that the real-time information management is done in the regards of project management in sites and the Company's operation. 2. With GPS and maps, the real-time weather information in each site is presented, including temperature, wind speed, heat hazard index, among other things, as the reference for working conditions.

Serial number	Research project	Research results
7	Setup of electronic bulletin board at construction sites	<ol style="list-style-type: none"> 1. Obtain the real-time climate information, such as temperature, humidity, and wind speed detected by the weather stations near the construction sites through the global positioning system (GPS), calculate the Heat Hazard Index, and present it on the electronic bulletin board. 2. Arrange short videos on safety and health and construction guidelines to be played during the rest session, to strengthen safety education at the construction sites. 3. Display the construction tasks of the day for the crew and supervisors and provide construction suggestions reminders after the construction tasks are analyzed through keywords.
8	Construction of overseas real estate information search system	<ol style="list-style-type: none"> 1. Use the web crawler program to collect information on overseas large land development projects and general construction projects to support the development of overseas land development business. 2. Integrate Google Maps, Google Translate, and crawler programs and collect market information of real estates surrounding the key cities in the overseas developing countries for cost evaluation on land development.
9	Digitalizing the Bidding System	<p>To meet the need for tender preparation, the relevant modules are established to facilitate cross-departmental collaboration and preserve historical data. Leveraging digitalization offers more advantageous support.</p> <ol style="list-style-type: none"> 1. Digitalization of data reduces paper output 2. Digitalization of data enhances the ease with which various departments can access information 3. Reduces the risk of individual file storage by the sales division 4. Reduces the likelihood of data entry mistakes in forms 5. Establishing a repository of historical data benefits subsequent cost evaluations
10	Digitalization of Engineering Office Weekly Reports	<ol style="list-style-type: none"> 1. Clear focus management: The work order weekly report includes multiple key control points (such as cash flow and discrepancies with accounting statements, milestone, changes, disputes, work order weekly reports, etc.). The Engineering Offices directly enter and maintain data in the operational management work order module, so that the supervisors and relevant cross-functional units can review it immediately. 2. Effective cross-functional integration of stakeholder data modules to avoid rework: Work order weekly report information can be incorporated into the operational management system (such as daily reports, financial control analysis, work order management, contract scheduling, etc.), eliminating the need to retype and reformat in Word. 3. Enhanced timeliness, accuracy, and efficiency: The system directly integrates the information of the work order report, to prevent human errors. With a single control pathway, construction sites do not need to redo work, and headquarters no longer have to repeatedly request data from the construction sites.

3. The goals of research development plans and research condition in year 2025:

Project items	Actual research condition
The function and process to optimize the construction management system	<ol style="list-style-type: none"> 1. Continuously optimize the functions and workflow of the existing management system to generate practical information and provide reliable information of business decision-making for the reference of management. 2. Provide an integrated platform of engineering specifications and documents via the applications of information technology, so to ensure that construction version is instantly updated and notified.

Project items	Actual research condition
Expansion of the command center	<ol style="list-style-type: none"> 1. To ensure the continuation of site management and gradual expansion to participation by all workers, the command center is expanded. The size of the video/audio display is enlarged, the central-control seats are added, and a learning zone is set. 2. By verifying multi sites through the large-sized display, with the dashboard data for cross-verification, the progress is ensured. The verification center may conduct real-time verifications with multiple sites, and present data on the dashboard, to audit the progress, health, safety, and receivable status.
Optimize Intelligence Decision Making Platform	<ol style="list-style-type: none"> 1. On the basis of existing statistical analysis information of all departments on the intelligence decision making platform, the company continues to improve and integrate cross-department information, stipulate warning KPI, and presents abnormal information with different colors. 2. Use the visualized presentation mode to present the SOP of departments and the comprehensive corresponding actions and pros and cons and make timely adjustment in accordance with the current situation for the judgment of providing decision making interconnection.
Optimization of overseas real estate information search system	<ol style="list-style-type: none"> 1. Optimize and improve the web crawler program to collect information on overseas large land development projects and general construction projects to support the development of overseas land development business. 2. Establish an account and password mechanism and a back-end settings and permissions mechanism in response to the commercialization on the website to prepared for the development of relevant mechanisms with business models in the future.
Integration of AI information platform	<ol style="list-style-type: none"> 1. Through single entrance platform website, existing AI device identification, real estate information web crawler, job site access control systems are integrated. 2. With the integrated platform, smart job site related management mechanism is provided, in order to achieve centralized platform management mechanism and to ensure job site labor safety. 3. In the future, the Company will use this platform as the development basis in order to continuously develop greater smart job site, smart web crawler related Big Data applications. In addition, it will also be used as the integration of corporate internal AI applications, thereby in order increase management quality and to achieve greater corporate operational performance.
Optimizing the Construction Equipment Rental System	<ol style="list-style-type: none"> 1. For construction equipment rental contracts, the payment method now includes a prepaid check rental fee: If the invoice amount is sufficient to offset a single check, the Finance Department will be notified to verify and cash the check. If the invoice amount is insufficient to offset a single check, it will be carried over to the next invoice until the total is sufficient to offset one check, at which point the finance department will be notified for verification and cashing. 2. Risk assessment of the Client's Party A principal: In the leasing contract, include a provision to upload the client's owner credit/investigation data, and enable the query of the customer's principal (Party A) information to serve as a reference for risk assessment.

4. Plan review:

Project items	The current progress of the unfinished plans, the estimated launch time, the major factors affecting the research and development, expenses that need to be invested in the research and development
Building of a construction equipment rental module	<ol style="list-style-type: none"> 1. The user interface, system framework, and authorization management of the current construction management system are messy and old. The company plan to introduce a new open source system framework and reform the authorization management framework to improve the system operability. 2. Through the opportunity of re-examination, the complete management system structure and process will be compiled to serve as the inheritance and training use of future departmental colleagues and enhance the functions of employees.
Optimization of the smart site management mechanism	<ol style="list-style-type: none"> 1. Consider and research the new AI&IoT construction monitoring mechanism in the aspects of eliminating industrial accidents, monitoring the construction quality and speed up the construction process. 2. Provide the instant update and feedback to ensure that all conditions in progress can be immediately responded and controlled. 3. To cope with the labor policy of the government, the company plans to introduce labor health management platform. Apart from the general sobriety test, the blood pressure testing for aloft work to ensure the proper safety and health of construction site.
Implementation of customer relationship management system	<ol style="list-style-type: none"> 1. To cope with the Company's real estate development strategy, it is necessary to collect relevant information before, during and after sale from customers based on the customer perspective; therefore, it is necessary to implement customer relationship management system. 2. The main information to be collected refers to real-estate related information of potential customers, customer contracts, customer changes, real estate sales, warranty and repair, such that through comprehensive customer information analysis, customer demands can be understood, thereby increasing product and service quality, establishing reputation and achieving the outstanding real estate brand for the Company.
Establishment of construction project management system	<ol style="list-style-type: none"> 1. Integrate construction progress management related forms, BIM model, and achieve drawing and model as a whole for construction progress presentation via information integration. 2. Through the digital twin BIM model system architecture, it is able to link the construction project progress, safety and quality control, in order to ensure that construction project can be completed timely with quality and within budget.
Enterprise Information Portal (EIP) revision	<ol style="list-style-type: none"> 1. Enterprise Information Portal (EIP) is the entrance of each system of the Company, capable of providing single sign-in mechanism for each system, electronic approval progress, and office staff contact information, etc. 2. With the EIP revision, the enterprise office information can be improved, enterprise internal system information search and announcement/notice presentation can be optimized, such that new employees are able to become familiar with their jobs swiftly, and the communication obstacles among existing staff can be reduced with transparent information. 3. The new version of EIP will use the latest technology module, such that the website user experience can be optimized and the operation performance can be improved while further increasing the website information security mechanism through the new technology.
Optimizing the Construction Equipment Rental System	<ol style="list-style-type: none"> 1. The customer prepayment bank check received from the equipment is registered in the lease module contract and the prepayment statement is printed and paid. Once the invoice amount is confirmed to be sufficient to deduct the check, it is then forwarded to the Finance Department for confirmation. 2. In the leasing contract, upload the client's principal credit information and allow querying of the customer's principal (Party A) information as a reference for the customer's risk assessment.

5. Future plan of research and development and the estimated investment in R&D:

- Establishment of the smart site management mechanism.
- Implementation of customer relationship management system
- Establishment of construction project management system
- Enterprise Information Portal (EIP) revision
- Optimizing the Construction Equipment Rental System

(IV) The long-term and short-term business development plan

1. The long-term business development plan

- (1) Continue to develop the large and medium scale engineering projects.
- (2) The Company plans to be continuously dedicated to our core business of construction business projects and external construction projects, and we are looking toward to be more professional and exquisite, with higher quality and innovation.
- (3) The ratio of public engineering projects will be gradually adjusted, and we will continue to put effect in the urban renewal, civil construction and land development projects, so to expand the company's business domain and increase profits.
- (4) Reinforce the customer service team and enhance the concept, practices and scopes of after-sales service.
- (5) Considering that in 2024, domestic high-tech industries, such as semiconductors driven by AI development, are booming while traditional industries are impacted by China's industrial downturn and the ongoing constraints on bank loans, we should monitor market trends and track the changes among potential land-buying companies. By leveraging the Company's 166 hectares of semi-developed land in Changhua Coastal Industrial Park and effectively utilizing the adjustment flexibility of parcels and the pre-registration system, we can offer potential land buyers various options for plant site evaluation. This will support the continued implementation of an integrated development model, combining development, investment attraction, and finance to stabilize the recovery of industrial park land value funds.
- (6) We will establish a customer relationship management (CRM) system and adopt the customer-oriented service philosophy to reduce customer complaints and improve customers' satisfaction.
- (7) We will strive to achieve product differentiation with smart products (community platform systems, smart building, and facility management) and the unique of customization for each housing unit (interior design).
- (8) We will establish a new corporate brand image that features innovation (thoughtful product planning), professionalism (smart product design), quality (digitalization of construction quality data), and services (services provided on systems and platforms).
- (9) Localization of overseas subsidiary members will shorten project feasibility evaluation times by integrating into local communities abroad, thereby promoting regional development. This approach strengthens team capabilities, enhances brand image, and improves the integrated execution of development, design, construction, and after-sales services. We will help our subsidiaries to be financially independent and implement projects in Myanmar and Vietnam with the local funds (and initial earnings).
- (10) Achieve financial autonomy for subsidiaries by utilizing funds from Vietnam and Myanmar (including initial profits) to execute local projects.
- (11) Plan for large-scale land development projects (including industrial park development), and formulate 5-10-year project execution plans.

- a. Develop diversified channels for land acquisition, or explore various “cooperation” and “joint venture” models to promote business expansion while seeking cross-industry alliances and optimizing collaborative team rosters.
 - b. Target developments toward medium-to-large-scale land development projects.
 - c. Initiate various types of development projects, such as superficies, urban land re-zoning, and joint construction.
 - d. Plan development costs for different products and evaluate the enhancement of development capabilities.
 - e. In alignment with government policies and to implement the Company’s ESG development principles, establish 4 functional platforms: 1. Carbon Management Platform, 2. Energy Management, 3. Project Management Information System (PMIS), and 4. Building Information Modeling (BIM).
2. The short-term business development plan
- (1) The construction management effectiveness can be gradually discovered, and the practical management performance is recognized by business owners.
 - (2) With the priority of safety and environmental protection, as well as the quality of the construction project, to obtain business owner’s recognition and increase the visibility of the BES brand by the comprehensive construction management methods.
 - (3) As for the short-term construction cases (the peer construction companies), we will implement them in a project-based manner and combine with the team’s extensive experience in the construction industry to actively expand the services with peer construction companies.
 - (4) Work with the architects and electromechanical manufacturers to integrate and expand the business in new plants of various industries.
 - (5) In terms of internal management, we implement business operation reforms, reinforce the operation management, reduce construction costs, and undertake the public construction projects and maintain the growth in the construction industry with the Company’s excellent reputation and advantage of large-scale engineering construction technology and professional engineering talents.
 - (6) For the short-term business, the Company will still formulate sales strategies for each region to meet the needs of the manufacturers, and coordinate with the Park Administration to accelerate the promotion of the new district announcement and lease operations of Changhua Coastal Industrial Park, including the first phase of Lunwei West District 2 and the Metal Surface Treatment Special Zone, and plan the large, medium and small parcels in the same district for various industrial companies to set up their factories. Additionally, the first phase of the Xianxi community land is provided for manufacturers to build employee dormitories to meet the needs of the local labor lodging demand, to increase the willingness of customers to purchase land and invest in Changhua Coastal Industrial Park.
 - (7) We will expand the scope of products to be developed. In addition to the development of the existing residential housing project, we will actively participate in the bidding for the public office renovation projects and the development of the old factories around the BES Cloud Universe AI Industrial Park, thereby increase our visibility and business opportunities.
 - (8) Secure stable business through private urban renewal and participate in large-scale government-led urban renewal projects.
 - (9) For overseas business development, the Company will actively engage in the establishment of relationships with the government and landlords, and will also seek cooperation with the local developers for joint project development. Furthermore, the Company will continue to adjust strategies for the existing deeply

cultivated project sources, and to engage in negotiation with the landlords for projects with the most completely prepared regulatory documents, in order to obtain the project development.

- (10) We will aim at small development or construction projects in the course of five years on an annual basis

A. Vietnam:

For the acquisition of Vietnam pre-plan company - “Fu An Real Estate Co., Ltd.” project in December 2021, due to the landlord privately withdrew the equity purchase contract review from the Department of Investment and Planning, the Company has retained attorney to file litigation in order to force the landlord to perform contract obligations.

- B. In Myanmar, the Company will continue to monitor the situation and seek to purchase low-priced, high-quality land as the basis for further development.

II. The market and production and sales overview:

(I) Market analysis:

1. The Company’s main products are construction projects for public construction contract projects. In 2024, the private construction projects accounted for about 18.40% of the total contract amount of the Company. The area of project contracts is shown as follows:

Year	The construction area (%)			
	Northern	Central	Southern	Eastern
2024	70.91%	14.56%	14.53%	-
2023	71.80%	12.55%	11.80%	-
2022	83.52%	8.75%	7.73%	-
2021	86.52%	8.18%	5.3%	-
2020	84.17%	9.49%	6.34%	-

2. Current market share:

The company’s current share of public construction projects (over 500 million) is as follows:

Year	Government project released (NTD in thousands)	The company’s contracts (NTD in thousands)	Market share
2024	588,600,000	18,032,053	3.06%
2023	597,200,000	13,874,565	2.32%
2022	459,600,000	15,554,538	3.38%
2021	436,600,000	14,924,705	3.42%
2020	467,000,000	12,517,171	2.68%

3. The supply and demand conditions and growth of the market in the future:

The total budget for 2025 includes NT\$264.4 billion for public construction projects, an increase of NT\$79.8 billion or about 43.2% from 2024, mainly due to the addition of NT\$7 billion for the Taiwan Railways Metropolitan Area MRT System Taoyuan Section Underground Project, NT\$6.01 billion for the overall improvement and adjustment project of the central pipeline, NT\$6 billion for the Huadong Railway Double Track Electrification Project, NT\$5 billion for the Network Technology Application Enhancement Project, NT\$4.1 billion for the Sustainable Pedestrian Safety Improvement Project, NT\$4 billion for the Backup Water Transmission Pipeline Project, NT\$3.55 billion for the Provincial Highway Expressway Improvement Project, NT\$3.13 billion for the Kaohsiung Metropolitan Area MRT

System Xiaogang-Linyuan Line Construction and Surrounding Land Development Project; NT\$3 billion for the Kaohsiung Metropolitan Area MRT System Metropolitan Line (Yellow Line) Construction and Surrounding Land Development Project; NT\$2.15 billion for the Living Circle Road Transportation System Construction Project; NT\$1.92 billion for the State-owned Taiwan Railway Corporation Vehicle Maintenance Phase 1 Project; NT\$1.87 billion for the Comprehensive Watershed Management and Disaster Prevention Project; NT\$1.79 billion for the Sustainable Public Road Transportation and Transportation Equalization Project; NT\$1.79 billion for the Hsinchu Seawater Desalination Plant Project; NT\$1.62 billion for the Coast Guard Vessel Construction and Forward-Looking Development Project; NT\$1.32 billion for the 2030 Bus Electrification Promotion Project; NT\$1.25 billion for the Shimen Reservoir to Hsinchu Connecting Pipe Project; NT\$1.23 billion for the Provincial Highway Improvement Project; NT\$1.19 billion for the Cross-Domain Integration and Sustainable Development of Irrigation and Drainage Project; NT\$1.18 billion for the Historical and Cultural Asset Preservation and Development (Phase 5) Project; NT\$1.15 billion for the Phase 2 Upgrading of the Round-Island Bikeway and Integration of Diverse Routes Promotion Project; NT\$1.14 billion for the Enhancement of National Sports and Competition Environment Project; NT\$1.14 billion for the National Ship Model Laboratory Multi-functional Water Tank Construction Project; and NT\$970 million for the National Key Field Inter-University Research and Education Park Pilot Project. The total budget allocation amounted to NT\$264.4 billion, in addition to a special budget of NT\$57.4 billion for the Fifth Phase of Forward-looking Infrastructure Projects, bringing the total to NT\$321.8 billion. This represents an increase of NT\$52.8 billion compared to the previous year, approximately a 19.6% increase on the same basis. Including operating and non-operating special funds totaling NT\$326.5 billion, the total amount is NT\$648.3 billion. In summary, the overall public construction quota for 2025 is expected to remain stable.

4. Advantages and disadvantages for the future development

Item	Favorable factor	Unfavorable factors
Politics	<ol style="list-style-type: none"> 1. The government expands its demand of domestic construction, hence more budget and funding for local projects are offered. 2. The government actively promotes urban renewal policies, increases the building capacity awards, and loosens the restriction on the urban renewal projects. 	<ol style="list-style-type: none"> 1. The gap between our domestic economic level and that of labor-exporting countries has been narrowed, so migrant workers has become less willing to work in Taiwan. 2. The Renewal of Urban planning are not comprehensive, and the policies of federal and local governments are different.
Laws and regulations	<ol style="list-style-type: none"> 1. The reform of the Procurement Law for the Public Construction Projects encourages to use the most favorable bidding method to avoid vicious cycle of low-price competition. 2. The “Renewal of Urban planning” rewards the building capacity and increases the investment profits of development. 	<ol style="list-style-type: none"> 1. Reduce the capital threshold of the construction industry, which results in impacting the existing market structure, and increase the competition in the construction industry. 2. The conditions of importing foreign workers are very strict which results in the proportion of foreign workers is low; the manpower is still insufficient and construction efficiency cannot be enhanced. 3. Lack of policy for the construction industry. 4. The government’s new policy of labor holidays will impact the construction industry and increase its costs and construction duration, and it is expected to reduce the profit margins. 5. The education system and the low birth rates have resulted in a shortage of industrial talents.
Economy	<ol style="list-style-type: none"> 1. The price of bulk raw materials has shown an upward tendency and the related material costs have been increased. 2. The government promotes the 006688 preferential program of the industrial zone. 3. Interest rates are decreasing year by year and it lower the burden of interest. 	<ol style="list-style-type: none"> 1. The financial system is still very conserved in its policy for the construction industry. 2. Although the government has released a large number of construction projects, but the required production equipment is not sufficient. 3. The high-tech businesses rush to build factories regardless of the cost. Only a few construction factories benefitted from it as other construction factories suffer from shortage of employees, suppliers’ soaring prices, delays in construction progress, and declining profits.
Technology	<ol style="list-style-type: none"> 1. The construction plants and companies will merge and found large-scale construction groups to enter the international engineering market in the future. 2. By contracting with foreign companies, we will have the opportunity to learn the advanced foreign construction methods and techniques. 	<ol style="list-style-type: none"> 1. The new construction method has not been introduced and the technical level has not been enhanced. 2. Most of the domestic construction companies do not have sufficient management capabilities.

5. Analysis of the overall strengths and weaknesses of the company

Item	Advantage	Disadvantage
Manpower	<ol style="list-style-type: none"> 1. The support and integration of manpower in the group. 2. Employee rotation system for cultivating comprehensive professional talents. 	<ol style="list-style-type: none"> 1. High employee turnover rates and increase the learning costs. 2. The basic level professional manpower and basic level labors are insufficient.
Financial ability	<ol style="list-style-type: none"> 1. The problem of advance payment of funds in the industrial zone has been valued by the government. 2. The increase in rental income in the industrial zone will help in the fund recovery. 3. Interest rates are decreasing year by year and it lower the burden of interest. 	<ol style="list-style-type: none"> 1. The banking industry is still very conserved in its policy for the construction industry. 2. The issue of advance payment of funds in the industrial zone has not been resolved, which impacts the usage of funds.
Operation management	<ol style="list-style-type: none"> 1. Implementation of management reforms to be in the construction industry. 2. Introduction of information technology system to the company to improve the efficiency of business management. 	<ol style="list-style-type: none"> 1. The cost still cannot be significantly reduced and operating costs are still high. 2. Cooperate with suppliers to share risks and reduce operating costs.
Technology R & D	<ol style="list-style-type: none"> 1. Experience in large-scale engineering projects and special engineering methods. 2. Experience in building large shopping malls and high-rise buildings. 	<ol style="list-style-type: none"> 1. Lack of patented construction technique. 2. Lack of factory and high-rise hotel building experience.
Competitiveness	<ol style="list-style-type: none"> 1. The extensive qualifications for undertaking the large public construction projects. 2. Maintain quality construction and technique, and recognized by the proprietor. 3. Good reputation in the industry that yields benefits to the business development for the public and private sectors. 4. The company has a solid financial status. 	<ol style="list-style-type: none"> 1. The foreign companies are taking over the construction market with their advanced engineering methods. 2. Some local construction vendors actively participate in large-scale public construction projects with their advantage of management costs. 3. Winning less Golden Safety Awards and Golden Quality Awards is the disadvantage for tendering the projects adopting most advantageous tender.

6. Analysis of peer companies:

the statistics table of construction manufacturers

Year	Class A	Class B	Class C	Total
2024	3,305	1,250	7,708	12,263
2023	3,204	1,245	7,569	12,018
2022	3,122	1,231	7,433	11,786
2021	3,051	1,228	7,303	11,582
2020	2,956	1,228	7,192	11,376

Source: Construction Agency, Ministry of the Interior <http://www.cpami.gov.tw>

7. Future perspective

- (1) Be persistent in the industry, reinforce project management and increase construction competitiveness and operational performance.
- (2) Actively invest in projects such as urban renewal, industrial zone, real estate development, etc., to enhance the company's profit.
- (3) Integrate the reinvested business to enhance the efficiency of investment.
- (4) Actively expand the Southeast Asian market to be in line with the Group's comprehensive strategy.

(II) Important usage of the main products and production process

1. Main products and usages

- (1) Civil engineering projects: all civil engineering projects include roads, bridges, tunnels, dams, airports, harbors, railway engineering, MRT engineering projects, environmental protection engineering projects, etc.
- (2) Construction projects: all construction projects include national residence construction, commercial buildings, technology factories, recreational and entertainment industry, hospitals, etc.
- (3) Electromechanical engineering: water supply, electrical appliances, lighting, air conditioning, electricity (support) ladders, fire safety equipment and other projects.
- (4) Development of industrial zone.
- (5) Urban renewal projects.
- (6) Joint development projects of the MRT station.

2. Process of product production:

(1) Undertake engineering contracts:

Business Development → Valuation process → Bidding (price negotiation) → Budget of construction → Construction Plan → Manpower allocation, purchase of machine tools and materials (Implementation of budget) → Construction Management → Completion and settlement → Review upon completion.

(2) Urban renewal projects:

The initiation and integration of business case → update of the unit → urban renewal summary → urban renewal → business plan → plan for change of rights in urban renewal → announcement and implementation of urban renewal → engineering construction → registration of property rights → house handover → update the renewal business plan upon the completion of the project.

3. Supply condition of the main raw materials:

Other than some of the requirements in the contracts, the company has cooperated with the long-term suppliers for the following: steel, concrete, structural steel, cement, sand, floor tiles, aluminum curtains, products of stainless steel, pre-set systems, cement products, plastic pipes, paints, cables and wires, etc., hence the cost of these material supply is relatively stable.

4. Industrial upstream, midstream and downstream relations

Construction enterprise is part of the Construction Industry. The main business sources are public engineering, civil construction investment companies, and construction projects from public and private sectors, so the downstream of this industry includes government, public and private sectors, and civil construction companies while the upstream includes iron and steel industry, cement industry, sand and gravel industry, electrical industry, and engineering design companies.

5. Development trend of the product of the industry

The government continues to promote significant public constructions. Since they require higher technology threshold and financial capacity, they have become the battlefield for large construction companies. The construction industry has entered the era of larger companies grow larger. The large construction companies bring the

operation efficiency into play by strictly controlling costs during the construction process, enhancing construction site management, and developing new construction methods.

The important development trends for the construction industry in the future are as follows:

(1) Introduction of the turnkey model:

The traditional item-sub-contracting structure can no longer satisfy the needs of the clients. The comprehensive engineering service company's capabilities and characteristics can provide the comprehensive and holistic professional engineering services responding to market demands. With increasing disputes and time pressures of new construction projects, the engineering industry actively thinks about introducing the new "outsourcing strategy" to resolve these issues. Therefore, the "turn-key" model that has been adopted in foreign countries for many years is introduced to Taiwan, aiming to mitigate the impacts from the streamlining of governmental staff to the public construction projects, to proceed on time with quality.

(2) Contracted Constructions become internationalized and larger:

After Taiwan joined the World Trade Organization, the domestic market has been opened to the foreign construction companies to enter for fair competition. To respond to this trend, the domestic players will also strengthen the company by cooperating with foreign companies in Taiwan or exploring international markets and foreign local players in response to this trend. Competitiveness. In response to the increase in global demand, the supply volume needs to be relatively increased. In view of the economies of scale, various engineering companies are also vying to upgrade their technology for large-scale projects. In response to the increase in global demand, the supply volume needs to be relatively increased. In view of the economies of scale, various engineering companies are also vying to upgrade their technology for large-scale projects.

(3) Emphasis on research and development

As the construction industry develops toward to the large scale, under the fierce market competition, technology research and development work is bound to be gradually valued. The Company develops new work methods, new materials, and provide customers with multiple added value, while providing design ideas to reduce costs, in order to improve their competitiveness in the market, and establish the differentiated direction of efforts for each engineering company.

(4) Establish an exclusive construction brand

Establishing dialogues between people, art and the environment, as well as the brand value of the Company is not only the demands of purchasers for quality improvements regarding the living environment including the building design, internal layout, building materials, equipment and public facilities, but also the safety demands of consumers for their home. The Company stays true to the concept of human-oriented and the environmental, while upgrading the demands of consumers, for the product planning, the new products are launched according to "artistic," "innovative," "practical" and "humanity" to meet market demands; the after-sales service is also strengthened to establish the brand awareness in the minds of consumers.

(5) Global position for the international market

With the boundary-less internet, the international global village era comes; the planning and design of architectural product follow the trend of the world, and is no longer confined to specific regions. The cross-border real estate transactions have become more convenient, and the Taiwanese real estate market will also step

forward to the international open market, and thus further promotes the formation of a common circulation platform for the real estate market in the Asia-Pacific region and four markets crossed the straight. Therefore, the company will be globally deployed to the international market and launch real estate products.

6. Product competition

The main business of the company is contracting and building public constructions, and the company is taking the leading role in the domestic Contracting Construction industry. The corporate image and construction quality have been recognized by the industry and government, which makes the company competitive in the industry. The scale of public engineering expands, it is expected that the company's growth will continue to increase with a great momentum. Among the top 20 construction companies, our main competitors include the TWSE listed Continental Engineering, CTCI, DACIN Construction, KSECO, and Newasia Construction and TPEX listed Te Chang Construction.

(III) Availability of the main raw materials:

Unit: New Taiwan Dollar

Description: 1. The major procurement of the bulk materials of the Company includes RS and concrete. The regional and local vendors bid their quotes, and the HQ procures via tenders, to supply materials to the contractors.
2. The pre-mixed concrete has different compression strength; the 280kgf/cm2 is taken as the benchmark for the unit price reference. For the asphalt concrete, the unit price is unable to be calculated as the conditions in each region and nature are different.

Main ingredient	Year 2020			2021			2022			2023			2024							
	Total purchase amount	The average of unit price	Main Supplier	Total purchase amount	The average of unit price	Main Supplier	Total purchase amount	The average of unit price	Main Supplier	Total purchase amount	The average of unit price	Main Supplier	Total purchase amount	The average of unit price	Main supplier					
Reinforcing steel	High tension (420)	873,258,750	NT\$ 15,431/T	Donghe Fengxing Higuang Luodong	1,102,269,250	NT\$ 20,852/T	Donghe Fengxing Higuang Luodong Shyeh Sheng Fuat	358,344,650	NT\$ 22,318/T	Donghe Fengxing Zhiyi Wei Chih	996,438,850	NT\$ 20,544/T	Donghe Luodong Higuang Fengxing Zhiyi Wei Chih	1,074,157,300	NT\$ 20,391/T	Donghe Luodong Higuang Fengxing Zhiyi Wei Chih				
	Medium tension (280)	63,554,500	NT\$ 14,661/T		106,966,300	NT\$ 20,367/T		57,534,100	NT\$ 20,929/T		180,578,350	NT\$ 19,835/T		85,790,640	NT\$ 18,614/T					
	Others																			
	Total	936,813,250			1,209,235,550			415,878,750			1,147,017,200			1,159,947,940						
Cement	Type I cement	3,924,800	NT\$ 163/Bag	Songchi Samson Jueyao	1,195,934	NT\$ 171/Bag	Songchi Jinyuanxin Chengzhou	5,634,735	NT\$ 194/Bag	Songchi Chengzhou	2,731,863	NT\$ 188/Bag	Jinyuanxin Chengzhou Songchi Shinye	2,804,653	NT\$ 219/pack	Shinye, Songchi, Tsao Xin Tai, Youzhi, Yiqing, Hongjun, Hexuan, Yongtong, Hongshin, Jinyuanxin				
	Type II cement																			
	Other (Choujouchen)																			
	Total	3,924,800			1,195,934			5,634,735			2,731,863			2,804,653						
Sandstone	Ingredients						Jinsa Zhesheng Dashen							285,000	NT\$ 404/m3	JR Guang				
	rocks, pebbles																			
	Fine aggregate																			
	Coarse aggregate					84,000		NT\$ 1,500/m3												
	Construction sand				536,580	NT\$ 660/m3		785,400	NT\$ 1,050/m3											
Total			536,580		869,400				285,000											
Concrete	Pre-mixed concrete	2,233,230,720	280kgf/cm2 (1) Northern: NTS 2,129/m3 (2) Southern: NTS 2,100/m3	Changlu and Guopu Dashen, Gouchen GinCheng, Hexing Ronggong, Guoshun YuNan, Xinyi Wushung Xinsanya	2,234,346,830	280kgf/cm2 Northern: NTS 2,396/m3	Dashen, Yungchu, YuNan, Hexing, Songda, Wushung, Xinyi, Yichang, National and domestic, Guopu, Guoshun, Ronggong, Qinghuang, GinCheng, Xinsanya	2,104,098,862	280kgf/cm2 Northern: NTS 3,064/m3 Central: NTS 1,889/m3 Southern: NTS 2,652/m3	Dashen, Yungchu, YuNan, Hexing, Songda, Wushung, Xinyi, Yichang, National and domestic, Guopu, Guoshun, Ronggong, Qinghuang, GinCheng, Huanguan, Xinsanya, Lihong, Taiwancement	1,293,844,887	280kgf/cm2 Northern: NTS 2,928/m3 Central: NTS 2,400/m3 Southern: NTS 2,700/m3	Xinsanya, Taisong, Yichang, Songda, YuNan, Qinglong, Guopu, Hexing, Dashen	356,438,180	280kgf/cm2 Northern: NTS 3,002/m3 Central: NTS 3,036/m3 Southern: NTS 2,956/m3	Songda, Yungchu, Yichang, YuNan, Hexing, Dashen, Qinghuang, Gouchen, GinCheng				
	Asphalt concrete	336,613,612	(1) Dense-graded asphalt concrete: NTS 4,230/m3 (2) Renewed asphalt concrete (Dense-graded asphalt concrete with 30% of renewable materials): NTS 3,449/m3	Liron, Longshin Changyu, Sanhsia ShiXun, Jingfeng Shengkung, Linruei Jiangfeng, Yongzheng Wancheng, Hsinyu Jifeng, Changcheng Changmao, Chouyi	326,439,690	Dense-graded asphalt concrete: 6,661 元/m3	Sanxia, Yongli Jiangfeng, Jifeng Wancheng, Linming Hsinyu, Xinshu Changcheng, Weixin Guomei, Shengyang Luhe, Jingfeng Changmao, Liron	100,047,522	(1) Dense-graded asphalt concrete: NTS 6,955/m3 (2) Renewed asphalt concrete (Dense-graded asphalt concrete with 30% of renewable materials): NTS 3,461/m3	Sanxia, JiangFeng, Jiding, Xinshu, Songwang, Liron, Yuwei, Zhangmao, Longxin	183,343,944	(1) Dense-graded asphalt concrete: NTS 5,617/m3 (2) Coarse graded asphalt concrete: NTS 6,806/m3 (3) Renewable asphalt concrete pavement, coarse-graded mix: 2,317 元/m3	Meison, Wangcheng, Sanxia, Shenggong, Hongxin	116,434,095	"(1) Dense-graded asphalt concrete: NTS 2,703/m3 (2) Coarse graded asphalt concrete: NTS 7,453/m3 (3) Renewed asphalt concrete (Dense-graded asphalt concrete with 30% of renewable materials): NTS 4,923/m3."	Lin Ming Construcrtion, Jingfeng, Yuwei, Jiding, Wangcheng, Sanxia, Jianli, Liron				

(IV) A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures.

Information of the Main Suppliers in the Recent Two Years

Unit: NT\$ thousands

Item	Year 2023				Year 2024				2025 up to March 31			
	Name	Amount	Percentage of the net amount for the full year procurement (%)	Relationship with the issuer	Name	Amount	Percentage of the net amount for the full year procurement (%)	Relationship with the issuer	Name	Amount	Percentage of the net amount for the full year procurement (%)	Relationship with the issuer
1	JIANG-FENG Constuction CO., LTD.	1,976,084	11.33	-	Others	22,291,929	100.00	-	Not applicable			
	Others	15,460,725	88.67	-								
	Net purchase of goods	17,436,809	100.00	-	Net amount of procurement	22,291,929	100.00	-				

Note: More than 10% of the total purchases of individual suppliers.

Information of the Main Clients for Sale in the Recent Two Years

Unit: NT\$ thousands

Item	Year 2023				Year 2024				2025 up to March 31			
	Name	Amount	Percentage of the net amount for the full year sales (%)	Relationship with the issuer	Name	Amount	Percentage of the net amount for the full year sales (%)	Relationship with the issuer	Name	Amount	Percentage of the net amount for the full year sales (%)	Relationship with the issuer
1	Water Resources Agency, Ministry of Economic Affairs	4,125,936	21.76	-	Department of Rapid Transit Systems, Taoyuan City Government	4,751,414	19.92	-	Not applicable			
2	Department of Rapid Transit Systems, Taoyuan City Government	2,611,085	13.77	-	Hsinchu Science Park Bureau, National Science and Technology Council	4,110,989	17.24	-				
3	Hsinchu Science Park Bureau, National Science and Technology Council	2,281,056	12.03	-	Water Resources Agency, Ministry of Economic Affairs	2,296,107	9.63	-				
4	New Construction Office, Public Works Department, Taipei City Government	1,949,519	10.28	-	New Construction Office, Public Works Department, Taipei City Government	2,134,102	8.95	-				
	Others	7,991,743	42.16	-	Others	10,553,975	44.26	-				
	Net Sales	18,959,339	100.00	-	Net Sales	23,846,587	100.00	-				

Reason of increase/decrease: the Company engages contracted construction, and the operating revenues are recognized with the completion proportion method for each project. As the

III. The number of employees, average of service years, average age and academic background of employees in the recent two years and as of the printed out date of the annual report.

March 31, 2025

Year		Year 2023	Year 2024	As of the date March.31.2025 (Note)
The member of employees	General staff	240	248	247
	Technical staff	918	997	996
	Total	1158	1245	1243
Average age		42.12	42.11	42.38
Average of service years		5.7	5.3	5.5
Ratio of academic background of employees	PHD.	0.26%	0.24%	0.32%
	Master	16.06%	16.04%	15.77%
	College	73.83%	89.41%	72.73%
	High school	8.38%	9.54%	10.14%
	Under high school	1.47%	1.04%	1.05%

Note: The annual information shall be filled out, as of the printed out date of the annual report:

IV. The expenditure of environmental protection

(I) The total lost and disposal amount due to the environmental pollution in the most recent year:

Content \ Period	Year 2025 (as of the end of March)	Year 2024	Year 2023	Total
Pollution status - type - level	Violation of road cleanness, air, water and noise pollution Mild	Violation of road cleanness, air, water and noise pollution Mild	Violation of road cleanness, air, water and noise pollution Mild	-
Subject of compensation Or the disciplinary unit	Engineering Office Local environmental protection agency	Engineering Office Local environmental protection agency	Engineering Office Local environmental protection agency	-
Compensation amount or disposition status	0 cases in total	9 cases in total	12 cases in total	21 cases
	Fined 0 dollars	Fined NT\$ 358,600	Fined NT\$ 232,500	NT\$ 591,100
Other losses	None	None	None	-

(II) The response measures and possible expenditures in the future:

1. It is expected to adopt the improvement measures

(1) Improvement plan

A. Reinforce the promotion of environmental awareness and manage the contractors for the pollution prevention and control at various construction sites, as well as implementation of low-pollution methods and purchase low-pollution construction tools.

B. Conduct regular and irregular site assessments of environmental protection and reward the site to improve the environmental protection.

C. Before the work is operated, the risk assessment shall be conducted according to the requirements of the company's management system ISO14001, so that the various environmental protection regulations can be implemented to reduce the risk and impact on the environment.

- D. Use the low-pollution and low-noise construction facility and equipment.
- E. Found a special unit to supervise the results of implementation on each site.
- F. The head office conducts the 6S environment cleaning assessment of each Engineering construction office, so that the engineers will be aware of the environment, manage and maintain the environment at workplace. As the company is facing the challenges in the operating environment, it is expected that all employees to work hard to break through the bottlenecks to create a highly efficient working environment and enhance the competitiveness as well as the safety of personnel and work quality and efficiency.
- G. In response to the Company's ESG policy, the Company promotes carbon footprint inspection and is committed to the reduction of carbon. After data analysis, the Company has established carbon reduction strategy and efficiency improvement, in order to achieve the goal of sustainable operation and net zero carbon emissions.

(2) Estimated environmental capital expenditure for the next three years

Year Content	Year 2025	Year 2026	Year 2027
The proposed purchase of pollution prevention equipment or expenditure	A. Include a budget for safety, health and environmental maintenance for each project. B. It is mainly used for vehicle washes, water pools, rental sprinklers, purchasing car wash equipment, sewage treatment equipment, environmental measuring instruments and reducing noise, measures of sound insulation and ecological conservation monitoring, etc.	Same as the left	Same as the left
Expected improvement	Reduce environmental pollution	Same as the left	Same as the left
Amount	10,000 NTD in thousands	10,000 NTD in thousands	10,000 NTD in thousands

(3) Impact after the improvement

Year Content	Year 2025	Year 2026	Year 2027
Impact on the net profit	Reduce the general public's complaints, fines, and increase the depreciation fee of equipment.	Same as the left	Same as the left
Expected improvement	Enhance the corporate image which is beneficial to the progress of the project.	Same as the left	Same as the left

(III) Maintenance measures of the work environment:

1. Comply with the relevant laws and regulations.
2. Each project shall be subject to stipulate applicable plan for the environmental maintenance, waste cleaning, and wastewater handing at the construction site.
3. Request the contractors to comply with relevant environmental regulations and pay attention to the cleanness of the construction environment.
4. In order to reduce air pollution at the construction site, the vendors are requested to install a filter or a smoke evacuator to reduce the generation of pollution sources and reduce the sound sources to create a good working environment.
5. To reduce the noise pollution from the construction machines, the vendors are required to apply the low-noise machine, or low-noise methods. Because the machines tend to create noise and vibrations, the buffers are added at the bases or change the working period, to reduce the generation of noise source and create a good operating environment.

6. Conduct environmental measurements and record the data.
7. The exhumed soils in the open air digging operation are covered by canvas or straws and the passage roads are sprinkled with water to avoid dusts from being blown in the air.
8. In the ecology protection zone, ecology monitoring is conducted pursuant to environmental protection project.
9. We stick with our environmental impact assessment commitments and pay attention to the breeding season of animals and plants, while setting up artificial nest boxes in the trees at the construction sites for birds to inhabit.
10. We set up monitoring devices for air pollution control facilities (PM2.5, PM10, and temperature and humidity meters).
11. In addition to continuing the carbon audits for categories 1 and 2, there will be an expansion to include category 3 audits in the future.
12. Planning for the optimization/systematization of ESG information management methods to streamline the process of consolidating energy information across departments and accelerate the achievement of carbon neutrality goals.

V. Labor relations:

(I) The company's various employee welfare, advanced studies, training, retirement system and the implementation, and the agreement between labor and the company regarding to the employee rights are as follows:

1. The Company has created the "Employees' Welfare Committee of BES Engineering Corporation" according to the "Employee benefits regulations" and the following are stipulated: "Donation regulations for the Employees' Welfare Committee of BES Engineering Corporation," "Work Rules of the Employees' Welfare Committee of BES Engineering Corporation," "key points of rewarding construction materials for the Employees' Welfare Committee of BES Engineering Corporation," "Scholarship application for the Employees' Welfare Committee of BES Engineering Corporation" and the "Key points for the implementation of employees' recreation activities for the Employees' Welfare Committee of BES Engineering Corporation." The Staff Welfare Committee conducts various welfare and recreational measures for the employees of the Company. The company's employees will be rewarded with NT\$5,500 to 15,000 (including the Chinese Year Festival, Dragon Boat Festival) during each holiday season. The Staff Welfare Committee awarded a total of scholarships NT\$742,000 in 2023. In addition, in order to take care of the employees' safety at the work site, the company has insured all employees with group insurance of life insurance for 2 million dollars per person and 2 million dollars of accident insurance.
2. The Company has stipulated the "Guidelines Governing Remuneration to Employees." The shareholders' meeting of the year 2024 approved the employee bonus of NT\$15,703,319 surplus distribution for the year 2023. The allocated amount of employees' bonus is between NT\$2,140 and NT\$366,054 for the year 2023. The top ten earners in terms of employee compensation are: Manager Su, Li-Mei, Chairman and General Manager Zhou, Zhi-Ming, Director Lin, Hsu-Chuan, Special Assistant Yang, Chia-Chun, Vice General Manager Wang, Ting-Tse, Associate Manager Cheng, An-Tzu, Associate Manager Chiu, Yung-Tsai, Manager Lee, Chen-Ming, Manager Ji, Yun-Chung, Associate Manager Huang, Ting-Chien, totaling NT\$2,267,899.
3. The company has stipulated the "Employees Training Method" to conduct the training of employees. The main specifications are as follows:
 - (1) Training category

A. New employees training:

Introduce the company's history, organization, business operation philosophy, future development and the rights of employees, so that the new employees have basic knowledge of the company.

B. General Competency Training:

Provide general education courses for employees according to their duties, so that they can have knowledge and basic work ability, which is beneficial to their future career planning.

C. Core Competency Training:

The organization determines its competitive strength based on its mission and long-term goals, including skills, knowledge and behavioral patterns. The training focuses on core competencies so that employees can understand the organization's mission, goals and core values, and demonstrate its organizational culture.

D. Management Competency Training:

The organization determines its competitive strength based on its mission and long-term goals, including skills, knowledge and behavioral patterns. The training focuses on core competencies so that employees can understand the organization's mission, goals and core values, and demonstrate its organizational culture.

E. Professional Training for Employees:

In response to the diverse professional and competency needs of each department, we provide a variety of courses in professional knowledge, technical or practical experience for employees to improve their professional competence and enhance their job performance.

F. Foreign language training:

For those employees who are interested or have the business needs to study the language and provide them with the relevant language courses, so that they can improve their language ability for the company's business development.

(2) Training methods

Employees and the organization's learning and development needs are assessed for suitable employee education and training methods, and the conditions of the trainees, number of people, and other conditions are taken into account. Its categories are as the following: ① Self-held: the internal organizers of the company will focus on the training of the related employees. ② Outsourced for training: In order to achieve specific company goals or comply with legal requirements, if evaluations show that outsourcing training to external organizations is more cost-effective or effective, it is advisable to commission the relevant agency to conduct centralized training. ③ Training assignment: Assign individuals from various units to participate in training provided by external professional institutions, schools or training units.

4. In year 2024, the company had self-organized 253 trainings and 355 external trainings, with a total of training expenses NT 5,821,939 dollars.

5. The Company's main self-organized and outsourced management, general knowledge and professional training courses in 2024 are as follows: :

- (1) From April to November 2024, to enhance the leadership management ability of all levels of supervisors, the training is conducted by online courses and physical classrooms. A total of 6 courses and 15 sessions of the "Management Competency Training" series were held. The topics include "On-the-Job Instruction," "Management Ability," "Communication and Persuasion," "The Six Essentials for Mid-Level Managers: Positioning, Goal-Setting, and Team Building," "The Six Essentials for Mid-Level Managers: Motivation, Management, and Vision Building," and "Coaching Leadership."

- (2) From October to December 2024, in order to build up the management ability of successors, three courses and six sessions of the “Management Competency Training” series were held. The topics include “Team Building,” “Objective Setting,” and “Problem Analysis and Solving.”
 - (3) From March to December 2024, in order to enhance the internal instructors' teaching knowledge and skills, and to assist them in imparting basic professional knowledge to the employees in the engineering offices, the “Internal Instructor Training” course was held. A total of 6 internal instructors were trained, and 10 online courses on basic construction expertise were developed for use on the internal learning platform.
 - (4) In February, April, June, August, and November of 2024, the Company cares for the physical and mental health of employees, and educates them on health and health care knowledge. The Company also organizes “Decoding Cardiovascular Disease: Prevention and First Aid,” “eat Injury Prevention and Management,” and “Sleep Well in the Summer: Insomnia, Snoring, and Hypersomnia? An Overview of Sleep and Sleep Apnea,” “Employee Health Protection: Preventing Musculoskeletal Injuries from Prolonged Standing, Walking, and Sitting,” and “CPR + AED First Aid Training.”
 - (5) From March to December 2024, to reduce workplace safety incidents and strengthen safety awareness and the implementation of protective measures, a total of 8 sessions of the “Occupational Safety Card” course were held.
 - (6) In April, June, and September 2024, to create a friendly and equitable workplace, promote mutual respect, care, and understanding, and facilitate cultural diversity, we held courses including “Gender Equality: Workplace Sexual Harassment Prevention Strategies,” “Diversity and Inclusion: Understanding Southeast Asian Migrant Workers and New Residents,” and “Equal Human Rights: Ensuring Equal Participation for Persons with Disabilities.”
 - (7) In October 2024, to implement the core value of ethical management and strengthen the awareness of legal compliance, the “Ethical Management and Corporate Governance” course was organized.
 - (8) In April 2024, in response to the global carbon reduction trend, sustainable development, energy transformation and other issues, the “ESG: Net Zero Transition, Sustainable Technology, Earth Solution” course was organized.
 - (9) From June to November 2024, in order to strengthen the general professional development of colleagues and expand online learning resources, the Hahow online learning platform was introduced. A total of 909 individuals participated in learning activities, accumulating a total of 1,569 hours of learning.
6. The main external professional training courses participated by the company's professionals in 2024 include the following:
- (1) “220 hours training of site supervisor in the construction industry” for 6 training person counts, the professional training institutions include the following: the ROC National Construction Industry Site Association, Contractors Development Foundation, National Central University, Tamkang University, National Taipei University of Technology, etc
 - (2) The “quality management personnel training for the public construction projects” for 29 training person counts, the training institutions include the following: National Central University, Chung Yuan Christian University, Tamkang University, National Taipei University of Technology, China Productivity Center, etc.
 - (3) The “labor safety and health management training courses” for 240 training person counts, the training institutions include the following: China Institute of Occupational Skills Development, ROC Safety and Health Development

Association, ROC National Occupational Safety and Health Association, ROC Labor Safety and Health Management Association, Taiwan Industry and Commerce Safety and Health Association, the Republic of China Labor Education Association, and Industrial Safety and Health Association, China Productivity Center, etc.

7. Our company, as a publicly listed corporation, is particularly committed to enhancing the professional competence of our audit personnel. Each year, we send representatives to participate in various training sessions organized by relevant institutions. In year 2024, our internal audit personnel attended professional training sessions as follows: Auditors Jia, Oai-Sha participated in the “How to Adjust the Internal Control System to Meet New ESG Regulations” and “Mastering ChatGPT for Internal Auditing” organized by the Institute of Internal Auditors, R.O.C.; Auditor Hsieh, Ru-Ying Hsieh participated in the “How to Adjust the Internal Control System to Meet New ESG Regulations” and “How to Use Big Data to Strengthen Audit Operations” organized by the Institute of Internal Auditors, R.O.C.; Auditor Lien, Wan-Ting participated in the “Rules and Practices for Loaning Funds to Others, Endorsements/Guarantees, and Acquisition/Disposal of Assets” and “Regulatory Analysis and Key Audit Points for the Board of Directors and Functional Committees (Audit, Remuneration)” organized by the Institute of Internal Auditors, R.O.C.

8. The training courses of corporate governance participated by the company's supervisors are as follows:

In August 2024, Accounting Manager Su Yu-Min participated in the “Establishing ESG Sustainable Strategies to Enhance Competitiveness” organized by the Accounting Research and Development Foundation, totaling 3 hours. In December of the same year, he participated in the “Continuing Education Course for Issuers, Securities Firms and Securities Exchange Accounting Managers” organized by the Accounting Research and Development Foundation, totaling 12 hours.

9. The Company has stipulated the “Organization Rules of the Labor Retirement Subsidy Supervision Committee” and “Employees Retirement and Remuneration and the Severance Measures” and create the “Labor Retirement Reserves Supervisory Committee,” in accordance with the “Labor Act” and the “Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds,” to supervise the provision and manage the retirement reserve of the employees. The company also conduct the retirement, severance pay and pension matters of the employees in accordance with the law. In 2024, there were 13 people who retired and 4 people at the retirement age from the company

10. According to the “Labor Union Act” and the “Implementation Rules of Labor Union Act,” the company’s employees stipulated the “Work Rules of the Employees’ Welfare Committee of BES Engineering Corporation” and founded the Labor Union. The representative of Labor Union was selected according to the “Member Representative Organization Rules of the BES Engineering Corporation” and the attending representatives selected the directors, backup directors, supervisors and backup supervisors according to the “Labor Union Supervisor Election Method of BES Engineering Corporation” by the anonymous method. The Labor Union regularly hold board and members’ meetings. The company assigns relevant business executives to attend the meetings so that the labor and the company will have an open communication to maintain the employees’ rights and interests.

(II)The losses caused by the labor disputes in recent years and the corresponding measures that may be adopted due to the losses in labor disputes at present and in the future:

The company has not suffered losses due to the labor disputes in recent years. In order to establish a harmonious relationship between labor and the company, any

company's policies and regulations will be communicated with employees or labor union before announcement, so that the employees can closely work together with the company to create surpluses for the company.

(III) Employee code of conduct and ethics

1. The company has stipulated the "Employee Code of Conduct" as the guidelines for the company's directors, supervisors, managers and all employees to follow, and its main contents are as follows:
 - (1) All employees' behaviors should be honest and ethical, especially when there is a conflict of interest with their duties.
 - (2) The company's confidential business operations and information should be kept confidential.
 - (3) The periodic report should be disclosed and presented in a comprehensive, fair, proper, timely and easy-to-understand manner.
 - (4) Treat customers, suppliers and competitors in a fair manner.
 - (5) Protect the company's assets for effective usage.
 - (6) Comply with the government's laws and regulations, including laws and regulations related to insider trading.
 - (7) When there is a violation of this Code of Conduct or a doubt of violation, one should respond to the appropriate personnel listed in this Code of Conduct.
2. In order to specify the behavior and ethics for all employees, the company has stipulated the "Work Rules for Staffs of BES Engineering Corporation," "employee's reward and punishment method" and "the main points of damage compensation for employees," "the "leaves and attendance management measures," etc.; they are all announced on the company's internal website for all employees to review and follow.
3. In order to protect all employees from occupational injuries or deaths, the company has stipulated the "Safety and Environmental Protection Policy," "Safety and Health, Environmental Protection and Safety Protection Management Main Points," "Industrial Safety and Health Education and Training Points," "Precautions for natural disasters," "Physical Examination and Health Inspection Methods for employees" and "Administrative Measures for Safety Protection" are also announced in the company's internal website under the company's rules and regulations.

(IV) Corporate international human rights practices

The company adheres to the objectives outlined in international human rights conventions such as the International Covenant on Civil and Political Rights, the United Nations Global Compact Ten Principles and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. This ensures that employees work in a safe and secure environment, fully reflecting the responsibility to respect and protect human rights and treating all employees with dignity and respect. Furthermore, human rights assessments are integrated into the company's major sustainability agenda. The company regularly reviews the impact of human rights issues on its business operations and manages them accordingly.

1. Prohibition of child labor/illegal migrant workers.
2. Creating a work environment free from discrimination and hostility.
3. Promoting a healthy and safe workplace.
4. Maintaining a work environment free from sexual harassment.
5. Prohibiting forced labor.

VI. Information security management

(I) Datacom safety risk management framework, datacom security policy, specific management plan and resources invested in datacom security management, etc.:

1. Cyber security risk management architecture:

The Company has established the Information Security Office during the end of 2022, and the Information Security Office is responsible for the planning of information operation security management planning, establishment and maintenance of information security management system, and coordination of the establishment, execution of information security and protection related policies as well as risk management and compliance verification. In addition, the Company has established the promotion task force with the President to concurrently act as the Chief Information Security Officer, the Head of Command Center to act as the Supervisor and Information Security Officer, two full-time information security managers are assigned, and the heads of all internal units (including legal, audit, information and engineering) of the Company act as the task force members, in order to be responsible for the promotion of information security and relevant audits of the Company.

2. Information security policy: The Company's information security management policy makes reference to the framework of ISO 27001:2022 in order to comply with the requirements of each control field of the international standards. The internal information security audit model is based on the ISO27001:2022, and the 3-year blueprint plan is required. The information unit's operating procedures, methods, forms, and relevant system operation retention records and implementation tracks are required to facilitate future audits, which is also used as the Company's daily maintenance basic control measure for protecting the data of the Company.

3. Invested resources:

The information security is listed as the ESG promotion item and short/medium-term goals are established. In addition, progress review meetings are convened periodically, in order to implement information security awareness in the corporate management process. The explanation of related investment resources is as follows:

(1) As of the end of 2024, the total annual training hours for personnel related to company cybersecurity were 230 hours, both internal and external. This included training in ISO27001:2022LA, ISC2-CISSP, ISC2-CC and CEH, ensuring that the professional skills are sufficient to continue driving the implementation of ISMS (Information Security Management System).

(2) In 2024, the company executed outsourced vulnerability scanning operations and system corrections for the core information and communication system, as well as applied the Government Configuration Baseline (GCB) to the information and communication equipment.

(3) On March 3, 2022, the company applied to become a member of the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC).

4. Specific management plan:

(1) Personnel management: through continuous training, we aim to enhance employees' awareness of information security and integrate it into various operations, with the goal of effectively reducing human-related risks.

(2) Information security monitoring: Regular updates are carried out for hardware, firewall firmware, and blocking rules, along with corresponding intrusion detection. External asymmetric network modules and dictionary attack prevention modules are activated, and maintenance contracts are signed on a regular basis to ensure that

the basic hardware firewall's defense mechanisms and rules are automatically updated in near real-time with the vendor, reducing the risk of hacker attacks. In addition, plans are underway to implement information security threat detection and management services, external and internal email backup, and a professional spam attack prevention system to enhance fundamental cybersecurity measures and responses. Additionally, through the joint monitoring of internal and external abnormal activities by the Security Monitoring Center, any suspicious network behavior is automatically alerted to management personnel for immediate action, thereby establishing a robust security barrier.

(3) Process management: The rights and responsibilities of software developers and program modification process, system document management, program and data access control are divided by the information system cycle to ensure data preservation and proper management of information security.

(4) Internal control management: annually, the internal audit unit conducts audits on information cycles, information security and network security control measures to ensure the effectiveness of internal information security management measures and continuous improvement in control measures. Furthermore, we assist in securing external support or maintenance contracts for critical information systems and key network equipment (both hardware and software) to bolster external cybersecurity technical support and information updates.

(II) List the losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the date of publication of the annual report. If it is impossible to estimate reasonably, the facts that cannot be reasonably estimated shall be stated.

The company has not suffered any major information security incidents resulting in business damage. In the future, it will continue to strengthen its information security management and defense capabilities, enhance employees' information security awareness, and implement recovery plan drills to protect the company's important systems and data security.

VII. Important contracts

Unit: NTD in thousands

Nature of the contract	Business owner	Project contents and contract amount	Starting date	Restrictions
Contract of the engineering construction	Second District Engineering Office of Taipei City Government MRT Engineering Bureau	CR580C Eastward Section Project of Xinyi Section in the Taipei MRT System: NT\$4,001,432 in thousands	October 2016 ~ October 2025	None
Contract of the engineering construction	Taoyuan International Airport Corporation	The construction of parking apron, taxiway and apron facilities in terminal III of Taiwan Taoyuan International Airport: NT\$3,258,462 thousand	May 2017 ~ May 2026	None
Contract of the engineering construction	National Taiwan University Hospital	The new construction project of the Health Building in National Taiwan University Hospital: NT\$2,180,526 thousand	October 2018 ~ September 2024	None
Contract of the engineering construction	MRT Engineering Bureau of Taoyuan Government	GM01 electromechanical system turnkey engineering project of the Taoyuan MRT Green Line: NT\$15,978,752 thousand	January 2019 ~ June 2031	None
Contract of the engineering construction	MRT Engineering Bureau of Taoyuan Government	GC02 civil engineering and construction turnkey project of the underground section between the daylighting section to G07 Station (exclusive) of the Taoyuan MRT Green Line: NT\$11,293,000 in thousands	July 2019 ~ May 2030	None
Contract of the engineering construction	Central District Water Resources Bureau, Ministry of Economic Affairs	Niaozueitan Artificial Lake Project, Wu River- Construction of Lake Area: NT\$9,197,268 thousand	August 2019 ~ January 2025	None
Contract of the engineering construction	Taiwan Railways Administration, MOTC	ME06A The electromechanical system engineering of the project of the addition of Station of Terminal Three, Taoyuan Airport (A14 Station) and the extension to Chungli Railway Station: NT\$640,594 in thousands	October 2019 ~ September 2028	None
Contract of the engineering construction	Southern District Water Resources Bureau, Ministry of Economic Affairs	Tseng Wen Nan Hua Leveling Pipe Turnkey Project A1 - NT\$4,248,900 thousand	January 2020 ~ February 2025	None
Contract of the engineering construction	New Construction Office of New Taipei City Government	Turnkey project for renovation of the First Vegetable and Fruit Market (in-embankment relay) and Wan-Da Wholesale Market: NT\$13,669,909 thousand	February 2020 ~ May 2029	None
Contract of the engineering construction	Land Administration Department, New Taipei City Government	Hsing Tai Wen Zai Jun Zone 2 land replotting project in New Taipei City: NT\$4,822,252 thousands	September 2021 ~ June 2026	None
Contract of the engineering construction	Taiwan Ministry of Transportation, Directorate General of Highways, Northern Region Highway Construction Engineering Division	Improvement projects (including pipeline installation) for Provincial Highway No. 15 and No. 4, in coordination with the expansion of Taoyuan International Airport: NT\$3,171.324 thousand	October 2021 ~ June 2025	None

Nature of the contract	Business owner	Project contents and contract amount	Starting date	Restrictions
Contract of the engineering construction	Sun Ba Power Corp.	General building turnkey project of Sun Ba's phase II administrative district: NT\$679,875 thousand	January 2022 ~ February 2025	None
Contract of the engineering construction	National Taiwan University Hospital	The new construction project of the Health Building in National Taiwan University Hospital (the first bid for electrical, plumbing, and air conditioning engineering): NT\$2,471,000 in thousands	February 2022 ~ February 2025	None
Contract of the engineering construction	Office of Aerotropolis Public Construction, Taoyuan City Government	Taoyuan Aerotropolis Zone Expropriation Project A2 Section Turnkey Project: NT\$5,940,000 in thousands	February 2022 ~ August 2026	None
Contract of the engineering construction	Southern District Water Resources Bureau, Ministry of Economic Affairs	Zengwen Reservoir water release channel and mud pumping expansion project: NT\$1,810,000 in thousands	April 2022 ~ October 2025	None
Contract of the engineering construction	Hsinchu Science Park Bureau, NSTC	Hsinchu Science Park (Baoshan Land) Phase 2 expansion - The first bid project: \$4,780.218 thousand	August 2022 ~ November 2025	None
Contract of the engineering construction	Taiwan Water Corporation	Niaozueitan new turnkey project of water purification plant (continued): NT\$ 2,041,667 in thousands	December 2022 ~ August 2026	None
Contract of the engineering construction	Urban Infrastructure Engineering Division, Southern Region, Ministry of the Interior, Land Administration Division	Expropriation of public works in the second phase of the Kaohsiung new town development zone (cooperated with Science Park) development project: NT\$ 1,082,430 in thousands	January 2023 ~ November 2025	None
Contract of the engineering construction	SUNBA Power Corporation	SUNBA second phase photovoltaic equipment and flood detention pond EPC project: NT\$156,240thousand	February 2023 ~ December 2025	None
Contract of the engineering construction	Hsinchu Science Park Bureau, NSTC	Hsinchu Science Park (Baoshan Land) Phase 2 expansion - The second bid project: NT\$6,132,442 in thousands	February 2023 ~ June 2026	None
Contract of the engineering construction	Central Construction Office of Nuclear Thermal Power Engineering Office of Taiwan Power Company.	Tongxiao Power Plant Phase 2 renewal and renovation project for cooling circular water system pump facility room and retarded flow basin project: NT\$4,518,800 thousand	April 2023 ~ April 2029	None
Contract of the engineering construction	North District Construction Office, Transmission and Distribution Engineering Department, Taiwan Power Company Ltd.	Construction of Songhu Ultra-High Voltage Substation and Multi-Purpose Building: NT\$45,000,000 thousands	September 2023 ~ July 2030	None
Contract of the engineering construction	Air Liquide Far Eastern Ltd.	Bridge construction project at the intersection of AL1 and AL2 plants: NT\$69,245 thousands	November 2023 ~ June 2025	None
Contract of the engineering construction	Taiwan National Highway Bureau	Kaohsiung New Town Roads 1-1, 1-2, and 1-3 Cross-Highway Project (Tender X101G): NT\$4,650,820 thousands	November 2023 ~ November 2027	None

Nature of the contract	Business owner	Project contents and contract amount	Starting date	Restrictions
Contract of the engineering construction	Taipei Twin Towers Co., Ltd.	Taipei City West Gateway Taipei Main Station Specialized Zone D1 (East Block) land development new construction project: NT\$4,930,610 thousands	April 2023 ~ March 2028	None
Contract of the engineering construction	Taipei Twin Towers Co., Ltd.	Taipei City West Gateway Taipei Main Station Specialized Zone C1 land development new construction project: NT\$3,201,697 thousands	April 2023 ~ May 2027	None
Contract of the engineering construction	Department of Rapid Transit Systems, New Taipei City Government	New Taipei Circular Line 0403 Earthquake Recovery Project (civil work tender): NT\$796,480 thousand	May 2024 ~ March 2025	None
Contract of the engineering construction	Southern District Water Resources Bureau, Ministry of Economic Affairs	Tainan Seawater Dampening Plant turnkey project (Phase 1) and maintenance and operation: NT\$9,014,843 thousand	June 2024 ~ April 2029	None
Contract of the engineering construction	Central District Construction Office, Transmission and Distribution Engineering Department, Taiwan Power Company Ltd.	345KV Gangfeng - Central Taiwan Science Park, Hengshan - Central Taiwan Science Par Cable Line Tunneling and Associated Electromechanical Turnkey Project (1st worksite): NT\$8,220,730 thousand	December 2024 ~ October 2031	None
Contract of the engineering construction	Formosa Plastics Construction Corporation	Formosa Plastics Building's urban renewal and new construction master turnkey project: NT\$21,980,000 thousand	July 2024 ~ December 2029	None

Unit: NTD

Nature of contract	Company Name	Contract name	Contract amount	Date of bid	Restrictions
Subcontracted projects	ShaoAn Enterprise Limited Company	Earthwork project	139,979,992	January 4, 2024	None
Subcontracted projects	KC POWER CO., LTD.	Power supply system rail-side cable installation project (Phase 1)	212,100,000	January 5, 2024	None
Subcontracted projects	Jiangfeng Construction Co., Ltd.	Earthwork and retaining support project (17th supplementary contract)	210,416,426	January 5, 2024	None
Subcontracted projects	CHIFON Technology Co., LTD.	North machinery plant environmental control system equipment project	69,900,000	January 5, 2024	None
Subcontracted projects	Allis Electric Co., Ltd.	Ultra-high voltage electromechanical engineering project	150,000,000	January 8, 2024	None
Subcontracted projects	Bai Hong Construction Co., Ltd.	Continuous wall project for the open ditch covered section of the brown line maintenance track	81,999,999	January 8, 2024	None
Subcontracted projects	Zhangmao Construction Co., Ltd.	Development Project in Changhua Coastal Industrial Park - Lunwei West District (phase 4) Road and Public Facilities Project - road construction	51,900,000	January 10, 2024	None

Nature of contract	Company Name	Contract name	Contract amount	Date of bid	Restrictions
Subcontracted projects	Ji Ding Engineering Company Limited	Development Project in Changhua Coastal Industrial Park - Lunwei West District (phase 4) Road and Public Facilities Project - sewage, tap water, industrial water, and lighting works	288,000,000	January 10, 2024	None
Materials procurement	Goldsun Building Materials Co., Ltd. Ganshan Plant	Ready-mixed concrete procurement (II)	264,344,115	January 15, 2024	None
Materials procurement	Hong Rong Industrial Co., Ltd.	Ready-mixed concrete procurement I	269,999,993	January 15, 2024	None
Subcontracted projects	Quanyi Construction Co., Ltd.	Development Project in Changhua Coastal Industrial Park - Lunwei West District (phase 4) Road and Public Facilities Project - drainage construction	185,000,000	January 15, 2024	None
Subcontracted projects	Yu Sheng Scaffold Enterprise Co., Ltd.	Scaffold project	93,999,999	January 18, 2024	None
Subcontracted projects	Zhangmao Construction Co., Ltd.	Changhua Coastal Industrial Park development engineering project Xianxi District A2405 road embankment (phase 2) project	101,500,000	January 29, 2024	None
Materials procurement	Ta Chang Tsuo Industrials Co., Ltd.	Procurement of hydraulic and mechanical equipment and materials	424,958,023	February 1, 2024	None
Subcontracted projects	Ta Chang Tsuo Industrials Co., Ltd.	Hydraulic and mechanical engineering	375,041,977	February 1, 2024	None
Subcontracted projects	Wei-Fu Mechanical Engineering Co., Ltd.	Steel structure project	370,000,000	February 1, 2024	None
Subcontracted projects	De Ji Chang Engineering Co., Ltd.	Additional project for incorporating roadway electricity into a common conduit for projects under 12M	182,578,412	February 2, 2024	None
Materials procurement	Yungchu Enterprise Co., Ltd.	Ready-mixed concrete procurement (I)	70,730,520	February 5, 2024	None
Materials procurement	Tung Ho Steel Enterprise Corp.	Reinforcing steel procurement (XII)	107,100,000	February 5, 2024	None
Subcontracted projects	Ding Sheng Tong Technology Co., Ltd.	North machinery plant water and electricity system equipment project	63,680,000	February 19, 2024	None
Subcontracted projects	Ting Pei Mechanical Engineering Co., Ltd.	Power supply system station cable installation project (Phase 1 and 2)	93,000,000	February 19, 2024	None
Subcontracted projects	Zhangmao Construction Co., Ltd.	Seawall and parapet heighten and water control road project in Changhua Coastal Industrial Park - Lunwei District (2nd supplementary contract)	64,032,183	February 20, 2024	None

Nature of contract	Company Name	Contract name	Contract amount	Date of bid	Restrictions
Subcontracted projects	HDF Precision Technology Co., Ltd.	Formwork project (Aluminum) (Building A 3rd floor (incl.) and up)	124,554,056	February 23, 2024	None
Subcontracted projects	Sweet Develop Co., Ltd.	Earthwork project (2nd supplementary contract)	53,057,592	February 26, 2024	None
Materials procurement	Tung Ho Steel Enterprise Corp.	Reinforcing steel procurement (XIII)	54,075,000	February 27, 2024	None
Subcontracted projects	Hung.Da Construction Co., Ltd.	Sewage pipelines and valve project	93,999,999	February 29, 2024	None
Subcontracted projects	Fu Gang Engineering Co., Ltd	Full set of pile foundation works (I)	189,000,000	March 1, 2024	None
Materials procurement	Wu Hsiung Enterprise Co., Ltd.	Apron, taxiway and apron facility project - ready-mixed concrete procurement (III)	206,136,289	March 4, 2024	None
Subcontracted projects	Chung Hua Aluminum Co., Ltd.	Entire area reverse formwork structural project (FS-2F)	143,086,650	March 4, 2024	None
Subcontracted projects	Scandinavian Interior Design Decoration Co., Ltd.	Public facility renovation project	129,880,000	March 6, 2024	None
Subcontracted projects	Chung Hua Aluminum Co., Ltd.	Formwork project (Aluminum) (Building C 3rd floor (incl.) and up)	123,394,950	March 8, 2024	None
Subcontracted projects	Chung Hua Aluminum Co., Ltd.	Formwork project (Aluminum) (Building B 3rd floor (incl.) and up)	123,046,403	March 8, 2024	None
Subcontracted projects	C.Y. Chang R.J. Wu Architects & Engineers	Design and technical service	162,000,000	March 11, 2024	None
Subcontracted projects	Quanshengxiang Engineering Co., Ltd.	G04 station entrance A and ventilation shaft Y structural project	170,000,000	March 15, 2024	None
Subcontracted projects	Shenq Yuan International Construction Co., Ltd.	North machinery plant metal roof and exterior wall project	81,899,990	March 20, 2024	None
Subcontracted projects	Sweet Develop Co., Ltd.	Earthwork project	147,599,933	March 25, 2024	None
Subcontracted projects	Jia Hong Engineering Co., Ltd.	Sprayed concrete project	61,564,482	March 25, 2024	None
Subcontracted projects	Yihe Design Co., Ltd.	Light partition project	54,350,000	March 25, 2024	None
Subcontracted projects	Hong Lin Enterprise Co., Ltd.	Asphalt concrete project	469,999,802	March 25, 2024	None
Subcontracted projects	Alumi International Co., Ltd.	North machinery plant steel structure project (1st supplementary contract)	63,883,023	April 2, 2024	None
Subcontracted projects	Qianyi Construction and Development Co., Ltd.	Masonry work project (zone A)	103,837,209	April 3, 2024	None
Subcontracted projects	Ji Cheng Engineering Co., Ltd.	Masonry work project (zone B)	106,900,000	April 3, 2024	None
Subcontracted projects	Tongbai Landscape Co., Ltd.	Planting project	120,000,000	April 23, 2024	None

Nature of contract	Company Name	Contract name	Contract amount	Date of bid	Restrictions
Materials procurement	Qinglong Ready-mixed Concrete Co., Ltd.	Other regions - Ready-mixed concrete procurement (II)	79,935,450	April 30, 2024	None
Materials procurement	Zhu Shang Industry Co., Ltd.	Other regions - Ready-mixed concrete procurement (I)	79,935,450	April 30, 2024	None
Materials procurement	Yu Nan Concrete Industrial Co., Ltd.	Purchase of Ready-Mixed Concrete (2nd supplementary contract)	52,416,000	May 2, 2024	None
Subcontracted projects	Jinjiang Steel and Hardware Corporation	Ironwork and miscellaneous works	195,000,000	May 3, 2024	None
Subcontracted projects	Vipin Technology Co., Ltd.	Construction projects of control of traffic, highway lighting and sign equipment, landscape metal forming decoration, and telecommunication bandwidth channels - outsourced bridge construction	91,000,000	May 6, 2024	None
Materials procurement	Formosa Union Corporation	Procurement of steel metro desk (2M x 1M and 3M x 1M)	75,726,000	May 6, 2024	None
Subcontracted projects	Fushi Construction Co., Ltd.	Temporary substation structural and electromechanical engineering project	85,000,000	May 7, 2024	None
Subcontracted projects	Chian-Shen M&E Engineering Co., Ltd.	Electromechanical engineering	268,000,000	May 21, 2024	None
Subcontracted projects	Jhong Yi Engineering Co., Ltd.	Other regions - Sewage pipelines project (II)	189,800,000	May 28, 2024	None
Subcontracted projects	Yung Loong Engineering Corporation	Changhua Coastal Industrial Park Lunwei West District Lunwei District West Area wastewater temporary treatment facility project – packaged pre-treatment facility project	65,000,000	May 28, 2024	None
Subcontracted projects	Noble Home Co., Ltd.	Kitchen equipment project	76,927,200	June 5, 2024	None
Subcontracted projects	Radiant Drill Co.	Other regions - Sewage pipelines project (I)	125,000,000	June 6, 2024	None
Subcontracted projects	Dafa Engineering Co., Ltd	Structural Engineering of the North Power Plant Substation (1st supplementary contract)	52,132,185	June 8, 2024	None
Materials procurement	Mork Inc.	Procurement of Ready-Mixed Concrete for Farm Phase One main body (including ramp) (I) (2nd supplementary contract)	105,756,089	June 13, 2024	None
Subcontracted projects	H.Z. Foundation Built Co.	Full set of pile foundation works (II)	126,999,984	June 13, 2024	None
Materials procurement	Da Hsiang Industrial Co., Ltd.	Procurement of Ready-Mixed Concrete for Farm Phase One main body (including ramp) (II) (2nd supplementary contract)	98,185,080	June 13, 2024	None
Materials procurement	Yu-Chen System Technology Corp.	Procurement of equipment for the A23 Station's traction-type substation	53,000,000	June 14, 2024	None

Nature of contract	Company Name	Contract name	Contract amount	Date of bid	Restrictions
Subcontracted projects	Yi Yo Engineering Co., Ltd.	Earthwork project (Zones A and B) (6th supplementary contract)	124,893,710	June 19, 2024	None
Subcontracted projects	Quanshengxiang Engineering Co., Ltd.	G06 station structure engineering (excluding entrances, exits, and ventilation shaft)	88,000,000	June 27, 2024	None
Materials procurement	Formosa Union Corporation	Procurement of support formwork H300-H400	55,231,653	June 27, 2024	None
Subcontracted projects	Hung Tung Engineering Co., Ltd.	G05 station structure project	172,000,000	June 28, 2024	None
Subcontracted projects	Jiangfeng Construction Co., Ltd.	Earthwork and retaining support project (18th supplementary contract)	219,678,556	July 5, 2024	None
Subcontracted projects	Yu Feng Engineering Co., Ltd.	Construction of Pier Bridges and Construction of Platform Structures Engineering (1st supplementary contract)	71,064,000	July 11, 2024	None
Subcontracted projects	Chiao Yi Engineering Co., Ltd.	Bridge superstructure project	124,999,999	July 17, 2024	None
Subcontracted projects	Da Gang Ya Construction Co., Ltd.	Building demolition project	155,000,000	July 19, 2024	None
Materials procurement	Goldsun Building Materials Co., Ltd.	Main body project concrete material procurement (I) (1st supplementary contract)	64,573,698	August 2, 2024	None
Subcontracted projects	Alumi International Co., Ltd.	Steel bridge project	90,000,000	August 13, 2024	None
Subcontracted projects	Copper Electric Technology Co., Ltd.	Busbar equipment system engineering project	65,000,000	August 14, 2024	None
Subcontracted projects	Chun Yuan Steel Industry Co., Ltd.	Simply supported steel box girder lifting and horizontal shifting restoration project	237,999,995	August 15, 2024	None
Materials procurement	Hai Kuan Enterprise Co., Ltd.	Reinforcing steel procurement (XIX)	57,853,320	August 30, 2024	None
Materials procurement	Yu Nan Concrete Industrial Co., Ltd.	Purchase of Ready-Mixed Concrete (3rd Supplementary Contract)	50,526,735	September 3, 2024	None
Subcontracted projects	Yongxiang Technology Ltd.	Other regions - Common pipeline project (I)	110,000,000	September 10, 2024	None
Subcontracted projects	Hong Xun Telecommunication and Electric Co., Ltd.	Other regions - Common pipeline project (II)	74,600,000	September 10, 2024	None
Subcontracted projects	Hong Gi Engineering Co., Ltd.	Other regions - land preparation project (I)	144,999,139	September 11, 2024	None
Subcontracted projects	Hitachi Yungtay Elevator Co., Ltd.	Elevator projects	51,999,998	October 4, 2024	None
Subcontracted projects	Siemens Taiwan	North machinery plant water and environmental fire protection, fire alarm, and public address system equipment project (1st supplementary contract)	93,999,999	October 7, 2024	None

Nature of contract	Company Name	Contract name	Contract amount	Date of bid	Restrictions
Subcontracted projects	Siemens Taiwan	North machinery plant water and environmental low-pollution gas automatic fire suppression system equipment project (1st supplementary contract)	52,500,000	October 7, 2024	None
Materials procurement	Formosa Union Corporation	Procurement of H400 structural steel and H350 support formwork	50,900,000	October 7, 2024	None
Subcontracted projects	Chun Yuan Steel Industry Co., Ltd.	Continuous steel box girder lifting and horizontal shifting restoration project	216,000,000	October 8, 2024	None
Subcontracted projects	Quanshengxiang Engineering Co., Ltd.	G04 station entrance B and ventilation shaft X structural project	130,000,000	October 22, 2024	None
Materials procurement	Ta Chang Tsuo Industrials Co., Ltd.	Steel bridge projects (I) (material procurement) (1st supplementary contract)	156,078,092	October 23, 2024	None
Subcontracted projects	Lo-Electric Enterprise Corporation	Electrical and environmental control engineering - distribution panel system equipment	102,500,000	October 28, 2024	None
Subcontracted projects	Chang Ping Enterprise Co., Ltd.	Lightweight grouting wall project (Building B, C, and D)	55,898,877	October 28, 2024	None
Subcontracted projects	CHIFON Technology Co., LTD.	North machinery plant environmental control system equipment project (1st supplementary contract)	371,783,388	November 4, 2024	None
Materials procurement	Tung Ho Steel Enterprise Corp.	Reinforcing steel procurement (XXXVII)	59,535,000	November 11, 2024	None
Subcontracted projects	Mao Sheng Construction Co., Ltd.	Earthwork project	646,000,000	November 26, 2024	None
Subcontracted projects	Su-Chen-Shin Construction Co., Ltd.	BC01 to BC02 sewage shield fixed stand structural and pipe fitting installation project	77,680,000	November 27, 2024	None
Subcontracted projects	Chian-Shen M&E Engineering Co., Ltd.	North machinery plant water and electrical system equipment project (I)	390,000,000	November 27, 2024	None
Materials procurement	Hai Kuan Enterprise Co., Ltd.	Reinforcing steel procurement (V)	78,960,000	December 4, 2024	None
Materials procurement	Shen Tai Electric Cable Co., Ltd.	Procurement of wires and cables	135,999,999	December 5, 2024	None
Subcontracted projects	Huayi Landscape Co., Ltd.	Landscape projects (zone A)	104,499,999	December 12, 2024	None
Materials procurement	Sunduck Co., Ltd.	Procurement of H350&H400 steel	65,712,440	December 17, 2024	None
Subcontracted projects	Ta Chang Tsuo Industrials Co., Ltd.	Steel bridge projects (I) (engineering) (1st supplementary contract)	182,156,773	December 24, 2024	None
Subcontracted projects	Jianyuan Stone Enterprise Co., Ltd.	Exterior wall stone project (Building A)	54,899,565	December 31, 2024	None
Subcontracted projects	Jianyuan Stone Enterprise Co., Ltd.	Exterior wall stone materials project (Building C and D)	109,792,043	December 31, 2024	None

Unit: NTD in thousands

Nature of the contract	Party	Start date of the contract	Main content	Restrictions
Agreement	Economic Affairs Ministry, Industrial Park Administration Bureau	March, 1994~ (Project progress is adjusted according to the market demand)	Public Facilities Project in Yilan Lize Industrial Park: The estimated amount of direct construction fee is 4,264,140 NTD in thousands (by actual settlement)	None
Agreement	Economic Affairs Ministry, Industrial Park Administration Bureau	December, 1990~ (Project progress is adjusted according to the market demand)	Public facilities project in Changhua Coastal Industrial Park (Xianxi, Lunwei District) The estimated amount of direct construction fee is 53,608,071 NTD in thousands (by actual settlement)	None
Contract	Economic Affairs Ministry, Industrial Park Administration Bureau	August, 1995~ (Project progress is adjusted according to the market demand)	Public Facilities Project Yunlin Science and Technology Industrial Park (Dabeixi Area) The estimated amount of direct construction fee is 4,024,820 NTD in thousands (by actual settlement)	None

Remarks:

- The estimated direct construction costs are based on the results of the 2013 development costs of Industrial Bureau, Ministry of Economic Affairs.
- In accordance with the Economic Affairs Ministry's organizational restructuring, the Industrial Zone Division of the Industrial Development Bureau was transferred to the new agency, the "Industrial Park Administration Bureau," on September 26th, 2023. Following the establishment of this new agency, it will inherit the rights and obligations originally stipulated in the development agreements.

Nature of the contract	Party	Main content	Starting date	Restrictions
Urban renewal	92 people including Liu	New residential construction in BES Yuncui	From the signing date on March 3, 2011 to the settlement date after the completion and handover of the house	None
Urban renewal	221 people including Tsai	New residential construction in BES Biyenge	From the signing date on April 7, 2012 to the settlement date after the completion and handover of the house	None
Urban renewal	417 people including Ding	New residential construction in Yanshou Zone J	From the signing date on October 17, 2012 to the settlement date after the completion and handover of the house	None
Urban renewal	62 people including Lee	New residential construction in Nangang District	From the signing date on May 16, 2015 to the settlement date after the completion and handover of the house	None
Urban renewal	BES ENGINEERING CORPORATION	BES Cloud Universe Industrial Park - factories	From the Plan for review date on May 8, 2015 to the settlement date after the completion and handover of the house	None
Urban renewal of public office buildings	New Taipei City Government	Public office building urban renewal project in Shulin New residential housing Construction projects	From the signing date on December 28, 2021 to the settlement date after the completion and handover of the property	None
Public Urban Renewal	Taipei City Housing and Urban Renewal Center	Chengnan Shuiyuan Public Urban Renewal New residential construction	From the signing date on August 08, 2023 to the settlement date after the completion and handover of the house units	None
Urban renewal of public office	National Housing and Urban	Banqiao Welfare Station Public Urban Renewal	From the signing date on October 05, 2023 to the	None

Nature of the contract	Party	Main content	Starting date	Restrictions
buildings	Regeneration Center	Residential New Construction Project	settlement date after the completion and handover of the house units	
Urban renewal	60 people, including Huang, Li-Hsiang	Xing'an Street New residential construction	From the signing date on March 9, 2022 to the settlement date after the completion and handover of the house units	None
Jointly-constructed and sold in partitions	Asia Pacific Commerce Co., Ltd.	“Tao Zhu Yin Yuan”	From the signing date on March 08, 2010 to the settlement date after the completion and handover of the house	None
letter of intent	CLOUD NETWORK TECHNOLOGY SINGAPORE PTE.LTD.TAIWAN BRANCH	Tu Cheng AI Intellectual Park	From the signing date on October 12, 2023 to the settlement date after the completion and handover of the house	None

Five. Discussion and Analysis for the Financial Position and Operating Results and Risks

I. Financial position

Comparative Analysis of the Financial Position

Unit: NTD in thousands

Item	Year	Year 2023	Year 2024	Deviance	
				Increase (Decrease) Amount	Change Ratio%
Current Assets		47,670,307	55,693,731	8,023,424	16.83
Investments by the Equity Method		1,529,580	1,417,478	(112,102)	(7.33)
Property, Plant and Equipment		3,209,812	3,533,418	323,606	10.08
Other Non-Current Assets		3,639,522	4,387,359	747,837	20.55
Total Assets		56,049,221	65,031,986	8,982,765	16.03
Current Liabilities		20,212,978	26,132,660	5,919,682	29.29
Non-current Liabilities		12,537,522	15,830,040	3,292,518	26.26
Total Liabilities		32,750,500	41,962,700	9,212,200	28.13
Share Capital		15,308,998	15,308,998	0	0.00
Capital Reserves		96,521	96,532	11	0.01
Retained Earnings		7,741,111	7,682,699	(58,412)	(0.75)
Other Equity		(685,775)	(913,098)	(227,323)	33.15
Equity Attributed to the Owners of the Parent Company		22,460,855	22,175,131	(285,724)	(1.27)
Non-controlling Equity		837,866	894,155	56,289	6.72
Total of Shareholders' Equity		23,298,721	23,069,286	(229,435)	(0.98)
The main reasons for the increase or decrease and its impact and future response plan: The decrease in other total equity was mainly due to other gains or losses on long-term investments under equity method and valuation of financial assets at fair value through other comprehensive income. for the current year.					

II. Financial performance

(I) Comparison and analysis of operating results.

Unit: NTD in thousands

Item	Year 2023	Year 2024	Deviance	
			Increase (Decrease) Amount	Change Ratio%
Operating Revenue	18,959,339	23,846,587	4,887,248	25.78
Operating Costs	17,436,809	22,291,929	4,855,120	27.84
Gross Operating Profit	1,522,530	1,554,658	32,128	2.11
Operating Expenses	590,966	602,075	11,109	1.88
Operating Income (Loss)	931,564	952,583	21,019	2.26
Non-operating Revenue and Expenses	(150,270)	(54,216)	96,054	(63.92)
Pre-tax Net Profit	781,294	898,367	117,073	14.98
Income Tax Expenses (Incomes)	155,657	173,958	18,301	11.76
Net profit for the year	625,637	724,409	98,772	15.79
Other Comprehensive Incomes and Losses	16,898	(155,775)	(172,673)	(1,021.85)
Total Comprehensive Incomes and Losses	642,535	568,634	(73,901)	(11.5)
<ol style="list-style-type: none"> The increase in non-operating income and expenses was mainly due to the increase in interest and business tax refund. The increase in other comprehensive income was mainly due to exchange differences arising from the translation of financial statements of foreign operations. 				

(II) Analysis of changes in gross operating profit:

Year	Year 2023	Year 2024	Percentage of Increase (Decrease) (%)
Item			
Operating Margin (%)	8.03	6.51	-18.93
Analysis and explanation for the changes of increase/decrease percentage: Mainly due to the increase in operating costs in 2024 and the decrease in operating gross profit.			

III. Cash flow

(I) Analysis for the liquidity of the recent two years

Year	Year 2023	Year 2024	Percentage of Increase (Decrease) (%)
Item			
Cash flow ratio (%)	-	-	-
Cash flow adequacy ratio (%)	5.78	4.02	-30.45
Cash re-investment ratio (%)	-	-	-
Analysis and explanation for the changes in increase/decrease percentage: Mainly due to the decrease in net cash inflow from operating activities.			

(II) Analysis for the cash liquidity for the next year

1. Analysis for the changes in cash flow for the year (next year)

Unit: NTD in thousands

Cash and cash equivalents at the beginning of the year balance ①	Net cash flow from the operating activities for the full year ②	Net cash flow for the full year ③	Remaining cash (insufficient) amount ① + ③	Remedy for insufficient cash amount	
				Investment plan	Wealth management plan
2,544,548	-3,597,339	-5,014,579	-2,470,031	979,700	2,849,586

(1) Operating activities: actively contracting public construction and individual construction projects; well controlling the construction progress and promoting the development, sales and leasing business in industrial zones, in order to contribute to the operating revenue and funds

(2) Investment activities: continuously implementing the streamline of the Company and carefully selecting the underlying investees.

(3) Financing activities: repaying the borrowings due gradually

2. The expected remedy for insufficient cash amount and the analysis for liquidity:

(1) Investment plan: This year, the total amount of capital reduction funds remitted from the Vietnam subsidiary and company bond interest income is approximately NTD\$979,700 thousand.

(2) Wealth management plan: The anticipated cash shortfall this year is primarily due to the real estate business requiring initial funding from its own capital before applying for construction financing from banks. It is estimated that short-term and long-term borrowings of approximately NTD\$2,849,586 thousand can be raised. In addition, the real estate is currently being sold off, which can increase cash inflow.

IV. The impact from annual material capital expenses to the financial business: None.

V. The main reasons for the profit or loss of the re-investment policy for the recent year, the improvement plan and the investment plan for the next year: None.

VI. Analysis and Assessment of the Risks for the Recent Year up to the Publication Date of the Annual Report

- (I) Impacts to the income and loss of the Company from changes of interest rates, foreign exchange rates, and inflation, and the countermeasures
1. Interest rates
 - A. The global major economies (such as the US and Europe) are still facing the high inflationary pressure. Although inflation in some regions has eased, the global economic growth is still weak. However, as the global supply chain gradually returns to normal, the market's economic performance is stable. The U.S. Federal Reserve and the European Central Bank (ECB) ended their monetary tightening policies and began implementing monetary easing policies at the end of the second quarter of 2024, further stimulating the economy. As the world's inflation eased in 2025, the economy is expected to recover. However, with the inauguration of the Trump administration, global economic uncertainty has increased. The central bank of Taiwan will adjust its domestic monetary policy in a timely manner based on inflation trends and by closely monitoring the monetary policies of major economies to maintain price stability. For the loan interest rate of the Company, due to the increasing trend of the central bank's interest rate policy and the economic environment, the Company will continue to monitor changes in bank rates in the future.
 - B. The Company will take the following measures to reduce the impact of interest rate changes on profit and loss in its financing transactions with financial institutions: First, the Company will continue to pay close attention to the trend of interest rate changes and maintain good cooperative relationships with major financial institutions to strive for more preferential financing conditions; secondly, in order to further reduce financial pressure, the Company will continue to execute the strategy of repaying part of the bank loans each year, gradually reducing the loan balance, and thus reducing future interest expenses. In addition, the Company will also keep an eye on signs of global economic recovery and adjust the financing structure in a timely manner to ensure that the Company maintains a stable financial position in 2025 and in future high-interest environments, and minimize the impact of interest rate changes on profit and loss to the maximum extent.
 - 2 Foreign exchange rates: The Company has very insignificant foreign currency assets in the total assets; therefore, foreign exchange rates have limited impacts to the Company.
 3. Inflation:
 - A. In recent years, under the impact of the increase in the energy and raw material prices, the domestic prices also increase. However, holistic economics and industries are expected to grow steadily, and thus inflation is still in check. Also, the Company actively maintains good relationships with clients and suppliers, and timely adjusts the sales prices and material inventory corresponding to the movement of prices, for the purpose of lowering the influence of inflation.
 - B. The Company closely observes the market conditions of the bulk commodity, as well as enhances analyses of the trends and movements of the domestic and overseas market. Procurements are made in batches or once-for-all to lower the costs, and subcontract the professional works to avoid the risks of the inflations
 - C. When contracting out for jobs, the Company negotiates to increase the price-adjustment payment, to decrease the erosion of the profit as much as possible. Therefore, the impact of inflation to the Company is limited.
- (II) Policies for investments with high risks and leverage, loaning of funds to others, endorsement and guarantee, and the derivative trading, the main reasons for the profit or loss, and future countermeasures:
1. The Company currently does not engage in any investments with high risks and leverage, nor derivative trading.
 2. External endorsement/guarantee cases so far:
 - A. As of December 31, 2024, the company has no external endorsements or guarantees.

- B. On June, September, and December of 2023, the board of directors of Cinemark-Core Pacific, Ltd., a subsidiary where the company holds direct and indirect voting rights exceeding fifty percent, approved applications for additional operating funds for Cinema 7 Theater Co., Ltd. Accordingly, applications were made to E.SUN Bank for NT\$20,000 thousand (secured by a CNY 5,000 thousand fixed deposit), Taishin International Commercial Bank for NT\$70,000 thousand (secured by a CNY 16,000 thousand fixed deposit) and First Commercial Bank for NT\$20,000 thousand (secured by a foreign currency (CNY or USD) fixed deposit equivalent to no more than NT\$23,000 thousand). All endorsements/guarantees were lifted in June 2024.
- C. The meeting of the Board of Director in December 2024 passed that the subsidiaries, Core Pacific Consulting (Changshu) Co., Ltd. and Hua Cheng Consulting (Changshu) Co., Ltd. applied NT\$ 550,000 thousand from The Bank of East Asia, Limited, Taipei Branch, for their business needs. The subsidiaries provided the CNY certificate of deposit, as a collateral for the financing facility of the Company from Suzhou Branch, the Bank of East Asia (China) Limited for a standby L/C of the amount of CNY 142,000 thousand for two years. The guaranteed amount complies with the Guidelines of Loaning of Funds and Making of Endorsements/Guarantees. As of December 31, 2024, the actual drafted amount by both companies is NT\$520,000 thousand.
- D. The meeting of the Board of Director in July 2024 passed that the subsidiary, Chung Kung Safeguarding & Security Corporation to be the joint guarantor for the companies it has directly and indirectly held more than 50% of voting rights, Chung Kung Management Consultant Co., Ltd. and Chung Kung Management and Maintenance of Apartment Co., Ltd., for the joint financing facility of NT\$50,000 thousand from the Shanghai Commercial & Savings Bank, Ltd. The endorsement/guarantee amount complies with the Guidelines of Loaning of Funds and Making of Endorsements/ Guarantees. As of December 31, 2024, there is no actual drafted amount by both companies.

3. Loaning funds to others:

- A. As of December 31, 2024, the Company has lent funds to 1 company. Due to the Company's execution of merger with subsidiary BES Machinery Co., Ltd., the Company generally assumed the loan and the creditor's right of BES Machinery Co., Ltd. on HRDD Logistics Co., Ltd. for an amount of NT\$21,550 thousand on March 25, 2022. The aforementioned loan has not yet been repaid upon the deadline of September 3, 2022. After assessing HRDD Logistics Co., Ltd.'s operating performance and the possibility of collecting the receivables, the Corporation set aside an allowance for bad debt for the receivables and interest receivables from HRDD Logistics Co., Ltd., totaling NT\$22,628 thousand, at the end of September 2022. HRDD Logistics Co., Ltd. later signed a supplementary agreement with the Company on October 14, 2022 for the loan return. However, the loan has not been repaid as scheduled. As of December 31, 2024, the loaning of funds provided by the Company to the external was NT\$21,550 thousand.
- B. As of December 31, 2024, the subsidiary has lent funds to 2 companies: Chung Kung Safeguarding and Security Corp., with a balance of NT\$30,000 thousand in loans, and the balance is comprised of NT\$15,000 thousand in loans to Chung Kung Management Consultant Co., Ltd. and the loan of NT\$15,000 thousand to Chung Kung Apartment Building Management and Maintenance Co., Ltd., the actual drawing amount as of December 31, 2023 is NT\$7,000 thousand. The loaning of funds provided by Cinemark-Core Pacific, Ltd. to Agora Garden Co., Ltd. was for the balance of NTD 110,000 thousand. As of December 31, 2024, the actual drafted amount was NTD 110,000 thousand.

(III) Future plans of R&D and R&D investment expected:

1. Establishment of leasing modules for construction equipment.
2. Establishment of the smart site management mechanism.
3. Implementation of customer relationship management system
4. Establishment of construction project management system
5. Enterprise Information Portal (EIP) revision

6. The expected investment of R&D for the next year is NT\$18 million.

(IV) The Impact to the finance and business of the Company from the changes of domestic and overseas key policies and laws, and the countermeasures

1. Analysis and Assessment of Risks

(1) The levy of taxes on multiple properties of the same owner, the restriction of loan-to-value ratios, the implementation of Housing and Land Transaction Tax and the policy in social housing in Taiwan and the continued spread of COVID-19 around the world pandemic are all affecting the fundamentals. The Russia-Ukraine war and sanctions from western countries have dramatically reduced trades with Russia and disrupted the global supply chain of commodities, crude oil, natural gases, metals and mining. Rapidly rising commodity price are pushing global inflation and undermining global trade growth. Major international institutions have all downgrades the forecasts about the global economy and trade growth. All these factors may significantly affect Taiwan's trade performance. The economic growth from last year is unlikely to maintain. Domestic price levels and interest rates are unlikely to hold stable given the rising commodity prices and currency rate fluctuations in the global market. Inflation and rising prices will impact the economy and likely all industries.

(2) The government has started to contract work for small projects and local constructors are able to bid. As a result, large engineering companies become less competitive in projects of small contract values.

(3) Government policies, macroeconomy, interest rates, oil prices and water/electricity supply have influence on the Company's profit or loss.

In summary, the following risk and countermeasures are derived.

2. Risks affecting the Company's incomes:

(1) Market environment competition risk: The excessive supply of similar products in the market results a fierce marketing competition, and finally risks of increasing marketing costs and slow sales of products are derived. The risks are generated from insufficient market research and analysis and product competitiveness, as well as the incapability of grasping the market.

(2) Financial allocation risk: The developers are unable to recover its returns on the investment as scheduled or on schedule, resulting in the use of financial leverage.

(3) Governmental policy direction risk:

A. In recent years, the government has been committed to addressing the demand for industrial investment and plant construction land, in addition to continuing the existing industrial land policy as outlined in the White Paper, efforts are being made to actively prevent speculation on industrial land in industrial areas and encourage Taiwanese businesses to return and establish plants, while providing a comprehensive investment environment. Recently, in collaboration with Taiwan Sugar Corporation, land from Taiwan Sugar farms in central and southern Taiwan has been released to develop industrial parks, including four industrial parks located in Zhongpu, Shuishang, Xinshi, and North Kaohsiung. This has increased competition for the sales of the Changhua Coastal Industrial Park. The Company continues to evaluate and expand the industrial parks, increasing the number of competitors in the Changhua Coastal Industrial Park sales. Furthermore, on October 25, 2024, the Ministry of Environment announced the "Carbon Fee Collection Rates," which will take effect on January 1, 2025, inevitably adding more variables to companies' investment evaluations.

B. The government's energy transformation plan, public infrastructure projects and private participation in public projects are all contributing significantly to the development of the industries focusing on the domestic market and the creation of job opportunities. Many large corporations domestic and overseas have purchased green electricity. The government is also promoting the development of wind and solar industries with enhanced R&D and manufacturing capacities. Given the policy push for use of green energy, the large consumption of green energy will increase the Company's operation cost.

C. Due to the factors of the government's house price suppression policy, the third reading of the amended Equalization of Land Rights Act, restriction on the contract exchange or resale

for pre-sale houses or newly constructed houses, tougher financing criteria and increase in down payment for mortgage, investors' willingness in the real estate investment is affected, which in turn also affects the Company to face difficulty in the subsequent release of new projects. Furthermore, the government has also implemented numerous restrictions on the private legal person's purchase of houses, including restrictions on the transfer, pre-registration within five years of the holding period, increase in tax burden and greater difficulty in the subsequent resale of houses.

D. Vietnam and Myanmar:

(a). Vietnam

- The Vietnam government has implemented the lowest global tax rate policy in 2024, which conforms to the requirements of the Organisation for Economic Co-operation and Development (OECD), which has a deep impact on the tax plans and returns of foreign-invested companies.
- The amendments to the "Land Act", "Housing Act" and the "Real Estate Management Act" are expected to take effect in 2025. The main impact includes the calculation of land prices, land auction and expropriation regulations, which will increase market transparency and reduce development risks.
- Additionally, Vietnam's National Assembly set a GDP target of 6% to 6.5% for 2024, mainly derived from public investment, domestic consumption and export recovery, indicating the potential for stable economic growth.

(b). Myanmar

- Myanmar has issued the Federal Tax Act in 2024, which regulates income tax and business tax, and provides new compliance requirements for foreign-invested companies.
- The military government is still in operation, causing foreign investors to flee and major construction projects to cease. Although the government has relaxed some of the currency restrictions to promote economic recovery, their effectiveness remains to be seen.
- Myanmar continues to face political and economic instability, leading to reduced investment; however, the long-term potential for infrastructure and real estate development remains noteworthy.

(4) Macro-economic risk:

- A. In the post-pandemic era, economic development has seen inflation gradually ease while economies maintain a steady pace of expansion. However, with the uneven recovery across various industries, global economic growth remains slow, and the overall environment is still affected by high interest rates and economic uncertainty. The U.S. Federal Reserve expects inflation to ease, entering a rate-cutting cycle in the third quarter of 2024, while domestic policy rates are being held steady on a wait-and-see basis. Looking ahead to 2025, in the face of the Russo-Ukrainian War and the US President, Trump's assumption of the office, it is possible that the US will continue to exert pressure on China in terms of economics, trade, technology and geopolitics, adding risks and uncertainties to the global economic prospect.
- B. In Taiwan, in the first half of 2024, with the global demand for AI applications emerging, the application of high-performance computing and AI and other emerging technologies continues to increase. In addition, Taiwan's competitive advantage in the supply chain of semiconductor industry, servers and peripheral support industries, has forced major technology firms to increase their deployment in industrial real estate and related small and medium enterprises. The prospect is promising. However, the overall situation remains uncertain due to two major factors: the economic policies following the inauguration of U.S. President Trump and the continued sluggishness of the Chinese mainland market.
- C. Under the trade war between the U.S. and China, Vietnam has benefited from the shifting of corporate supply chains away from China, resulting in significant economic growth. In

2024, Vietnam's GDP growth rate reached 7.09%, demonstrating a strong momentum of economic recovery, with the services sector and industrial production serving as the main growth drivers. However, Typhoon Yagi and other natural disasters in September 2024 caused severe damage to the basic facilities in Vietnam, which impacted the economic growth in Vietnam, and it was only gradually recovered in the fourth quarter of 2024. Since the military coup in 2021, political instability in Myanmar has continuously had a severe impact on its economy. In 2024, Myanmar experienced devastating floods and a series of armed conflicts that significantly damaged its agriculture, manufacturing, and supply chains, leading to inflation and currency devaluation, which further exacerbated the country's economic difficulties. The World Bank has warned that the domestic conflict will further deteriorate the economic condition in Myanmar.

(5) Interest rate change risk:

Starting in the third quarter of 2024, the U.S. Federal Reserve began cutting interest rates, and several investment firms forecast that this trend will continue until 2026. However, the domestic central bank has not followed suit and has maintained its credit control policies, which continue to affect financing costs for companies purchasing land. Whether there will be gradual rate cuts this year remains to be seen.

In 2024, the Vietnamese government adopted a supportive monetary policy. Despite the impact of Typhoon "Yagi," the State Bank of Vietnam indicated that it would maintain its supportive stance and remain open to rate cuts to bolster economic growth. As of September 30, 2024, the bank loan portfolio ratio has increased by 9% year-on-year, indicating moderate credit expansion. However, as inflationary pressure increases, it is expected that the interest rate may rise in the period of 2025. Myanmar's economic environment further deteriorated in 2024, with severe floods and ongoing armed conflicts expected to shrink economic growth by 1%. Inflation and currency devaluation have further exacerbated the economic difficulties.

Currently, the central bank exchange rate is approximately 25,340 Vietnamese Dong per 1 US dollar and about 2,500 Myanmar Kyat per 1 US dollar (with actual black market trading rates being higher). The market price refers to the actual buying and selling prices set by banks. Since 2019, Vietnam's policy interest rate declined from 4.25% to 2.5%, then rebounded to 4.25% in 2022, and as of 2024, it has fallen to 3%. Meanwhile, Myanmar's policy interest rate has dropped from 10% to 7% since 2019, and as of 2024, it remains fixed at 7%.

(6) Oil price change risk:

In 2024, international oil prices continued to decline. In June, OPEC's announcement of increased production led to a drop in global oil prices. However, overall demand remained weak due to China's slow post-pandemic economic recovery and sluggish manufacturing performance in major global economies, keeping prices on a downward trend. British financial firm Standard Chartered Group forecasts that the median Brent oil price in the first quarter of 2025 will be US\$87. With future manufacturing recovery, an increase in oil prices cannot be entirely ruled out, so continuous monitoring is required.

(7) Water and Electricity Supply Fluctuation Risk:

affected by the surge in global energy prices, domestic electricity tariffs have been raised for two consecutive years. The government announced in April 2023 that electricity prices would increase by an average of 11%, with high-voltage and extra-high-voltage industrial users facing a 17% increase. As a result, the operating costs for manufacturers continue to rise, potentially accelerating the implementation of ESG and green energy initiatives by businesses.

3. Future countermeasures:

(1) Countermeasures for market environment competition risk:

A. Introduction of the turnkey model:

The traditional item-sub-contracting structure can no longer satisfy the needs of the clients. The comprehensive engineering service company's capabilities and characteristics can provide the comprehensive and holistic professional engineering services responding to

market demands. With increasing disputes and time pressures of new construction projects, the engineering industry actively thinks about introducing the new "outsourcing strategy" to resolve these issues. Therefore, the "turn-key" model that has been adopted in foreign countries for many years is introduced to Taiwan, aiming to mitigate the impacts from the streamlining of governmental staff to the public construction projects, to proceed on time with quality.

B. Contracted Constructions become internationalized and larger:

After Taiwan joined the World Trade Organization, the domestic market has been opened to the foreign construction companies to enter for fair competition. To respond to this trend, the domestic players will also strengthen the company by cooperating with foreign companies in Taiwan or exploring international markets and foreign local players in response to this trend. Competitiveness. In response to the increase in global demand, the supply volume needs to be relatively increased. In view of the economies of scale, various engineering companies are also vying to upgrade their technology for large-scale projects.

C. Emphasis on research and development

As the construction industry develops toward to the large scale, under the fierce market competition, technology research and development work is bound to be gradually valued. The Company develops new work methods, new materials, and provide customers with multiple added value, while providing design ideas to reduce costs, in order to improve their competitiveness in the market, and establish the differentiated direction of efforts for each engineering company.

D. Establish an exclusive construction brand

Establishing dialogues between people, art and the environment, as well as the brand value of the Company is not only the demands of purchasers for quality improvements regarding the living environment including the building design, internal layout, building materials, equipment and public facilities, but also the safety demands of consumers for their home. The Company stays true to the concept of human-oriented and the environmental, while upgrading the demands of consumers, for the product planning, the new products are launched according to "artistic," "innovative," "practical" and "humanity" to meet market demands; the after-sales service is also strengthened to establish the brand awareness in the minds of consumers.

E. Global position for the international market

With the boundary-less internet, the international global village era comes; the planning and design of architectural product follow the trend of the world, and is no longer confined to specific regions. The cross-border real estate transactions have become more convenient, and the Taiwanese real estate market will also step forward to the international open market, and thus further promotes the formation of a common circulation platform for the real estate market in the Asia-Pacific region and four markets crossed the straight. Therefore, the company will be globally deployed to the international market and launch real estate products.

(2) Countermeasures for the risks of financial allocation:

A. For real estate developers, under the current circumstance that lands are not easy to obtain, actively looking for urban renewal and joint construction is the most beneficial way for mitigating and covering for investment losses.

B. For the purpose of strengthening the cost control and avoiding the vicious low-price bidding in the industry, the Company actively engages in urban renewal and the development of MRT stations, to enhance the Company's profit; meanwhile, we bid the tenders with technical requirements, special construction methods and specific qualifications to improve the chances of winning.

C. The Company continues to implement the streamlining plan for health of the Company, and restructures the reinvested companies with poor operational performance or no obvious profit.

- D. In 2024, in response to the impact of the government’s lending restrictions on development activities, our development efforts are shifting towards projects not subject to these limitations. The primary focus is on urban renewal initiatives and participation in public construction projects under the Act for Promotion of Private Participation in Infrastructure Projects. Additionally, the Company will also undertake construction company projects that, although affected by the lending restrictions, offer viable development benefits.
- (3) Countermeasures for government policies:
- A. Continuing to promote the development of land in Chung Hua Coastal Industrial Park is conducive to the continuous rolling investment of funds into development operations. Seeking preferential land policies and assisting communication between businesses and government agencies can accelerate land sales. Strive to relax the land use restrictions.
- B. 1. Vietnam
- The Company should actively maintain contact with the local government in response to changes in new tax collection and land regulations to ensure compliance.
 - Seek cooperation with well-known Taiwanese or local companies (such as engineering consulting and construction companies) to expand the market with the advantages of technology, especially for public construction and real estate development opportunities.
2. Myanmar
- The Company will continue to monitor the upcoming election and political developments before making investment decisions.
 - In an unstable environment, the Company will slow down its major projects and use the current low-price purchase opportunities to lay out for future development.
- (4) Countermeasures for the economic environment:
- A. Leveraging the vast lands in Changhua Coastal Industrial Park stable water supply, and the dual advantage of leasing and selling, we aim to differentiate our industrial park from the one developed by Taiwan Sugar Corporation, while continuously aligning with the government's existing 2025 “Non-Nuclear Homeland” policy and the “Meet Greater South” plan to attract domestic and international investors to set up plants.
- B. In line with market trends, we are developing tailored sales strategies for each sub-region, targeting the needs of potential clients requiring large parcels of land or those in specialized industries. We customize land offerings based on the specific area, length, and width requirements of each company. Additionally, recognizing the urgency of land delivery schedules, we provide early land handovers, enabling companies to simultaneously commence facility construction and public infrastructure development. This approach allows us to adjust the construction sequence and boost companies’ willingness to invest in purchasing land. In addition, in line with the needs of the local industry, the Company has provided the local electroplating industry with legal industrial land in the specialized area of metal surface treatment in Lunwei, and also considered the needs of the employees after the manufacturers have taken the land. The Company has gradually released community land to provide enterprises with the dormitory for employees to complete the industrial park living circle.
- C. To stay abreast of global economic developments, we will strengthen our collaboration with central and local governments (such as the Ministry of Economic Affairs Industrial Park Bureau and Changhua County Government) to understand the future direction of industrial land planning. We will continue to visit businesses to investigate market demand, plan suitable product types and refine our sales methods.
- D. Vietnam has eased its deflation pressure in 2024. The central bank has ceased its issuance of treasury bills and other measures to improve the liquidity of its currency. The implementation of the new land tax will optimize the market environment, increase

development efficiency, and have a positive impact on the real estate industry. The stock market in Vietnam is currently under low evaluation. Long-term investments are attractive. According to statistics, the average return on the 3-year investment in the stock market in Vietnam in the past decade has reached 38.7%. The Central Bank of Myanmar requires all transactions to be conducted in the Myanmar Kyat, and restricts foreign currency exchange, resulting in a spread between the exchange rate and the black market exchange rate. Although the government has relaxed some of the exchange rate policies, it has not yet had a significant impact on the economic recovery.

(5) Countermeasures for changes in interest rates:

Keeping abreast of the global economic pulse, increase visits to manufacturers, understand the production needs of different industries, and develop customized countermeasures. Consult with major banks to understand the current market conditions for industrial real estate loans and the restrictions on lending terms. In addition, it is necessary to focus on the profit structure and overall planning strategy, and review the profit structure from the financial perspective as well as consider future investments.

The Central Bank of Vietnam maintained a loose monetary policy in 2024, and the interest rate of deposits and loans was low, which helped to reduce financing costs. The Company should optimize its financial structure, reduce the impact of exchange rate fluctuations on business, and use the low-interest environment to expand investment.

The Central Bank of Myanmar approved the increase in the demand for Myanmar Kyat to stabilize the exchange rate, but the market is still facing the challenges of high inflation and exchange rate fluctuations. The Company should closely monitor the policy adjustment, flexibly respond to the risks of liquidity and exchange rate fluctuations.

(6) Countermeasures for changes in oil prices:

If rising oil prices lead to an increase in production costs for businesses, it is advisable to enhance the convenience of the surrounding transportation system. This can reduce transportation mileage and fuel consumption, thereby enhancing the willingness of businesses to invest in setting up factories.

(7) Countermeasures for movement in water and power supply:

The 50,000-ton water supply project for the Changhua Coastal Industrial Park Fumazun Water Supply Plan has been completed and delivered to the Industrial Development Bureau. In the future, the Changhua Coastal Industrial Park Lunwei District industrial water supply will be stable, such that under the condition where the industries in Taiwan are facing water shortage, this can serve as an incentive to increase the corporates' willingness to purchase lands for factory construction.

The supply of the electricity system in the Changhua Coastal Industrial Park is stable. Considering the current ESG, net zero carbon emissions and other environmental protection, energy saving has become a trend. When purchasing land for factories, manufacturers can encourage manufacturers to increase the area of pavement in addition to the 50% of the roof solar PV power plant according to the regulations. The electricity demand for daily office use is placed on the electricity trading platform to increase revenue.

(V) The impact of technological and industrial changes on the Company's finance and business and the countermeasures:

The company is mainly engaged in contracted constructions for the civil engineering and construction, investment in the construction of real estates, and the agency of the government planning industrial zone development, to create revenue and profit. To responding the technological and industrial changes, the Company constantly grasp market movements, and actively obtains industry information through various means to expand the business. In order to accurately grasp the pulse of industrial information, in recent years, it has also been committed to digitization, for the purpose of improving working efficiency and enhancing competitiveness. Currently, the Company has no impact to finance and business resulted from the technological changes or industrial changes.

- (VI) The impact of corporate image changes on corporate crisis management and countermeasures:
The Company aims to improve the quality of constructions, serve the society and promote prosperity, in order to establish a good corporate image.
- (VII) The expected effects and possible risks of mergers and acquisitions and countermeasures:
In order to simplify the organizational structure, the Company and BES Machinery Co., Ltd. carried out a simple merger to achieve the benefits of saving operating costs and improving operating efficiency. BES Machinery Co., Ltd. is a 99.35% subsidiary of the Company, so there is no share exchange ratio or issue of new shares, which will not affect the rights and interests of the Company's shareholders.
- (VIII) The expected effects and possible risks of the expanding plants and countermeasures: None
- (IX) Risks and countermeasures for concentration of purchase or sales of goods:
Due to the industrial characteristics, the items and standards of purchased or sold goods are subject to different requirements of the clients, so there is no risk of concentration.
- (X) The impacts of material share transferred or changed by directors, supervisors or major shareholders holding more than 10% of the shares on the Company, risks, and countermeasures: None.
- (XI) Impact of changes in operating rights on the Company and risks: None.
- (XII) litigation or non-litigation

Item	I
Name of case:	Taichung City Hall Construction Payment Dispute
Involved Parties	Plaintiff: The Company Defendant: Taichung City Government
Summary:	Regarding the construction payment of the Building, Taichung, the Company has assigned Xiang-Chi Corporation to work and now claimed the construction payment for design changes from the Taichung City Government.
Subject or amount	NT\$340,707,789
Date starting the lawsuit	2013/07/11
Current status	The first instance judgment ruled that the owner should pay NT\$ 11,020,000. Both parties appealed the unfavorable parts. The second-instance judgment upheld the original judgment. Both parties appealed to the Supreme Court, which remanded the case for retrial. The Company lost in the first-instance judgment, and on December 2, 2024, an appeal was filed to the third instance.

Item	II
Name of case:	Gongguan is claiming payment for six electromechanical project items and material adjustment funds
Involved Parties	Plaintiff: The Company Defendant: ROC Air Force Combatant Command
Summary:	This case involves disputes over six issues: the core switch, additional equipment and pipelines, the information system center, air conditioning and constant temperature/humidity equipment, noise control standards, and the type of central air conditioning system adopted.
Subject or amount	NT\$129,090,183
Date starting the lawsuit	2024/12/24
Current status	First instance trial in progress.

Item	III
Name of case:	Damage Indemnification
Involved Parties	Plaintiff: Zhou, Sui, Lin, Hui-Ling Defendant: The Company
Summary:	Due to illegal road closure during construction, which led to the death of road user Zhou Ye-lin, their family filed an associated civil lawsuit for compensation.
Subject or amount	NT\$54,720,577
Date starting the lawsuit	2021/05/19
Current status	The case has been transferred to the civil court for further proceedings, awaiting trial.

Item	IV
Name of case:	Request for price difference of the engineering funds resulting from the direct procurement of CF650.
Involved Parties	Plaintiff: The Company Defendant: Taipei City Metro Bureau, First District Engineering Office
Summary:	Due to changes in the contract, both parties were unable to reach an agreement. Therefore, the owner sought compensation for the price difference of the engineering funds resulting from this direct procurement.
Subject or amount	NT\$107,489,135
Date starting the lawsuit	2021/9/27
Current status	The case is under review in the first instance trial.

Item	V
Name of case:	Damage Indemnification Lawsuit
Involved Parties	Plaintiff: The Company Defendants: Shen Hua-yang, Shen Qing-guang, Zhang Shi-wen, Zhang Da-wei, Sun Wen-yu, and Dong Jun-yi
Summary:	Zhang Dawei and Shen Huayang, along with 6 others, were prosecuted by the Taiwan New Taipei District Prosecutors Office under case number 2020 Military Investigation, no. 69, for suspicion of offenses under the Anti-Corruption Act and violations of the Securities and Exchange Act, including special breach of trust. Furthermore, they were convicted by the New Taipei District Court under case number 2021 Military Appeal no. 3, and their guilt is established. Due to their breach of trust and fraudulent actions resulting in damages to our company, we are seeking compensation from them.
Subject or amount	NT\$95,000,000
Date starting the lawsuit	2021/10/21
Current status	Hearing at the first instance, and the litigation was discontinued.

Item	VI
Name of case:	CF650 Soundproof Wall and Hollow Cement Wall Request for Construction Payment Lawsuit
Involved Parties	Plaintiff: The Company Defendant: Taipei City Metro Bureau, First District Engineering Office
Summary:	For the expenses related to the size and enlargement of the embedded anchor bolts of the soundproof wall, and the modification of the hollow cement wall columns, the Company was awarded a payment of NT\$19,213,636 in the first instance, which is now appealing for the second instance.
Subject or amount	NT\$38,396,155
Date starting the lawsuit	2022/1/17
Current status	The second instance is under review.

Item	VII
Name of case:	CF650 Voluntary Traffic Warden Fee Dispute Lawsuit
Involved Parties	Plaintiff: The Company Defendant: Taipei City Government Metro Bureau, First District Engineering Office
Summary:	A dispute arising from the request for expenses occurred due to the extension of the construction period and the property owner's instructions to increase the personnel costs for duty.
Subject or amount	NT\$170,612,151
Date starting the lawsuit	2022/11/11
Current status	The case is under review in the first instance trial.

Item	VIII
Name of case:	CF650 Dispute Lawsuits Related to Five Items of Steel Bars
Involved Parties	Plaintiff: The Company Defendant: Taipei City Government Metro Bureau, First District Engineering Office
Summary:	For this case, it involved disputes on the five items of the steel bar fee calculation failed to include the fees for the working bars, additional Jingan Station security, additional fees for use of private land, the addition of steel pre-arch correction fee and the defendant's improper deduction of fees on the AC prime coat.
Subject or amount	NT\$104,658,147
Date starting the lawsuit	2022/12/27
Current status	The case is under review in the first instance trial.

Item	IX
Name of case:	CF650 Bidding Platform Gates and Five Other Disputed Litigations.
Involved Parties	Plaintiff: The Company Defendant: Taipei City Government Metro Bureau, First District Engineering Office
Summary:	This case involves five disputes related to changes in the covering material of the platform gates equipment, changes in the form of the drainage heads, addition of groove steel and angle iron to the platform gates equipment, changes in aluminum ceiling panels and the three-dimensional metal ceiling light box and the relocation of the grounding interface box of the elevated bridge grounding system, among others.
Subject or amount	NT\$32,730,768
Date starting the lawsuit	2023/3/9
Current status	The case is under review in the first instance trial.

Item	X
Name of case:	CF650 Bidding Settlement Quantity Dispute Exceeding 30%.
Involved Parties	Plaintiff: The Company Defendant: Taipei City Government Metro Bureau, First District Engineering Office
Summary:	This case involves a dispute arising from the request for a price difference in engineering funds due to a separate negotiation of unit prices for items where the settlement quantity exceeds 30% of the original contract quantity.
Subject or amount	NT\$271,363,646
Date starting the lawsuit	2023/3/7
Current status	The case is under review in the first instance trial.

Item	XI
Name of case:	Dispute Case Regarding Engineering Funds, Performance Bond, and Material Adjustment Payment For The Gongguan Fuxing Camp Construction Project.
Involved Parties	Plaintiff: The Company Defendant: ROC Air Force Combatant Command
Summary:	This case was mainly due to the delay default fine dispute, therefore, a request for the owner to pay the engineering funds, performance bond and materials adjustment payment.
Subject or amount	NT\$663,528,045
Date starting the lawsuit	2022/11/15
Current status	The case is under review in the first instance trial.

Item	XII
Name of case:	Dispute regarding Baobosen's request for payment of engineering funds.
Involved Parties	Plaintiff: Baobosen Construction Co., Ltd. Defendant: The Company
Summary:	This case involves a claim by Baobosen Construction Co., Ltd. against our company for extension management fees, engineering funds, interest on delayed payment of engineering funds, water and electricity fees, environmental safety and cleanliness fees related to the small package CF650 bidding project.
Subject or amount	NT\$32,616,333
Date starting the lawsuit	2023/6/2
Current status	Second instance trial in progress.

Item	XIII
Name of case:	Lawsuit for The Claim of Payment for Engineering Funds of Nakosin Enterprise Co., Ltd. and Yong Ching Enterprise.
Involved Parties	Plaintiffs: Nakosin Enterprise Co., Ltd., Yong Ching Enterprise Defendant: The Company
Summary:	This case involves a claim by Yong Ching Enterprise, a subcontractor in the riverside social housing project, for payment of engineering funds from our company. Additionally, Nakosin Enterprise Co., Ltd. is claiming payment from our company after being assigned the aforementioned engineering funds debt by Yong Ching Enterprise.
Subject or amount	NT\$190,000,000
Date starting the lawsuit	2023/9/18
Current status	The court ruled in favor of the Company on April 11, 2025.

Item	XIV
Name of case:	Taoyuan Airport Earthwork Bidding Extension Management Fee Claim.
Involved Parties	Plaintiff: The Company Defendant: Taoyuan International Airport Corporation
Summary:	Request for management fees arising to a 1771.5-calendar day extension of the project duration.
Subject or amount	NT\$66,347,481
Date starting the lawsuit	2023/8/29
Current status	Mediation established, and the defendant pays the Company NT\$46,441,101. The case is confirmed.

Item	XV
Name of case:	Gongguan's request for the final payment for the construction project
Involved Parties	Plaintiff: The Company Defendant: ROC Air Force Combatant Command
Summary:	The Company requested from the proprietor for the 59th installment assessment, the 59th phase material adjustment payment, the fourth performance bond and the final payment totaling NT\$186,769,013.
Subject or amount	NT\$186,769,013
Date starting the lawsuit	2025/1/10
Current status	The case is under review in the first instance trial.

Item	XVI
Name of case:	Gongguan's request for the refund of the warranty bond and administrative costs for extension of construction period
Involved Parties	Plaintiff: The Company Defendant: ROC Air Force Combatant Command
Summary:	The Company claimed a total amount of NT\$72,437,942 for the return of the warranty bond and NT\$52,952,436 for the related costs arising from the extension of the construction period from the owner.
Subject or amount	NT\$125,390,378
Date starting the lawsuit	2025/3/7
Current status	The case is under review in the first instance trial.

Mediation Cases:

Item	I
Name of case:	Mediation of Dispute Over Geological Differences In The Shimen Reservoir Project.
Involved Parties	Applicant: The Company Respondent: Northern District Water Resources Bureau, Ministry of Economic Affairs
Summary:	Request for expenses due to geological differences dispute.
Subject or amount	NT\$180,000,000
Arbitration Commencement Date	2023/7/31
Current status	Mediation reached, the respondent shall pay the Company over NT\$59,090 thousand.

Item	II
Name of case:	Dispute Regarding The Bird's Beak Reservoir Artificial Lake Project.
Involved Parties	Applicant: The Company Respondent: Central District Water Resources Bureau, Ministry of Economic Affairs
Summary:	Dispute over earthwork and backfill unit price adjustments, among other issues.
Subject or amount	NT\$260,000,000
Arbitration Commencement Date	2023/9/23
Current status	Mediation reached, the respondent shall pay the Company NT\$74,524,530.

Arbitration Case:

Item	I
Name of case:	Arbitration for Design Integration Costs Related to the Relocation of the North Airport for the Green Line
Involved Parties	Arbitration Applicant: The Company Arbitration Respondent: Department of Rapid Transit Systems, Taoyuan City Government
Summary:	Due to the location change of the North Airport for the Taoyuan Green Line, our team believes that system integration design modifications have occurred, which the principal denies. Both parties have agreed to submit the dispute to arbitration.
Subject or amount	NT\$30,525,545
Arbitration Commencement Date	2024/11/25
Current status	Pending meditation procedure

2024 Final Judgment Events

Item	I
Name of case:	Employee compensation and withdrawal of arbitration case of ADE Technology Inc.
Involved Parties	Plaintiff: The Company Defendant: ADE Technology Inc.
Summary:	Hereby revoke the arbitration decision No. 080 of the year 2020 between our company and BYD Company.
Subject or amount	NT\$47,592,165
Date starting the lawsuit	2021/11/25
Current status	The Company filed a motion with the court to set aside the arbitration award. In the first instance, the Company lost. In the second instance, the Company lost. In the third instance, the Company lost. This case is now final.

Item	II
Name of case:	Litigation for the non-existence of claims of ADE Technology Inc.
Involved Parties	Plaintiff: the Company Defendant: ADE Technology Inc.
Summary:	ADE Technology Inc. claims that it has the claim of NT\$96,631,789 of the Company. As the term is about to expire, ADE Technology Inc. proceeds to file a petition for a declaratory judgment
Subject or amount	NT\$96,631,789
Date starting the lawsuit	2020/11/13
Current status	In the first instance, the Company lost. In the second instance, the Company lost. In the third instance, the Company lost. This case is now final.

Item	III
Name of case:	Confiscation of the improper benefits of Yonghe Expressway 78 tender
Involved Parties	Plaintiff: Prosecutor's Office Defendant: The Company
Summary:	Because tender 78 of Yonghe Expressway was approved by Taiwan High Court in 2021 under Chong-Shang-Geng-I-Zi No. 40, the participants had their illicit benefits confiscated due to the violation of the Anti-Corruption Act by 9 people, including Kuo, Chan-Yuan and Yu, Chih-Cheng, and violation of the Government Procurement Act by Hsieh, Chih-Ren and Lee, Chi-Hua. After appealing for a retrial, the High Court remanded decision to forfeit more than NT\$300,000 of the Company's unjustifiable gains and the prosecutor appealed to the third trial.
Subject or amount	NT\$ 38,770,000
Date starting the lawsuit	2017/12/10
Current status	The Supreme Court upheld the retrial court's judgment that the Company shall pay NT\$307,141. This case is now final.

Item	IV
Name of case:	Lawsuit Regarding the Objections of The Debtor, ADE Technology Inc.
Involved Parties	Plaintiff: ADE Technology Inc. Defendant: The Company
Summary:	ADE Technology Inc. filed an objection to the debtor's claim against the arbitration judgment No. 109 arbitration statement No. 80, asserting a credit of NT\$37,295,023 and seeking offset against the debt of NT\$12,950,000 from arbitration judgment No. 108 arbitration statement No. 63.
Subject or amount	NT\$ 96,631,789
Date starting the lawsuit	2022/07/25
Current status	In the first instance, the Company lost. In the second instance, the Company lost. In the third instance, the Company lost. This case is now final.

Item	V
Name of case:	Request for Extension of Niaozui Lake Purification Field New Construction Turnkey Project (continued)
Involved Parties	Plaintiff: The Company Defendant: Taiwan Water Corporation
Summary:	For the Niaozui Lake Purification Field New Construction Turnkey Project (continued), due to land acquisition issues, the Company requests a 140-day extension of the construction period.
Subject or amount	NT\$392,000,000
Date starting the lawsuit	2024/3/8
Current status	Both parties agreed that the Public Construction Commission would extend the construction period by 40 days. Mediation was successful, and this case is now closed.

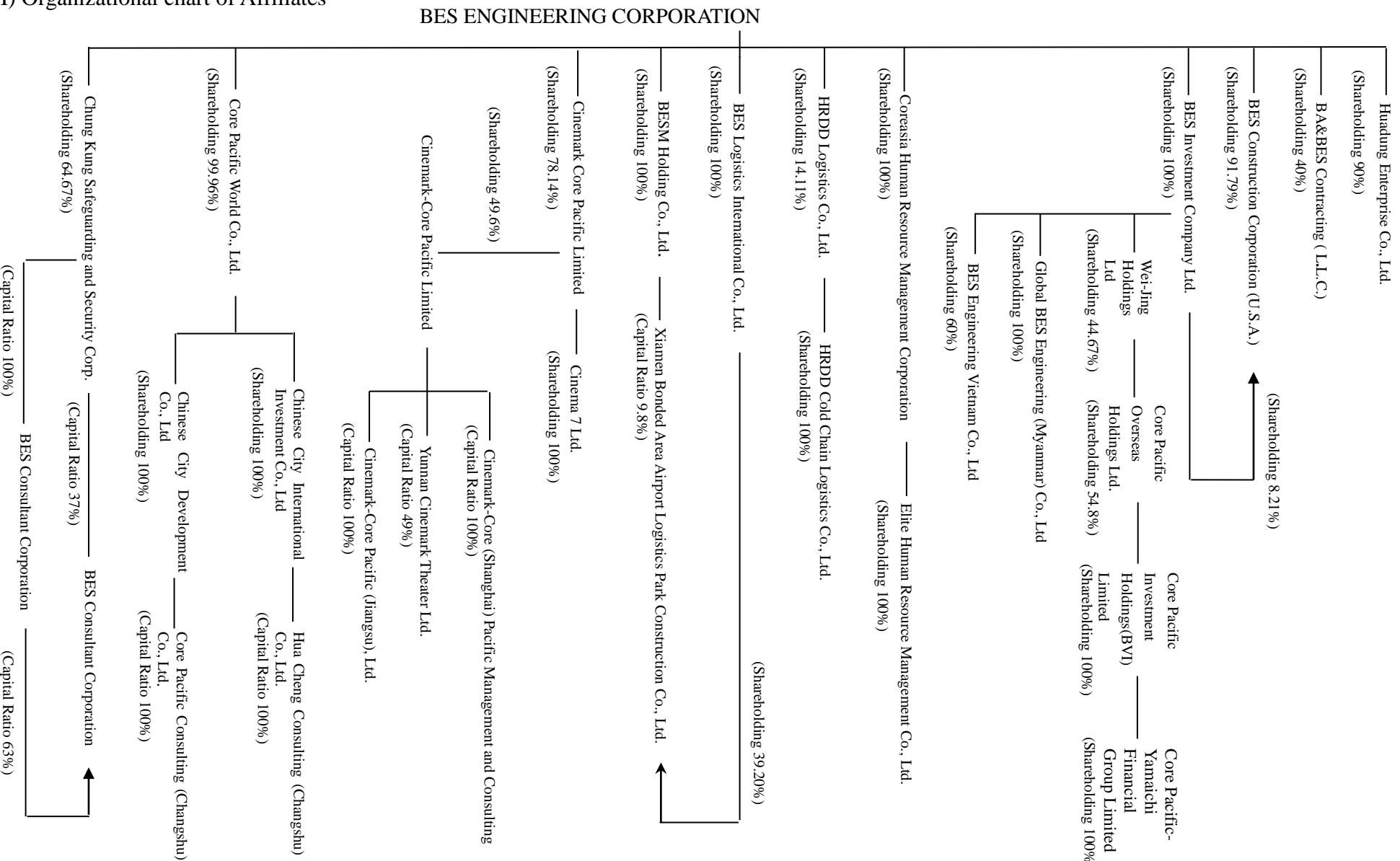
(XIII) Other material risks and countermeasures: None

VII. Other important matters: None

Six. Special Notes and Matters

I. Information of Affiliates

(I) Organizational chart of Affiliates



(II) Consolidated business report

1. Basic information of Affiliates

Unit: unless otherwise specified, Thousand NTS

Name of Enterprise	Date of establishment	Address	Paid-up Capital	Major business or products
Core Pacific World Co., Ltd.	1997.12.15	6F, No. 12, Dongxing Rd., Taipei City	1,160,000	Investment
Mauritius Chinese City International Investment Co., Ltd	2003.01.23	Republic of Mauritius	USD 9,500,000	Consultancy
Mauritius Chinese City Development Co., Ltd	2003.01.23	Republic of Mauritius	USD 9,500,000	Consultancy
Hua Cheng Consulting (Changshu) Co., Ltd.	2003.11.04	707, Building A, Changshu World Trade Center Plaza, Changshu City, Jiangsu Province, China	USD 9,000,000	Engineering and design consultancy
Core Pacific Consulting (Changshu) Co., Ltd.	2003.11.04	707, Building A, Changshu World Trade Center Plaza, Changshu City, Jiangsu Province, China	USD 9,000,000	Engineering and design consultancy
Chung Kung Safeguarding and Security Corp.	1995.08.04	2F, No. 12, Dongxing Rd., Taipei City	60,000	Security business
BES Consultant Corporation	1999.04.02	2F, No. 12, Dongxing Rd., Taipei City	10,000	Operation of parking lots and business management consultancy
BES Apartment Maintenance and Management Ltd.	2000.06.29	2F, No. 12, Dongxing Rd., Taipei City	10,000	Management service of apartment buildings
Coreasia Human Resource Management Corporation	1999.05.18	2F, No. 12, Dongxing Rd., Taipei City	60,000	Business management consultancy and investment advices
Huading Enterprise Co., Ltd.	2023.06.14	14F., No. 12, Dongxing Rd., Taipei City	490,100	Urban Renewal Reconstruction
BES Global Investment Co.	1995.01.17	4F, Ellen Skelton Building 3076 Sir Francis Drake Highway, Tortola, British Virgin Islands	USD1,510,000	Overseas operations of construction, machine and electrical equipment
BES Investment Company Ltd.	1996.08.06	Unit 1607, 16th Floor, Fortress Tower, 250 King's Road, North Point, Hong Kong	USD 59,600,000	Overseas operations of construction, machine and electrical equipment
BESM Holding Co., Ltd.	2005.10.18	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 5,075,000	Investment Holding
BES Construction Corporation (U.S.A.)	1987.04.06	141 Bennington Court McDonough, Georgia 30253, U.S.A.	USD 9,261,000	Land development and investment
Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd.	2004.04.15	Rm. 301, Wan Xiang International Commerce Center, Building No. 2, North Building No. 1692 Gangzhong Rd., Xiamen City	RMB 250,000,000	Logistics, warehouse, and international trading
Elite Human Resource Management Co., Ltd.	2001.10.23	2F, No. 12, Dongxing Rd., Taipei City	5,000	Manpower Services

Name of Enterprise	Date of establishment	Address	Paid-up Capital	Major business or products
Cinemark Core Pacific Limited	1999.03.15	4F, No. 102, Kuanfu S. Rd, Taipei City	321,000	Domestic and overseas movie playing
Hongkong Cinemark Core Pacific Limited	2011.09.27	FLATB 3/F WING CHBONG COMMERCIAL BUILDING 19-25 JERVOIS STREET SHEVNG WAN HK	HKD 111,503,000	Investment Holding
BA & BES Contracting (L.L.C.)	2007.02.13	Post Box 92237, Dubai-United Arab Emirates	3,000,000(AED)	Contracting Construction
BES Logistics International Co., Ltd.	2007.03.23	Republic of Mauritius	USD 13,995,000	Investment
Cinema 7 Ltd.	2003.05.14	8-11F, No. 52, Hang-Zhong Street, Taipei City	25,000	Domestic and overseas movie playing
Cinemark-Core (Shanghai) Pacific Management and Consulting	2011.09.27	Rm. 307, No. 655, Fengzhou Rd., Ma Lu Township, Jiading District, Shanghai City	USD 900,000	Management of movie theaters; consultancy for procurement and management
Yunnan Cinemark Theater Ltd	2013.02.20	No. 1079, Beijing Rd., Kunming City	RMB 25,000,000	Movie playing; consultancy for procurement and management
Cinemark-Core Pacific (Jiangsu) Ltd.	2015.07.16	Room 1001, Building 1, Duanmu Mansion, No. 18 Jinghua Cheng Road, Hanjiang District, Yangzhou City	USD 11,000,000	Movie playing; consultancy for procurement and management
HRDD Logistics Co., Ltd.	2014.09.16	No. 966, Chongqing Ave, Tianjin Free Trading Area (Dong Jiang Bonded Port Area)	RMB 144,000,000	General warehousing industry , frozen warehousing industry and automobile freight industry
Global BES Engineering (Myanmar) Co., Ltd.	2016.05.15	NO.153/,KA,Kyun Shwe Myaing Lane(2),23 Ward,(Thuwanna),Thingangyun Township, Yangon, Myanmar	USD 500,000	Contracting Construction
BES Engineering Vietnam Company Limited	2020.02.06	84 PHAN KHIEM ICH, P TAN PHONG, QUAN 7, TP HO CHI MINH, VIET NAM.	USD 600,000,000	Contracting Construction

2. Information on the same shareholders of those who are presumed to have control and affiliation: None

3. Information of Directors, Supervisors, and General Managers of Each Affiliates. (as of April 30, 2025)

Unit: Thousands NTD unless specified otherwise; share

Name of Enterprise	Position title	Name or Representative	Holding shares	
			Number of shares	Percentage of Holding
Core Pacific World Co., Ltd.	Director	BES ENGINEERING CORPORATION Representatives: Chou Chih-Ming, Chen, Yu-Kuan, You, Li-Cheng	115,936,200	99.96
Chung Kung Safeguarding and Security Corp.	Director	BES ENGINEERING CORPORATION Representatives: Shan, Du-Wu, Yang, Mei-Yuan, Cheng, An-Tzu, Chiu, Yung-Tsai	3,880,000	64.67
	General manager	Kou, Ming-Hung	—	—
BES Consultant Corporation	Director	Chung Kung Safeguarding and Security Corp. Representatives: Shan, Du-Wu	10,000 (Capital Contribution)	100.00
BES Apartment Maintenance and Management Ltd.	Director	BES Consultant Corporation Representatives: Shan, Du-Wu	6,300 (Capital Contribution)	63.00
Coreasia Human Resource Management Corporation	Director and Supervisor	BES ENGINEERING CORPORATION Representatives: Chiang, Hung-Chiao, Chen, Yu-Kun, Yang, Mei-yuan Representative of Supervisors: Su, Yu-Min	6,000,000	100.00
	General manager	Wang, Ying-Chuan	—	—
Huading Enterprise Co., Ltd.	Director	BES ENGINEERING CORPORATION Representative: Chou, Chih-Ming, Chen, Wen-Ke, Lin, Chun-Yao	44,109,000	90.00
BES Construction Corporation (U.S.A.)	Director	BES ENGINEERING CORPORATION Representatives: Shen, Ching-Jing, Lo, Chun-Fu	8,509	91.79
BESM Holding Co., Ltd.	Director	BES ENGINEERING CORPORATION Representative: Chou, Chih-Ming	5,075,000	100.00
Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd.	Director	BESM Holding Co., Ltd. and BES Logistics International Co., Ltd Representative: You, Li-Cheng, Zhang, Zhi-Cheng, Chiu, Yung-Tsai Representative of Supervisors: Wang, Ying-Chuan	RMB 250,000,000 (Capital Contribution)	39.20
BES Investment Company Ltd.	Director	BES ENGINEERING CORPORATION Representatives: Chou, Chih-Ming, You, Li-Cheng	59,600,000	100.00
Core Pacific Consulting (Changshu) Co., Ltd.	Director	Mauritius Chinese City Development Co., Ltd Representatives: Shang, Du-Wu, Chen, Yu-Kuan; Hu, Wen-Kuo	USD 9,000,000 (Capital Contribution)	100.00
Hua Cheng Consulting (Changshu) Co., Ltd.	Director	Mauritius Chinese City International Investment Co., Ltd Representatives: Shang, Du-Wu, Chen, Yu-Kuan, Hu, Wen-Kuo	USD 9,000,000 (Capital Contribution)	100.00
Elite Human Resource Management Co., Ltd.	Directors concurrent Supervisors	Coreasia Human Resource Management Corporation Representatives: Lin, Yu-Bin	500,000	100.00
	General manager	Lin, Yu-Bin	—	—

Name of Enterprise	Position title	Name or Representative	Holding shares	
			Number of shares	Percentage of Holding
Cinemark Core Pacific Limited	Supervisor	BES ENGINEERING CORPORATION Representative of Supervisors: You, Li-Cheng	29,455,180	91.76
Mauritius Chinese City Development Co., Ltd	Director	Core Pacific World Co., Ltd. Representatives: Chou, Chih-Ming	9,500,000	100.00
Mauritius Chinese City International Investment Co., Ltd	Director	Core Pacific World Co., Ltd. Representatives: Chou, Chih-Ming	9,500,000	100.00
BES Logistics International Co., Ltd.	Director	BES ENGINEERING CORPORATION Representatives: Chou, Chih-Ming	13,995,389	100.00
Hongkong Cinemark Core Pacific Limited	Director	Shen, Ching-Jing	61,503,000	49.60
Cinema 7 Ltd.	Director and Supervisor	Cinemark Core Pacific Limited Representatives: Zhang, Wen-Bin, Chen, Yi-Shang Representative of Supervisors: Zhang, Zhi-Cheng	125,000	100.00
Cinemark (Shanghai) Investment and Management Consultancy Ltd.	Director and Supervisor	Hongkong Cinemark Core Pacific Limited Representatives: Shen, Ching-Jing, Shen, Huei-Ting, Chen, Yi-Shang Representative of Supervisors: Shen, Yao-Ting	USD 900,000 (Capital Contribution)	100.00
Yunnan Cinemark Theater Ltd	Director and Supervisor	Hongkong Cinemark Core Pacific Limited Representatives: Chiu, Wen-Yi, Shen, Huei-Ting; T Representative of Supervisors: Chen, Yi-Shang	RMB 250,000,000 (Capital Contribution)	49.00
Cinemark-Core Pacific (Jiangsu) Ltd.	Director and Supervisor	Hongkong Cinemark Core Pacific Limited Representatives: Shen, Ching-Jing, Chiu, Wen-Yi, Shen, Huei-Ting Representative of Supervisors: Shi-Xiang	USD 5,000,000 (Capital Contribution)	100.00
HRDD Logistics Co., Ltd.	Director	BES ENGINEERING CORPORATION Representatives of Supervisors: Wang, Ying-Chuan	RMB 13,600,000 (Capital Contribution)	23.61
Global BES Engineering (Myanmar) Co., Ltd.	Director	BES Investment Company Ltd. Representative: Chou, Chih-Ming, You, Li-Cheng	USD 500,000 (Capital Contribution)	100.00
BES Engineering Vietnam Company Limited	Director	BES Investment Company Ltd. Representative: Chou, Chih-Ming, Yang, Mei-Yuan	USD 60,000,000	60.00

4. Overview of the operations of each Affiliates, 2024

Unit: unless otherwise specified, Thousand NT\$

Name of Enterprise	Amount of capital	Total value of assets	Total Liabilities	Net Value	Operating Revenue	Operating Profit (loss)	Profit/Loss of the Term (Before tax)	Profit/Loss of the Term (After tax)
Core Pacific World Co., Ltd.	1,160,000	1,336,803	73,051	1,263,752	—	(3,531)	(2,168)	(2,300)
Chung Kung Safeguarding and Security Corp.	60,000	157,728	71,151	86,577	361,963	4,180	9,037	8,116
BES Consultant Corporation	10,000	21,896	3,443	18,453	12,976	2,999	4,333	3,724
Chung Kung Management and Maintenance of Apartment Co., Ltd.	10,000	46,615	33,201	13,414	148,048	3,040	2,588	2,044
Coreasia Human Resource Management Corporation	60,000	106,743	14,945	91,797	588,319	(5,490)	6,241	6,236
Huading Enterprise Co., Ltd.	490,100	496,067	7,622	488,445	—	(4,035)	(1,088)	(872)
BES Investment Company Ltd.	464,396,135 (HKD)	407,856,181 (HKD)	35,000 (HKD)	407,821,181 (HKD)	— (HKD)	(51,405) (HKD)	(1,209,680) (HKD)	(1,209,680) (HKD)
BES Construction Corporation (U.S.A.)	5,000,000 (USD)	1,257,798 (USD)	289,075 (USD)	968,723 (USD)	— (USD)	(17,440) (USD)	17,441 (USD)	17,441 (USD)
Elite Human Resource Management Co., Ltd.	5,000	31,297	10,969	20,328	161,561	12,477	13,150	10,520
Cinemark Core Pacific Limited	321,000	310,788	30,214	280,574	1,968	(34,046)	(71,295)	(69,004)
Mauritius Chinese City International Investment Co., Ltd	78,631,500 (RMB)	116,804,694 (RMB)	64,919 (RMB)	116,739,775 (RMB)	— (RMB)	(134,051) (RMB)	(174,462) (RMB)	(174,462) (RMB)
Mauritius Chinese City Development Co., Ltd	78,631,500 (RMB)	116,158,072 (RMB)	64,919 (RMB)	116,093,153 (RMB)	— (RMB)	(135,750) (RMB)	652 (RMB)	652 (RMB)
Hua Cheng Consulting (Changshu) Co., Ltd.	74,490,300 (RMB)	115,255,309 (RMB)	530,482 (RMB)	114,724,827 (RMB)	186,361 (RMB)	(1,469,699) (RMB)	(363,392) (RMB)	(174,488) (RMB)
Core Pacific Consulting (Changshu) Co., Ltd.	74,490,300 (RMB)	114,713,699 (RMB)	613,854 (RMB)	114,099,845 (RMB)	321,221 (RMB)	(1,205,443) (RMB)	(118,489) (RMB)	2,866 (RMB)
BESM Holding Co., Ltd.	31,977,068 (RMB)	52,015,204 (RMB)	738,905 (RMB)	51,276,299 (RMB)	— (RMB)	(53,242) (RMB)	356,030 (RMB)	356,030 (RMB)
Xiamen Bonded Area Airport Logistics Park Construction Co., Ltd.	250,000,000 (RMB)	804,125,214 (RMB)	427,573,904 (RMB)	376,551,310 (RMB)	166,507,846 (RMB)	(7,617,861) (RMB)	4,175,036 (RMB)	4,020,163 (RMB)
BA & BES Contracting (L.L.C.)	3,000,000 (AED)	—	—	—	—	—	—	—
BES Logistics International Co., Ltd.	99,443,035 (RMB)	148,835,612 (RMB)	23,448 (RMB)	148,812,164 (RMB)	— (RMB)	(98,722) (RMB)	1,509,747 (RMB)	1,509,747 (RMB)
Hongkong Cinemark Core Pacific Limited	89,636,565 (RMB)	29,573,627 (RMB)	83,293 (RMB)	29,490,334 (RMB)	— (RMB)	(18,790) (RMB)	(6,502,237) (RMB)	(6,502,237) (RMB)
Cinemark (Shanghai) Investment and	5,685,600	646,871	873,716	(226,845)	—	(2,000)	(2,000)	(2,000)

Name of Enterprise	Amount of capital	Total value of assets	Total Liabilities	Net Value	Operating Revenue	Operating Profit (loss)	Profit/Loss of the Term (Before tax)	Profit/Loss of the Term (After tax)
Management Consultancy Ltd.	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)
Yunnan Cinemark Theater Ltd	25,000,000 (RMB)	24,765,590 (RMB)	2,608,301 (RMB)	22,157,288 (RMB)	6,079,068 (RMB)	(1,094,141) (RMB)	(2,557,812) (RMB)	(2,557,812) (RMB)
Cinema 7 Ltd.	125,000	18,790	371	18,419	15,370	(9,078)	(20,955)	(21,028)
Cinemark-Core Pacific (Jiangsu) Ltd.	73,124,130 (RMB)	102,083,598 (RMB)	89,814,922 (RMB)	12,268,676 (RMB)	1,999,940 (RMB)	(4,493,582) (RMB)	(5,798,044) (RMB)	(5,798,044) (RMB)
Global BES Engineering (Myanmar) Co., Ltd.	748,635,000 (MMK)	796,282,141 (MMK)	10,000 (MMK)	796,272,141 (MMK)	— (MMK)	(19,127,210) (MMK)	(19,127,210) (MMK)	(17,299,030) (MMK)
BES Engineering Vietnam CO., Ltd.	1,392,040,480 (Thousand VND)	1,407,472,126 (Thousand VND)	7,549,994 (Thousand VND)	1,399,922,132 (Thousand VND)	— (Thousand VND)	24,921,062 (Thousand VND)	25,897,494 (Thousand VND)	19,641,929 (Thousand VND)

Note: The overview of each affiliate is based on the financial statement of them.

(III) Relationship report

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of the Company (from January 1, 2024 to December 31 2024), under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the IFRS No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, BES Engineering Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby statement

Name of Company: BES Engineering Corporation

Representative: Chou Chih-Ming

March 13, 2025

1. Overview of the relationship between the subordinating companies and the controlling company: None
2. Transaction of purchases and sales of goods: None
3. Transaction of properties: None
4. Asset leasing: None
5. Financing:

BES Engineering Corporation and Subsidiaries
Loaning of funds
January 1, 2024 to December 31, 2024

Unit: NT NTD in thousands

No.	Fund loaner	Fund borrower	Item for transaction	Related party or not	Maximum balance of the year (Note1)	Balance at the end of year (Note1)	Amount actually drafted	Interest rate Range	Nature of Loaning of funds (Note3)	Business relationship Amount	Reason for short-term financing	Amount to be provided for bad loans	Collateral		Limit of loaning of funds to one single counterparty	Nature of Total Limit	Note
													Name	Value			
0	BES Engineering Corporation	Huarui Quanshi Logistics Co., Ltd.	Payables from related party	Yes	\$ 21,550	\$ 21,550	\$ 21,550	5	2	\$—	Operating Turnover	\$ 21,550	—	—	\$ 887,005 (4% of BES Engineering Corporation's net equity)	\$ 8,870,052 (40% of BES Engineering Corporation's net equity)	Note 2
1	Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	Payables from related party	Yes	15,000	15,000	—	—	2	—	Operating Turnover	—	—	—	34,631 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	34,631 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	
1	Chung Kung Safeguarding and Security Corp.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Payables from related party	Yes	15,000	15,000	7,000	3.5	2	—	Operating Turnover	—	—	—	34,631 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	34,631 (40% of Chung Kung Safeguarding and Security Corporation's net equity)	
2	Cinemark Core Pacific Limited	Cinema 7 Theater Co., Ltd.	Payables from related party	Yes	30,000	—	—	3	2	—	Operating Turnover	—	—	—	112,230 (40% of net worth of Cinemark Core Pacific Limited's net equity)	112,230 (40% of net worth of Cinemark Core Pacific Limited's net equity)	
2	Cinemark Core Pacific Limited	Agora Garden Co., Ltd.	Other receivables	Yes	110,000	110,000	110,000	3.5-3.8	2	—	Operating Turnover	—	Real estate, Securities	123,804	112,230 (40% of net worth of Cinemark Core Pacific Limited's net equity)	112,230 (40% of net worth of Cinemark Core Pacific Limited's net equity)	

Note1: The limit of loaning of funds passed by the Board of Directors of the Company and subsidiaries.

Note2: In the preparation of the consolidated financial statements, except for other accounts receivable from BES Engineering Corporation to Agora Garden Co., Ltd., all of them have been written off.

Note3: The description of the loan and its nature is as follows: 1. Those who do business; 2. Those who need short-term financing.

Endorsements and guarantees for others

provided by BES Engineering Corporation and subsidiaries
January 1, 2024 to December 31, 2024

Unit: NT NTD in thousands

	Endorsements and guarantees provider Name of the Company	Counterparty of endorsements and guarantees		Limit of endorsements and guarantees to one single enterprise	Maximum balance of endorsements and guarantees for the period	Endorsements and guarantees at the end of the period	Amount actually drafted	Amount of endorsements and guarantees with property as collateral(s)	Ratio of accumulated amount of endorsements and guarantees to the net value in in the latest financial statement.	Maximum limit of endorsements and guarantees	Endorsements and guarantees from the Company to subsidiaries	Endorsements and guarantees from subsidiaries to the Company	Endorsements and guarantees in Mainland China	Note
		Company Name	Relationship											
1	Cinemark Core Pacific Limited	Cinema Theater Co., Ltd.	7 Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	\$ 280,574 (Note 2)	\$ 110,000	—	—	—	—	\$ 841,723 (Note 6)	Y	—	—	
2	Hua Cheng Consulting (Changshu) Co., Ltd.	BES Engineering Corporation	Corporation holding more than 50% of ordinary shares of the Corporation directly or through a subsidiary indirectly	1,284,344 (Note 3)	318,094	318,094	260,000	318,094	61.92%	1,541,213 (Note 7)	—	Y	—	
3	Core Pacific Consulting (Changshu) Co., Ltd.	BES Engineering Corporation	Corporation holding more than 50% of ordinary shares of the Corporation directly or through a subsidiary indirectly	1,277,348 (Note 4)	318,094	318,094	260,000	318,094	62.26%	1,532,817 (Note 8)	—	Y	—	
4	Chung Kung Safeguarding and Security Corp.	Chung Kung Management Consultant Co., Ltd.	Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	216,442 (Note 5)	25,000	25,000	—	—	28.88%	259,731 (Note 9)	Y	—	—	
4	Chung Kung Safeguarding and Security Corp.	Chung Kung Management and Maintenance of Apartment Co., Ltd.	Subsidiary in which parent Corporation holds more than 50% voting rights directly or indirectly	216,442 (Note 5)	25,000	25,000	—	—	28.88%	259,731 (Note 9)	Y	—	—	

Note 1: Indicate “Y” if the endorsement and guarantee is given in Mainland China.

Note 2: The limit is 100% of the net value of Cinemark Core Pacific Limited in the latest financial statement.

Note 3: The limit is 250% of the net value of Hua Cheng Consulting (Changshu) Co., Ltd. in the latest financial statement.

Note 4: The limit is 250% of the net value of Core Pacific Consulting (Changshu) Co., Ltd. in the latest financial statement.

Note 5: The limit is 250% of the net value of BES Safeguarding and Security Corporation in the latest financial statement.

Note 6: The limit is 300% of the net value of Cinemark Core Pacific Limited in the latest financial statement.

Note 7: The limit is 300% of the net value of Hua Cheng Consulting (Changshu) Co., Ltd. in the latest financial statement.

Note 8: The limit is 300% of the net value of Core Pacific Consulting (Changshu) Co., Ltd. in the latest financial statement.

Note 9: The limit is 300% of the net value of BES Safeguarding and Security Corporation in the latest financial statement.

II. For the current year up to the publication date of the annual report, the private placement of securities: N/A

III. Other necessary supplementary matters: N/A

Seven. For the Current Year Up to the Publication Date of the Annual Report, Any Matter Having Material Impact to the Shareholders' Equity or Price of Securities Specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act: N/A

BES ENGINEERING CORPORATION

Principal : Chou Chih-Ming