

Stock Code: 2546

Annual Report 2024



Kedge Construction Co., Ltd.

Printing Date: March 31, 2025

Annual Report Inquiry Website: Market Observation Post System (MOPS)
<https://mops.twse.com.tw>

I. Spokesperson or Acting Spokesperson of the Company:

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Title: Senior Vice President

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Acting Spokesperson: Chun-Ming Chen

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IV. Certified Public Accountants for the Most Recent Fiscal Year:

Name of Accounting Firm: KPMG Taiwan

Name of CPAs: Hsin-Lien, Han, Kuo-Yang, Tseng,

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V. Information on Overseas Securities: None

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

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One. Letter to Shareholders

Dear Shareholders,

Thank you for attending the 2025 Annual General Shareholders' Meeting, and thank you all for your support. The Company adheres to the business philosophy of "integrity, quality, service, innovation, and sustainability". We operate pragmatically undertaking diverse projects, and is committed to providing quality construction services focusing on project quality and service value. In addition, we also leads the supply chain partners to upgrade technologies. In 2024, the government promoted public construction and high-tech factory construction, bringing opportunities; however, there were still challenges of the rise in construction materials and the shortage of labor. The Company adopts the strategy of flexible procurement, outsourcing and division of work, in order to ensure stable operations and to seek competitive tenders, thereby expanding the Company's business scope. Looking to the future, we will flexibly respond to market changes, seize the opportunities of national construction and AI technology development, in order to continue to create value for shareholders.

I. 2024 Business Results

In 2024, the Company has undertaken 31 projects for the whole year, with a total contract amount of NT\$76.6 billion. Among these projects, new contracted works or contracts signed included the projects of C613 tender, TSMC's AP5B-CUP, F22P3-CUP, AP7P1-FAB, AP7P1-Office, Southern Taiwan Science Park Logistics Center, Kindom Banqiao Fuzhong Section and Kindom Taipower Nangang project, etc., and the contract amount was approximately NT\$22.8 billion. The completion and settlement include the Taoyuan Exhibition Center turnkey project and Kindom Sky Ark residential project, and the contract amount was approximately NT\$6.8 billion.

The Company's 2024 consolidated operating revenue recognized based on the full-process operation progress of cases on hand was NT\$14.234 billion, at relatively the same level as the operating revenue of NT\$14.292 billion in 2023. The consolidated net profit after tax was NT\$874 million, decreased by 11.7% from NT\$990 million in 2023. In addition, the 2024 consolidated operating revenue included the construction revenue and non-operating revenue, at a total of NT\$14.328 billion, a decrease of NT\$39 million or 0.27% in comparison to 2023, of which the construction revenue accounted for the proportion of stable revenue scale based on the progress of the construction period. Furthermore, the 2024 consolidated operating expenses totaled NT\$13.224 billion, including construction costs, operating expenses and non-operating expenses, an increase of NT\$119 million or 0.91% from 2023.

II. 2025 Business Plan

In 2025, the Company will focus on sustainable building and high value-added construction tenders. The target of our main revenue momentum is still directed towards project sources of high-tech proprietors' addition of production capacity and the government's development of the railroad construction. We will lead outstanding third-party contractors to compete for project items with competitive advantages and in line with the social development trend. In addition to balancing the on-hand inventory and the future sales performance planning, we also aim to become a long-term cooperative partner for quality proprietors. In addition, under the impact of low birth rate, construction sites have been transformed with enhanced automation, and the administrative department has also started to use AI to assist the operation, in order to improve the efficiency of construction management and decision-making, thereby strengthening the corporate competitiveness.

In response to the international climate change trend, the Company actively promotes the optimal and modular construction-related businesses, and we have completed the greenhouse gas inventory as the first in the industry. Furthermore, we have also qualified the SBTi recent carbon reduction goal review, and has set the carbon reduction goal for 2030. In addition, the Company also cooperates with contractors to implement ESG, to introduce digital technologies, circular construction materials and

modular construction methods, in order to enhance smart construction, reduce carbon emissions, and construct a healthy city. In the face of the challenges of shortage of labor and materials, we properly cooperate with the government's policy for migrant workers, strengthen cultural integration and optimize construction management and technology research and development, in order to ensure our competitiveness in construction quality, cost, progress, safety and health.

The Company has been selected by the Forestry and Nature Conservation Agency for the first group of partners in the promotion of the 20-year Chiayi Afforestation Project. The repair program of "Repair Cycle" continues to assist disadvantaged families to improve their lives, and the program also allows the Company to enter the community to demonstrate the construction profession, to strengthen social resilience, and to demonstrate the corporate sustainability value.

III. Impacts of the external competitive environment, regulatory environment and overall business environment

The global economy in recent years has been affected by the Russo-Ukrainian War and extreme climate change, resulting in a shortage of raw material supplies and an increase in construction costs. To control inflation, central banks of various countries have adopted the policy of interest rate increase. The interest rate in Taiwan has also been increased, causing the financing cost to increase, and further elevating the challenges faced by the construction industry in terms of shortage of labor and raw materials. Nevertheless, as the government continues to promote public construction and infrastructure, and high-tech companies actively expand their factories, these positive factors have brought new momentum to the construction industry. The Company adopts the strategies of flexible procurement, adjustment of construction schedule, and integration of technology applications, in order to mitigate the impact of cost increase and manpower shortage. In addition, we also promote construction automation and human-machine smart cooperation to improve the efficiency, thereby achieving sustainable construction outcomes of joint growth of the proprietors, suppliers and employees.

IV. Future Development

Looking to the future, the Company will accelerate the pace of sustainable transformation. Apart from focusing on the construction business, we have been strengthening our core competitiveness striving to achieve the goals of the Group's sustainable strategy blueprint. It consists of five major ESG pillars, namely, "implementing corporate governance", "promoting low-carbon engineering transformation", "creating a sustainable supply chain," "digital service innovation," and "employee well-being and social inclusion". Through the use of innovative technologies to reduce the impact of buildings on the environment and continue to care for the local and the disadvantaged, we are moving toward the sustainability goals in fulfilling our corporate responsibilities to the shareholders and society, and in turn create a better future.

Wishing you

Good health and all the best

Kedge Construction Co., Ltd.
Chairman Ai-Wei Yuan

Two. Corporate Governance Report

I. Information on Directors, Independent Directors, Presidents, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches:

(I) Information on Directors and Independent Directors:

March 28, 2025 (Unit: shares)

Job title (Note 1)	Nationality or place of registration	Name	Gender/Age	Date of Election (Inauguration)	Term of office (years)	Date of initial election (Note 2)	Shares Held at the Time of Election		Current number of shares held		Shares held by spouse and underage children		Shareholding by nominee arrangement		Main experience (academic) (Note 3)	Current adjunct positions at the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Remark (Note 4)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
Chairman	Republic of China	Kindom Development Co., Ltd. Representative: Ai-Wei Yuen	Male 61~70 years old	2023.06.02	3	2014.06.17	39,872,544 -	34.18% -	42,093,444 -	34.18% -	-	-	-	-	Department of Civil Engineering, National Taiwan University	Chairman, Kedge Construction Co., Ltd.	-	-	-	-
Director	Republic of China	Kindom Development Co., Ltd. Representative: Mike Ma	Male 41~50 years old	2023.06.02	3	2020.06.15	39,872,544 2,014,046	34.18% 1.73%	42,093,444 2,126,227	34.18% 1.73%	-	-	-	-	Master of Statistics, Columbia University	1. Chairman, Kindom Development Co., Ltd. 2. Chairman, Global Mall Co., LTD. 3. Director, Yu-De Investment Co., Ltd. 4. Director, Kuan Ching Electromechanical 5. Director of Jiequn Investment Co., Ltd. 6. Director, Guan Ding Global Co., Ltd. 7. Kindom Yu San Education Foundation Director	-	-	-	-
Director	Republic of China	Kindom Development Co., Ltd. Representative: Sui-Chang Liang	Male 61~70 years old	2023.06.02	3	-	39,872,544 -	34.18% -	42,093,444 -	34.18% -	-	-	-	-	Department of Law, National Taiwan University	1. Principal, Sui-Chang Liang Law Firm 2. Kindom Yu San Education Foundation Supervisor 3. Director, Kindom Development Co., Ltd.	-	-	-	-
Director	Republic of China	Kindom Development Co., Ltd. Representative: Chen-Tan He	Male 71~80 years old	2023.06.02	3	-	39,872,544 -	34.18% -	42,093,444 -	34.18% -	-	-	-	-	Master of Arts, University of Virginia	1. Director, Kindom Development Co., Ltd. 2. Independent Director, PChome Online Inc. 3. Independent Director, Groundhog Inc.	-	-	-	-
Director	Republic of China	Kindom Development Co., Ltd. Representative: Yi-Fang Huang	Male 61~70 years old	2023.06.02	3	2014.03.13	39,872,544 -	34.18% -	42,093,444 -	34.18% -	-	-	-	-	Department of Civil Engineering, National Taiwan University	President, Kedge Construction Co., Ltd.	-	-	-	-
Director	Republic of China	Kindom Development Co., Ltd. Representative: Chun-Ming Chen	Male 51~60 years old	2023.06.02	3	-	39,872,544 759	34.18% -	42,093,444 800	34.18% -	10,200	-	-	-	Department of Civil Engineering, National Chiao Tung University	1. President, Kedge Construction Co., Ltd. 2. Chairman, Dingtian Construction Co., Ltd.	-	-	-	-
Independent Directors	Republic of China	Hung-Chin Huang	Male 61~70 years old	2023.06.02	3	2017.06.19	-	-	-	-	-	-	-	-	Master of Accounting, Shanghai University of Finance and Economics	1. Independent director, Kindom Development Co., Ltd. 2. CPA, Heng Hui Accounting Firm 3. Assistant Professor, Department of Accounting, Fu Jen Catholic University	-	-	-	-
Independent Directors	Republic of China	Shen-Yu Kung	Male 61~70 years old	2023.06.02	3	2017.06.19	-	-	-	-	-	-	-	-	Master of Business Administration, National Chengchi University	1. Independent director, Kindom Development Co., Ltd. 2. Chief Investment Officer, Sinar Mas Paper (China) Investment Co., Limited 3. Corporate Director Representative, PharmaEssentia Corp. 4. Independent director, Ever Power Ipp Co., Ltd.	-	-	-	-
Independent Directors	Republic of China	Kuo-Feng Lin	Male 71~80 years old	2023.06.02	3	2020.06.15	-	-	-	-	-	-	-	-	PhD, Civil Engineering, University of Pittsburgh, USA	1. Independent director, Kindom Development Co., Ltd. 2. Distinguished Professor, Department of Civil Engineering, National Taiwan University 3. Independent Director, Ruentex Engineering & Const.Co 4. Independent Director, TaiMed Biologics Inc.	-	-	-	-

Table 1. Major Shareholders of Corporate Shareholders:

March 28, 2025

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Kindom Development Co., LTD.	Yu-De Investment Co., Ltd. (19.12%)
	Mei-Chu Liu (11.64%)
	Mike Ma (2.27%)
	J.P. Morgan Chase Bank, N.A. Taipei Branch entrusted for custody of J.P. Morgan Securities Investment Account (2.25%)
	Guan Yi Investment Co., Ltd. (1.84%)
	Jiechun Investment Co., Ltd. (1.69%)
	Million Co., Ltd. (1.09%)
	Shao-Ling Ma (1.01%)
	Standard Chartered Bank Hong Kong - External Manager, Morgan Stanley (0.99%)
	Yi-Mou Chen (0.96%)

Table 2: Major Shareholders of Institutional Shareholders in Table 1

March 28, 2025

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Yu-De Investment Co., Ltd.	Cathay United Trust Property Segregation Account (43.70%); Mike Ma (29.92%); Siu-Ling Ma (13.19%); Ming-Hua Ma (13.19%)
Guan Yi Investment Co., Ltd.	Kai-Chou Li (14.73%); Kai-Ting Li (14.71%); Yi-Mou Chen (8.97%); Ming Chen (17.08%); Kun-Chi Li (8.70%); Mi-Mi Hung (7.63%), Chao-Feng Chen (0.13%)
Jiechun Investment Co., Ltd.	Kedge Construction Co., Ltd. (99.98%); Mei-Chu Liu (0.005%); Shao-Ling Ma (0.005%); Rung-Tai Chen (0.005%); Kun-Chi Li (0.005%)

(II) Information on Directors and Independent Directors and Professional Knowledge and Independence of Directors and Independent Directors

1. Disclosure of professional qualification of directors and independence of independent directors:

March 28, 2025

Condition Name	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Concurrent position in other public companies Number of directors
Chairman Ai-Wei Yuan	<ol style="list-style-type: none"> 1. He has extensive and complete qualifications within the Group and has served successively as Assistant Vice President of the Planning and Design Department, Vice President, Senior Vice President of the Company and Representative Director of the Company. 2. Equipped with comprehensive background in architectural planning and design, operational judgment, business management, industry knowledge and decision-making leadership ability and experience. 3. Currently serving as the Chairman of the Company. 4. Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act. 	(Not applicable)	None
Director Mike Ma	<ol style="list-style-type: none"> 1. Within the Group, he once served in the sales department and the development department of Kindom Development Corp., and successively served as the Vice President and President of Global Mall, the President of the development and investment department of the Company. Currently, he serves as the Chairman of the Global Mall and Director of the Company. 2. Equipped with comprehensive background in business management, operational judgment, business management, industry knowledge and decision-making leadership ability and experience. 3. At present, he is the Chairman of Kindom Development Corp. and Global Mall. 4. Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act. 	(Not applicable)	None
Director Chen-Tan He	<ol style="list-style-type: none"> 1. Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. 2. Director of the Company 3. Currently, he serves as the Independent Director of Groundhog Inc. 4. Not subject to the provisions of Article 30 of the Company Act. 	(Not applicable)	1
Director Sui-Chang Liang	<ol style="list-style-type: none"> 1. Possessed work experience in commerce, legal affairs, finance, accounting, or corporate operations. 2. Director of the Company 3. Responsible person of Sui-Chang Leung & Associates. 4. Not subject to the provisions of Article 30 of the Company Act. 	(Not applicable)	None
Director Yi-Fang Huang	<ol style="list-style-type: none"> 1. He has extensive experience in the industry and once served as President's Office, Assistant Vice President of the Engineering 	(Not applicable)	None

Condition Name	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Concurrent position in other public companies Number of directors
	<p>Project Department, Vice President of the Engineering System, and Vice President of the Civil Engineering Division. Currently, he serves as the President of the Company and the Company's Corporate Director Representative.</p> <p>2. Equipped with comprehensive background in civil engineering, operational judgment, business management, industry knowledge and decision-making leadership ability and experience.</p> <p>3. Not subject to the provisions of Article 30 of the Company Act.</p>		
Director Chun-Ming Chen	<p>1. He has extensive and complete qualifications within the Group, and once served as the Assistant Vice President of the Construction Department of the Company, Senior Assistant Vice President of the President Office, and Vice President of the Engineering Department. Currently, he serves as the President of the Company and the Company's Corporate Director Representative.</p> <p>2. Equipped with comprehensive background in civil engineering, operational judgment, business management, industry knowledge and decision-making leadership ability and experience.</p> <p>3. Not subject to the provisions of Article 30 of the Company Act.</p> <p>4.</p>	(Not applicable)	None
Independent Directors Hung-Chin Huang	<p>1. Convener of the Audit Committee and the Remuneration Committee. He has previously served in PwC Taiwan and served as Director of the Tax Agents Association. He is currently the Director of Heng Hui CPAs, Assistant Professor of Accounting Department of Fu Jen Catholic University, and Independent Director of Fu Jen Catholic University.</p> <p>2. Equipped with comprehensive background in finance and accounting, operational judgment, business management, industry knowledge and decision-making leadership ability and experience.</p> <p>3. Not subject to the provisions of Article 30 of the Company Act.</p>	<p>1. The Company's independent directors meet the requirements of independence.</p> <p>2. The director, his/her spouse, and relative within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. Does not hold any shares of the Company and is not a director, supervisor or employee of a company with a specific relationship with the Company.</p> <p>3. No compensation was obtained for providing commercial, legal, financial or accounting services to the Company or other affiliated companies in the last 2 years.</p>	1

<div>Condition</div> <div>Name</div>	Professional qualifications and experience (Note 1)	Status of independence (Note 2)	Concurrent position in other public companies Number of directors
Independent Directors Shen-Yu Kung	<ol style="list-style-type: none"> Member of the Audit Committee, has previously served as an independent director of Donpon Precision Inc. successively. Currently, he is the investment director of Gold Paper (China), representative of juristic person director of PharmaEssentia Corp., independent director of Ever Power Ipp Co., Ltd., and independent director of Kindom Development Corp.. Equipped with comprehensive background in business management, operational judgment, business management, industry knowledge and decision-making leadership ability and experience. Not subject to the provisions of Article 30 of the Company Act. 	<ol style="list-style-type: none"> The Company's independent directors meet the requirements of independence. The director, his/her spouse, and relative within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. Does not hold any shares of the Company and is not a director, supervisor or employee of a company with a specific relationship with the Company. No compensation was obtained for providing commercial, legal, financial or accounting services to the Company or other affiliated companies in the last 2 years. 	1
Independent Directors Kuo-Feng Lin	<ol style="list-style-type: none"> Member of the Audit Committee and the Remuneration Committee. Currently, he is a Distinguished Professor of the Department of Civil Engineering of National Taiwan University, an independent director of Ruentex Engineering & Const.Co and TaiMed Biologics, and an independent director of Kindom Development Corp.. Equipped with extensive professional knowledge in in civil engineering and technical background, operational judgment, industry knowledge and decision-making leadership ability and experience. Not subject to the provisions of Article 30 of the Company Act. 	<ol style="list-style-type: none"> The Company's independent directors meet the requirements of independence. The director, his/her spouse, and relative within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. Does not hold any shares of the Company and is not a director, supervisor or employee of a company with a specific relationship with the Company. No compensation was obtained for providing commercial, legal, financial or accounting services to the Company or other affiliated companies in the last 2 years. 	3

2. Diversity and independence of Board of Directors:

(1) Diversity of Board of Directors:

- A. To implement the diversity policy, the Company has formulated Article 20 of the “Corporate Governance Best Practice Principles” with respect to the Company’s operation, business model and development needs, in order to formulate an appropriate diversity policy, to strengthen corporate governance and promote the development of board composition and structure, including but not limited to the following two aspects:
- (a) Basic requirements and values: gender, age, nationality, and culture.
 - (b) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
- B. The Company’s board members should generally possess the knowledge, skills and literacy 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 main capabilities including: operational judgment, business management, industry knowledge, financial and accounting analysis, and leadership decision-making, and so on in order to grasp the possible impact of changes in the international market on the Company’s business strategy and provide necessary guidance on crisis management.
- C. The Company’s board of directors currently consists of nine directors. The specific management objectives and achievements of the board diversity policy are as follows:

Management Goal	Status of Achievement
The number of independent directors exceeds one third of the total number of directors.	Achieved
It is advisable that the number of directors who also serve as the Company’s managerial officers shall not exceed one-third of the total number of directors	Achieved
Independent directors who have served less than 3 terms	Achieved
Adequate and diversified professional knowledge and skills	Achieved

D. The diversity of the composition of the Board of Directors is shown in the following table:

Diversified Core Items Name of director		Basic composition					Professional ability					Background				
		Nationality	Gender	Age		Serving as an employee of the (parent) company concurrently	Business judgment	Business administration	Industry knowledge	Financial accounting analysis	Decision-making and leadership	Business	Laws	Construction civil engineering	Land management	Accounting
				40-59 years old	60 years old and above											
Director	Ai-Wei Yuan	Republic of China	Male		✓		✓	✓	✓		✓			✓		
Director	Mike Ma	Republic of China	Male	✓			✓	✓	✓	✓	✓	✓				
Director	Sui-Chang Liang	Republic of China	Male		✓		✓	✓	✓		✓		✓			
Director	Yi-Fang Huang	Republic of China	Male		✓	✓	✓	✓	✓		✓			✓		
Director	Chen-Tan He	Republic of China	Male		✓		✓	✓	✓	✓	✓	✓		✓		
Director	Chun-Ming Chen	Republic of China	Male	✓		✓	✓	✓	✓		✓			✓		
Independent Directors	Hung-Chin Huang	Republic of China	Male		✓		✓	✓	✓	✓	✓					✓
Independent Directors	Shen-Yu Kung	Republic of China	Male		✓		✓	✓	✓	✓	✓	✓				
Independent Directors	Kuo-Feng Lin	Republic of China	Male		✓		✓		✓		✓			✓		

E. Diversity management: Article 20 of the Company’s “Corporate Governance Best Practice Principles” stipulates that the composition of the board of directors should take diversity into account. The Company’s board of directors currently consists of 9 directors, including 6 directors and 3 independent directors. The directors have a wealth of experiences and professionalism crossing the fields of civil engineering, accounting and finance, business, law, and management. Furthermore, the Company also pays attention to gender equality in the composition of the Board of Directors. At this stage, the goal is to have at least one female director (we propose that for the election of next term of directors, we will evaluate and plan the nomination of candidates based on such management goal).

F. For information on the Board member diversity policy, please visit the Company’s website (<https://www.kedge.com.tw/>) or the Sustainability Report.

(2) Independence of Board of Directors:

A. The procedures for the election of all directors of the Company are open and fair, and comply with the Articles of Incorporation, the Regulations Governing the Election of Directors, the Corporate Governance Best Practice Principles, the

Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the Securities and Exchange Act According to Article 14-2". The Board of Directors is currently composed of 3 independent directors (33%) and 6 non-independent directors (67%). The term of independent directors shall not exceed three consecutive terms, and the number of independent directors of other public companies shall not exceed three concurrently, and the tenure of independent directors shall range from 3 to 8 years.

- B. The Company's Board of Directors is responsible for guiding the Company's strategies, supervising the management, and exercising its powers in accordance with laws and regulations, the Company's Articles of Incorporation, or the resolutions of the Shareholders' Meeting, and in accordance with the internal systems and arrangements of corporate governance, emphasizing independent operation and transparency, and all directors and independent directors exercise powers independently and with a high degree of self-discipline. When a proposal listed in the Board of Directors is in conflict with themselves or the legal person it represents, they shall explain the important content of the interest in that meeting of the Board of Directors, recused themselves from the discussion and voting due to conflict of interest, and that there shall be no other director exercising voting rights on behalf of him/her.
- (3) The number of female directors in the Board of Directors of the Company is less than one-third of the total number of directors. As the term of office of the directors has not expired, the Company intends to elect at least one female director for the next term of the Board of Directors. The Company aims to elect at least one female director as the management goal of the current stage, and to have the number of female directors representing at least one-third of the total number of directors as the long-term goal.

(3) Information on the President, Vice Presidents, Assistant Vice Presidents, and supervisors of various departments and branches:

March 28, 2025 (Unit: shares)

Title	Nationality	Name	Gender	Election (assumption) date	Number of shares held		Shares held by spouse and underage children		Shareholding by nominee arrangement		Main experience (academic) (Note 1)	Positions in other companies	Managers who are a spouse or a relative within the second degree of kinship			Remark (Note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
General Manager	Republic of China	Yi-Fang Huang	Male	2009.05.01	-	-	-	-	-	-	Department of Civil Engineering, National Taiwan University	-	-	-	-	-
General Manager	Republic of China	Chun-Ming Chen	Male	2006.03.01	800	-	10,200	0.01%	-	-	Department of Civil Engineering, National Chiao Tung University	Chairman, Dingtian Construction Co., Ltd.	-	-	-	-
Senior Vice President	Republic of China	Chin-Hua Fan	Male	2015.12.01	38,642	0.03%	2,619	-	-	-	Department of Civil Engineering, National Taiwan University	1. Chairman, Kuan Ching Electromechanical 2. Director, Kindom Yu San Education Foundation	-	-	-	-
Acting Vice President	Republic of China	Wen-Hsiung Chou (Note 3)	Male	2012.01.01	-	-	-	-	-	-	Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Acting Vice President	Republic of China	Chun-Cheng Liang	Male	2015.08.03	-	-	-	-	-	-	Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Acting Vice President	Republic of China	Hsien-Chin Chiu	Male	2012.01.01	-	-	-	-	-	-	Department of Civil Engineering, Tamkang University	-	-	-	-	-
Acting Vice President	Republic of China	Chih-Kuo Tseng	Male	2012.12.27	-	-	-	-	-	-	Department of Civil Engineering, National Taiwan University	Director, Kuan Ching Electromechanical	-	-	-	-
Senior Assistant V.P.	Republic of China	Chao-Ming Chen	Male	2010.12.20	-	-	-	-	-	-	Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Senior Assistant V.P.	Republic of China	Li-Ya Chen	Female	2018.01.01	-	-	-	-	-	-	Institute of Business Administration, Chung Yuan Christian University	-	-	-	-	-
Senior Assistant V.P.	Republic of China	Chong-Te Hsiao	Male	2014.07.01	-	-	-	-	-	-	Department of Civil Engineering, Nan Ya University of Technology	-	-	-	-	-
Senior Assistant V.P.	Republic of China	Wen-Chin Lee	Male	2013.09.01	-	-	-	-	-	-	Department of Architecture, Hwa Hsia University of Technology	-	-	-	-	-
Senior Assistant V.P.	Republic of China	Ru-Ping Chang	Male	2018.08.16	-	-	-	-	-	-	Department of Conservation Technology, Pingtung Institute of Technology	-	-	-	-	-
Senior Assistant V.P.	Republic of China	Ming-Chung Lin	Male	2016.10.01	-	-	-	-	-	-	Department of Business Administration, Hsuan Chuang University	-	-	-	-	-
Senior Assistant V.P.	Republic of China	Chun-Jen Huang (Note 3)	Male	2020.06.01	-	-	-	-	-	-	Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Assistant Vice President	Republic of China	Chin-Chih Hsu	Male	2016.12.01	-	-	-	-	-	-	Department of Civil Engineering, National Central University	-	-	-	-	-

Title	Nationality	Name	Gender	Election (assumption) date	Number of shares held		Shares held by spouse and underage children		Shareholding by nominee arrangement		Main experience (academic) (Note 1)	Positions in other companies	Managers who are a spouse or a relative within the second degree of kinship			Remark (Note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
Assistant Vice President	Republic of China	Hsu-Yuan Yeh	Male	2018.01.16	-	-	-	-	-	-	Institute of Architecture, National Cheng Kung University	-	-	-	-	-
Assistant Vice President	Republic of China	Chia-Hsing Li	Male	2019.07.08	20,609	0.02%	1,271	-	-	-	Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Assistant Vice President	Republic of China	Wei-Wen Chen	Male	2021.01.01	17,062	0.01%	1,160	-	-	-	Department of Civil Engineering, National Taiwan University	-	-	-	-	-
Assistant Vice President	Republic of China	Hui-Kuo Hsu	Male	2023.03.20	-	-	-	-	-	-	Department of Electrical Engineering, St. John's University	-	-	-	-	-
Assistant Vice President	Republic of China	Ming-Hsiu Lee	Male	2021.01.18	-	-	-	-	-	-	Institute of Construction Engineering, National Taiwan University of Science and Technology	-	-	-	-	-
Assistant Vice President	Republic of China	Yu-Da Wang	Male	2022.04.01	-	-	-	-	-	-	Department of Civil Engineering, Tamkang University	-	-	-	-	-
Assistant Vice President	Republic of China	Yi-Long Shih	Male	2022.04.01	-	-	-	-	-	-	Department of Architecture, National Taiwan University	-	-	-	-	-
Assistant Vice President	Republic of China	Po-Ming Liu	Male	2022.10.01	-	-	-	-	-	-	Department of Harbor & River Engineering, National Taiwan Ocean University	-	-	-	-	-
Assistant Vice President	Republic of China	Chih-Sheng Lin	Male	2022.10.01	-	-	-	-	-	-	Department of Civil Engineering, National Central University	-	-	-	-	-
Acting Assistant Vice President	Republic of China	Hsin-Wei Chen	Male	2023.05.12	-	-	-	-	-	-	Department of Construction Engineering, Hwa Hsia University of Technology	-	-	-	-	-
Acting Assistant Vice President	Republic of China	Tsung-Hsi Li	Male	2023.05.12	-	-	-	-	-	-	Department of Industrial Engineering and Engineering Management, Diwan University	-	-	-	-	-
Acting Assistant Vice President	Republic of China	Yu-Hua Chen	Male	2023.05.12	-	-	-	-	-	-	Department of Civil Engineering, Tamkang University	-	-	-	-	-
Acting Assistant Vice President	Republic of China	Hung-Fu Sun (Note 3)	Male	2024.11.08	-	-	-	-	-	-	Graduate Institute of Civil Engineering, National Chung Hsing University	-	-	-	-	-
Accounting Supervisor	Republic of China	Fang-Chia Chang	Female	2023.01.01	28,121	0.02%	52,996	0.04%	-	-	Department of Accounting, Tamkang University	-	-	-	-	-
Financial Supervisor	Republic of China	Si-Fan Pan	Female	2023.01.01	-	-	-	-	-	-	Institute of Finance, National Taiwan University of Science and Technology	Supervisor of Jiequn Investment Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Election (assumption) date	Number of shares held		Shares held by spouse and underage children		Shareholding by nominee arrangement		Main experience (academic) (Note 1)	Positions in other companies	Managers who are a spouse or a relative within the second degree of kinship			Remark (Note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
Corporate Governance Officer	Republic of China	Hsin-Yu Li	Female	2023.11.10	-	-	-	-	-	-	Master of Law, National Taipei University	-	-	-	-	-

Note 1: None of the above personnel had any work experience in the Company's attesting CPA firm or any affiliated company during the aforementioned period.

Note 2: When the President or equivalent job position(highest managerial officer) is the same as the Chairman or is in the relationship of spouse or relative of first degree of kinship with the Chairman, relevant information on the reason, reasonability, necessity and countermeasures(such as) method of increase of the number of independent directors, a majority of directors not currently acting as employee or managerial officer, etc.) shall be disclosed: The Company's Chairman and President of equivalent job position are not the same person.

Note 3: Wen-Hsiung Chou resigned on February 28, 2025; Chun-Jen Huang was relieved of duty on September 23, 2024; Hung-Fu Sun assumed the position on November 8, 2024.

II. Remuneration Paid to Directors, Independent Directors, Presidents and Vice Presidents, etc., in the Most Recent Year

(I) Remuneration of Directors and Independent Directors:

Unit: NT\$ thousand

Job title	Name	Remuneration of directors								Total of four items of A+B+C+D as a percentage of net income after tax		Remuneration for concurrently serving as an employee								Total of seven items of A+B+C+D+E+F+G as a percentage of net income after tax		Remuneration from investee other than subsidiaries or from the parent company		
		Remuneration (A)		Severance and pension payment (B)		Remuneration of directors (C) (Note 1)		Expenses for execution of business (D) (Note 2)				Salary, bonus and special allowance (E)		Severance and pension (F) (Note 4)		Remuneration of employees (G) (note 3)								
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
																		Cash amount	Amount of shares	Cash amount	Amount of shares			
Director	Representative of Kindom Development Co., Ltd.: Ai-Wei Yuen	-	-	-	-	23,672	23,672	1,920	2,060	25,592 2.93%	25,732 2.94%	13,593	13,593	1,296	1,296	5,429	-	5,429	-	45,910 5.25%	46,050 5.27%	17,358		
	Representative of Kindom Development Co., Ltd.: Mike Ma																							
	Representative of Kindom Development Co., Ltd.: Yi-Fang Huang																							
	Representative of Kindom Development Co., Ltd.: Chun-Ming Chen																							
	Representative of Kindom Development Co., Ltd.: Chen-Tan He																							
	Representative of Kindom Development Co., Ltd.: Sui-Chang Liang																							
Independent Directors	Hung-Chin Huang	1,800	1,800	-	-	-	-	-	-	1,800 0.21%	1,800 0.21%	-	-	-	-	-	-	-	-	1,800 0.21%	1,800 0.21%	2,120		
	Shen-Yu Kung																							
	Kuo-Feng Lin																							
<div>1. Please describe the payment policy, system, standard and structure for remuneration of independent directors, and explain the relationship with the remuneration payment according to the job duties handled, risks and time invested, etc.: According to the provisions of the Articles of Incorporation, remuneration is paid to independent directors on a monthly basis, and independent directors shall not participate in the annual distribution of remuneration of directors.</div> <div>2. In addition to the disclosure of the table above, , the remuneration collected by directors of the Company for providing services to all companies listed in the financial report (such as acting as non-employee consultant): None.</div>																								

Remuneration brackets table

Breakdown of remuneration to directors of the Company	Name of director			
	Sum of the first four remunerations (A+B+C+D)		Sum of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements (H)	The Company	All companies included in the financial statements (I)
Less than NT\$1,000,000	Mike Ma, Yi-Fang Huang, Ai-Wei Yuan, Chun-Ming Chen, Chen-Tan He, Sui-Chang Liang, Hung-Chin Huang, Shen-Yu Kung, Kuo-Feng Lin	Mike Ma, Yi-Fang Huang, Ai-Wei Yuan, Shih-Hsuan Chou, Chun-Ming Chen, Chen-Tan He, Sui-Chang Liang, Hung-Chin Huang, Shen-Yu Kung, Kuo-Feng Lin	Mike Ma, Shen-Yu Kung, Hung-Chin Huang, Kuo-Feng Lin, Chen-Tan He, Sui-Chang Liang	Mike Ma, Shen-Yu Kung, Hung-Chin Huang, Kuo-Feng Lin, Shih-Hsuan Chou, Chen-Tan He, Sui-Chang Liang
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	Yi-Fang Huang, Chun-Ming Chen	Yi-Fang Huang, Chun-Ming Chen
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	Ai-Wei Yuan	Ai-Wei Yuan
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Kindom Development Co., Ltd.	Kindom Development Co., Ltd.	Kindom Development Co., Ltd.	Kindom Development Co., Ltd.
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
100,000,000 or more	-	-	-	-
Total	Institutional shareholder: 1 Legal representative: 6 Natural person: 3	Institutional shareholder: 1 Legal representative: 7 Natural person: 3	Institutional shareholder: 1 Legal representative: 6 Natural person: 3	Institutional shareholder: 1 Legal representative: 7 Natural person: 3

Note 1: The Board of Directors approved the 2024 directors' remuneration on March 7, 2025.

Note 2: It includes the depreciation and oil allowance of the company cars for the directors concurrently serving as managerial officers who are not independent directors.

Note 3: The 2024 employees' remuneration and the amount expected to be distributed to directors concurrently serving as managerial officers were approved by the Board of Directors on March 7, 2025.

Note 4: The above amount does not include the pension fund of NT\$201 thousand that should be appropriated in accordance with the law.

*The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for tax purpose.

(II) Remuneration of Presidents and Vice Presidents:

Unit: NT\$ thousand

Job title	Name	Salary (A)		Severance and pension payment (B)		Bonuses and allowances (C) (Note 1)		Employees' remuneration (D) (Note 2)				Total of four items of A+B+C+D as a percentage of net income after tax (%)		Remuneration from investees other than subsidiaries or from the parent company (Note 3)
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
General Manager	Yi-Fang Huang	17,437	17,437	1,296	1,296	10,604	11,056	12,646	-	12,646	-	41,983 4.80%	42,435 4.85%	None
General Manager	Chun-Ming Chen													
Senior Vice President	Chin-Hua Fan													
Acting Vice President	Chih-Kuo Tseng													
Acting Vice President	Wen-Hsiung Chou													
Acting Vice President	Chun-Cheng Liang													
Acting Vice President	Hsien-Chin Chiu													
Project Vice President	Ming-Chung Lin													
Project Vice President	Ru-Ping Chang													

* All personnel who hold positions equivalent to President or Vice President (such as: President, CEO, Director, etc.) shall be disclosed.

Remuneration brackets table

Breakdown of remuneration to the President and Vice Presidents of the Company	Name of general manager and deputy general manager	
	The Company	All companies included in the financial statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Chih-Kuo Tseng, Wen-Hsiung Chou, Chun-Cheng Liang, Ming-Chung Lin	Chih-Kuo Tseng, Wen-Hsiung Chou, Chun-Cheng Liang, Ming-Chung Lin
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Ru-Ping Chang	Ru-Ping Chang
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Yi-Fang Huang, Chun-Ming Chen, Chin-Hua Fan, Hsien-Chin Chiu	Yi-Fang Huang, Chun-Ming Chen, Chin-Hua Fan, Hsien-Chin Chiu
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
100,000,000 or more	-	-
Total	9 people	9 people

Note 1: It includes the depreciation and oil allowance of the company cars.

Note 2: The 2024 employees' remuneration and the amount for distribution to directors concurrently serving as managerial officers were approved by the Board of Directors on March 7, 2025.

Note 3: Remuneration refers to the compensation, compensation (including compensation to employees, directors, and supervisors) and compensation received by the Company's President and Vice Presidents for serving as directors, supervisors, or managers of invested businesses other than subsidiaries or of the parent company and business execution expenses and other related remuneration.

*The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for tax purpose.

(III) Name of Managerial officers for Distribution of Remuneration of Employees and Distribution Status:

March 28, 2025; Unit: NT\$ thousand

	Job title	Name	Amount of shares	Cash amount	Total	Proportion of total amount to net profit after tax (%)
Managerial Officer	General Manager	Yi-Fang Huang	-	21,597	21,597	2.47%
	General Manager	Chun-Ming Chen				
	Senior Vice President	Chin-Hua Fan				
	Acting Vice President	Wen-Hsiung Chou				
	Acting Vice President	Chun-Cheng Liang				
	Acting Vice President	Hsien-Chin Chiu				
	Acting Vice President	Chih-Kuo Tseng				
	Senior Assistant V.P.	Chao-Ming Chen				
	Senior Assistant V.P.	Li-Ya Chen				
	Senior Assistant V.P.	Chong-Te Hsiao				
	Senior Assistant V.P.	Wen-Chin Lee				
	Senior Assistant V.P.	Ru-Ping Chang				
	Senior Assistant V.P.	Ming-Chung Lin				
	Senior Assistant V.P.	Chun-Jen Huang				
	Assistant Vice President	Chin-Chih Hsu				
	Assistant Vice President	Hsu-Yuan Yeh				
	Assistant Vice President	Chia-Hsing Li				
	Assistant Vice President	Wei-Wen Chen				
	Assistant Vice President	Po-Ming Liu				
	Assistant Vice President	Chih-Sheng Lin				
	Assistant Vice President	Ming-Hsiu Lee				
	Assistant Vice President	Yu-Da Wang				
	Assistant Vice President	Yi-Long Shih				
	Assistant Vice President	Hui-Kuo Hsu				
	Acting Assistant Vice President	Hsin-Wei Chen				
	Acting Assistant Vice President	Tsung-Hsi Li				
	Acting Assistant Vice President	Yu-Hua Chen				
	Acting Assistant Vice President	Hung-Fu Sun				

Note 1: The 2024 employees' remuneration and the amount expected to be distributed to managerial officers were approved by the Board of Directors on March 7, 2025.

Note 2: This table discloses the name of managerial officers qualified for receiving the employees' remuneration and the distribution status; however, the actual list of names and amount of the distribution shall still refer to the managerial officers still at the job positions during the time of the distribution.

- (IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial statements, as paid by the Company and by all companies included in the consolidated financial statements in the most recent two years to directors, supervisors, presidents and vice presidents, and analyze and describe remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

Unit: NT\$ thousand

Job title	Percentage of total remuneration to net income			
	2024		2023	
	The Company	All companies in the consolidated statements	The Company	All companies in the consolidated statements
Director	47,710 5.46%	47,850 5.48%	55,189 5.57%	55,537 5.61%
Presidents and Vice Presidents	41,983 4.80%	42,435 4.85%	32,263 3.26%	32,611 3.29%
Total	89,693 10.26%	90,285 10.33%	87,452 8.83%	88,148 8.90%

1. The remuneration of directors (including independent directors) of the Company and all companies included in the consolidated financial statements in 2024 was NT\$47,710 thousand and NT\$47,850 thousand, respectively, decreased by NT\$7,479 thousand and NT\$7,687 thousand from 2023, respectively. The ratio of 2024 remuneration over the net income after tax was 5.46% and 5.48%, respectively, decreased by 0.11% and 0.13% from 2023, respectively, which was mainly due to the decrease in profit in 2024 in comparison to 2023, such that the ratio of remunerations of directors and employees appropriated was slightly decreased. Such change is considered reasonable.
2. The remuneration of Presidents and Vice Presidents paid of the Company and all companies included in the consolidated financial statements in 2024 were NT\$41,983 thousand and NT\$42,435 thousand, respectively, increased by NT\$9,720 thousand and NT\$9,824 thousand from 2023, respectively. The ratio of 2024 remuneration over the net income after tax was 4.80% and 4.85%, respectively, increased by 1.54% and 1.56% from 2023, respectively, which was mainly due to the promotion of two Vice Presidents in 2024 as well as the increase of salary and distribution of construction bonuses, such that the 2024 remuneration increase from 2023. Such change is considered reasonable.
3. In view of the above, the ratio of the total remuneration of directors (including independent directors), Presidents, and Vice Presidents of the Company and all companies included in the consolidated financial statements in 2024 over the net income after tax increased from 8.90% in 2023 to 10.33%. Such change is considered reasonable.
4. Policy, standard and combination for payment of remuneration, establishment of procedure of remuneration:

The Company regularly evaluates the remuneration policy of directors and senior managers based

on the results of the evaluation conducted in accordance with the “Regulations Governing the Board Performance Evaluation” and the “Regulations Governing the Evaluation of Employees of Kedge Construction” applicable to senior managers. The Company has established the “Regulations Governing the Performance Evaluation and Remuneration of Directors and Managerial Officers” with reference to the salary level of the positions in the industry market, along with the consideration of the responsibilities of the position in the Company, the scope of responsibility, service years, achievement of personal goals, and contribution level to the Company’s performance, in order to distribute reasonable remuneration based on the overall performance of the Company, future business risks, individual performance evaluation, and individual contribution level to the Company’s performance.

- (1) The remuneration to directors (including independent directors) is determined by the Board of Directors in accordance with Article 18 of the Articles of Incorporation. The Board of Directors is authorized to determine the remuneration based on the level of participation and contribution of directors (including independent directors) to the Company’s operations and the common standards adopted in the same industry. In addition, when the Company has a profit after the final account of a fiscal year, according to Article 22 of the Articles of Incorporation, no more than 2% of the profit shall be appropriated as remuneration of directors, and independent directors shall not participate in the annual distribution of remuneration. The Company periodically (internally and externally) assesses the remuneration of directors according to the “Rules for Performance Evaluation of Board of Directors”, and relevant performance evaluation and salary reasonableness are reviewed by the Remuneration Committee and the Board of Directors.
- (2) The remuneration of the Presidents and Vice Presidents shall be determined by the Chairperson of the Board of Directors in accordance with Article 20 of the Articles of Incorporation and the remuneration of the managerial officers, including Presidents, Vice Presidents and Assistant Vice Presidents, shall be determined by the Board of Directors in accordance with the employee salary ranking table, rules for sales performance bonuses, rules for employee review, etc., which shall also be reported to the Remuneration Committee for review and approval according to the regulations of the Company Act and the Securities and Exchange Act and submitted to the Board of Directors for resolution. In addition, if there is a profit in a fiscal year, 0.5% or more of the profit shall be appropriated as remuneration of employees in accordance with Article 22 of the Articles of Incorporation.

Relevant performance evaluation and remuneration reasonableness of directors and managerial officers of the Company are periodically evaluated and reviewed by the Remuneration Committee and the Board of Directors annually. In addition to the review of individual performance achievement rate and contribution to the Company, the overall operation performance, industry future risk and development trend of the Company are also considered. Furthermore, the actual operation status and relevant laws and regulations are reviewed timely with respect to the remuneration system, and the current corporate

governance trend is comprehensively considered, in order to provide reasonable remuneration. The policy, standard and combination for payment of remunerations to directors, supervisors, presidents and vice presidents of the Company and all companies in the consolidated statements, as well as the procedures for establishment of remunerations thereof in 2024 are consistent with those in 2023.

5. Correlation between business performance and future risk:

- (1) The remuneration and business execution expenses of directors in 2024 refer to the remuneration of independent directors and the business execution expenses of non-independent directors resolved by the Board of Directors, for which the common standards adopted by other public companies are considered to have low relevance to the industry attribute and profitability of the Company. Nevertheless, said remuneration and expenses are considered to be reasonable.
- (2) The remuneration to directors for 2024 is determined based on Article 22 of the Articles of Incorporation of the Company. The proposal has been submitted to the Remuneration Committee and approved by the Board of Directors on February 25, 2025. The performance self-evaluation results of the Board of Directors and Board members in 2024 were all above the standard. The directors' remuneration of NT\$23,672 thousand accounted for approximately 2.71% of the profit in 2024, which was mainly linked to the Company's profit and operating performance. The evaluation items include but are not limited to: number of new contracts, project investment achievement rate, gross margin achievement rate, EPS, ESG sustainable development (including promotion of corporate governance, ethical management, risk control, implementation of compliance and realization of the Company's five major sustainability goals), etc. The independent directors receive monthly compensation and do not participate in the distribution of annual directors' remuneration. The corporate director representatives who are not independent directors do not receive directors' remuneration.
- (3) According to Article 20 of the Company's Articles of Incorporation, the remuneration of managerial officers includes the Presidents, Vice Presidents and other managerial officers, which shall be determined by the Board of Directors. For the remuneration of senior managerial officers, in addition to that performance evaluation is conducted based on the key performance indicators (KPI) at the end of each year, the key performance indicators include but are not limited to: the number of new contracts, construction investment achievement rate, gross margin achievement rate, EPS, ESG sustainable development, etc., factors of the future industrial operation risks and development trend, and the Company's short, medium and long-term plans and implementation status are also considered and are also linked to the remuneration distribution, in order to ensure the balance between the Company's sustainable operation and risk control.
- (4) In the future, the Company will strengthen the long-term performance reward mechanism, which will be linked to the rewards for senior managerial officers and the Company's mid- and long-term performance, thereby enhancing the employees' cohesion and recognition towards the Company and sharing the Company's operating outcomes with

employees.

6. For relation information on the performance evaluation and remunerations of directors and managerial officers, please visit the Company's website (<https://www.kedge.com.tw/>) or the Sustainability Report.

III. Corporate governance:

(I) Information on the operation of the Board of Directors:

The Board of Directors held 6 meetings (A) in the most recent year, and the attendance status is as follows:

Job title	Name (Note 1)	Actual attendance rate (B)	Frequency of attendance by proxy	Actual attendance (as observers) rate (%) [B/A] (Note 2)	Remarks
Chairman	Kindom Development Co., Ltd. Representative: Ai-Wei Yuen	6	0	100.00%	Required attendance: 6 times
Director	Kindom Development Co., Ltd. Representative: Mike Ma	6	0	100.00%	Same as above
Director	Kindom Development Co., Ltd. Representative: Chen-Tan He	5	1	83.33%	Same as above
Director	Kindom Development Co., Ltd. Representative: Sui-Chang Liang	6	0	100.00%	Same as above
Director	Kindom Development Co., Ltd. Representative: Yi-Fang Huang	6	0	100.00%	Same as above
Director	Kindom Development Co., Ltd. Representative: Chun-Ming Chen	6	0	100.00%	Same as above
Independent Director	Hung-Chin Huang	6	0	100.00%	Same as above
Independent Director	Shen-Yu Kung	5	1	83.33%	Same as above
Independent Director	Kuo-Feng Lin	6	0	100.00%	Same as above

Other information to be disclosed:

I. If the operation of the board of directors meets any of the following circumstances, the date and session of the board of directors, the contents of the motions, the opinions of all independent directors, and the Company's handling of the opinions of the independent directors should be stated:

(I) Matters specified in Article 14-3 of Securities and Exchange Act:

Date of Board of Directors' Meeting	Session	Proposal Content	Opinion of independent directors and Company's handling for the opinions thereof
2024.03.12	6th Meeting of 12th Term	Proposal for cancellation of non-compete restrictions for Director Chun-Ming Chen of the Company.	The proposal was unanimously approved by all attending directors.
2024.11.08	10th Meeting of 12th Term	1. Proposal for amendment to parts of provisions of the "Procedure for the Acquisition or Disposition of Assets" of the Company. 2. Proposal for amendment to parts of the provisions of the "Rules of Procedure for Board of Directors Meetings".	
2024.12.20	11th Meeting of 12th Term	The Company's proposal for providing donation to the "Kindom Yu San Education Foundation" in 2025.	

(II) Except for the aforementioned matters, other resolutions of board meetings subject to dissenting opinions or qualified opinions and equipped with records or written statements: None.

II. For the execution status of recusal of directors due to conflicts of interest, the name of directors, proposal content, reasons of recusal and participation in voting shall be described:

(I) 6th Meeting of 12th Term on 2024.03.12

Agenda Content: Proposal for cancellation of non-compete restrictions for Director Chun-Ming Chen of the Company. Since Director Chun-Ming Chen was a stakeholder, he recused himself from the discussion and voting. The proposal was approved by the remaining attending directors without objection.

(II) 11th Meeting of 12th Term on 2024.12.20:

Agenda Content: Proposal for providing donation to the Kindom Yu San Education Foundation. Director Mike Ma and Director Sui-Chang Liang are both directors and supervisors of the Foundation. Since they were the stakeholders of this proposal, they recused themselves from the discussion and voting, and after the chair inquired for approved, the proposal was approved unanimously by other attending directors.

III. Board of Directors Evaluation Execution Status:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once annually	2024/01/01 ~ 2024/12/31	Overall Board of Directors	Internal self-evaluation of the Board of Directors "Self-Evaluation"	The evaluation items include: participation in the company's operations, improvement of the quality of the board of directors' decision-making,

				Questionnaire for Performance Evaluation of the Board of Directors”	composition and structure of the board of directors, election of directors and continuing education, and internal control, with a total of 45 evaluation indicators.
		2024/01/01 ~ 2024/12/31	Individual Board Member	Self-evaluation of individual directors “Self-Evaluation Questionnaire for Self-Evaluation of Board Performance”	The evaluation items include: director’s understanding of the company’s goals and mission, directors’ awareness of responsibilities, participation in the company’s operations, internal relationship management and communication, directors’ professionalism and continuing education, and internal control, and a total of 23 evaluation indicators.
		2024/01/01 ~ 2024/12/31	Functional committees (Audit Committee, Remuneration Committee, and Sustainability Committee)	Self-evaluation of functional committee members “Self-Evaluation Questionnaire for Performance Evaluation of Functional Committees”	Evaluation items include: participation in the company’s operations, awareness of functional committee responsibilities, improvement of functional committee decision-making quality, composition and selection of functional committee members, and internal control.
	The evaluation is conducted by an external professional independent institution once every three years	(The Company retained an external organization to conduct evaluation in 2022)	“Composition and Structure of the Board of Directors”, “Election and Continuing Education of Directors”, “Board of Directors’ Participation in Corporate Operations”, “Improving the Quality of Board of Directors’ Decision Making”, “Internal Control”, “Environmental, Social, and Governance” and “Creating Values” “ and so on.	The Taiwan Corporate Governance Association was commissioned to conduct the “data review”, “online self-evaluation questionnaire”, “on-site interview” and other methods, and to write an external assessment and analysis report.	<ol style="list-style-type: none"> 1. The Company may establish a formal orientation system for the new directors to help new directors perform their duties. 2. The company may report the implementation of corporate social responsibility or ESG to the shareholders’ meeting, and regularly report the planning of the succession system to the board of directors. <p>To improve the whistle-blowing mechanism, mailboxes can be set up for independent directors to send and receive reports in person, or an impartial and neutral professional organization can be commissioned as a window through which to receive reports.</p>

IV. Enhancements to the functionality of the Board of Directors in the current year and the most recent year (e.g. establishment of an Audit Committee, enhancement of information transparency, etc.) and evaluation of their implementation:

(I) To implement the following objectives of strengthening the functions of the board of

directors:

1. Members of the Board of Directors of the Company actively participated in the operation of the Board of Directors. The attendance rate of directors in 2024 and up to the printing date of the Annual Report reached 95.24%.
 2. The Company's Board members actively participate in various continuing educations. In 2024, all board members have spent a total of 66 hours of continuing education.
 3. The Audit Committee of the Company is composed of all independent directors to exercise its supervisory duties and achieve the goal of strengthening the functions of the Board of Directors.
 4. The Company upholds transparent operations and emphasizes the interests of shareholders. There is an "Investor Section" on the corporate website to provide relevant information and announce important resolutions of the Board of Directors.
- (II) At the end of each year, at least one evaluation is conducted for the overall operation of the Board of Directors, the performance of individual directors, and the performance evaluation of functional committees in accordance with the "Procedures for Performance Evaluation of the Board of Directors", and an independent professional institution or external experts and scholars are retained to conduct evaluation at least once every three years. The evaluation result of the performance of the Board of Directors in 2024 was good, which was reported to the Board of Directors and disclosed on the Company's website on March 7, 2025.

(II) Operations of Audit Committee:

The 2nd term of Audit Committee of the Company held 6 (A) meetings in 2024, and the attendance status is as follows:

Job title	Name (Note 1)	Actual attendance rate (B)	Frequency of attendance by proxy	Actual attendance (as observers) rate (%) “B/A” (Note 2)	Remarks
Independent Directors	Hung-Chin Huang	6	0	100.00%	Required attendance: 6 times
Independent Directors	Shen-Yu Kung	5	1	83.33%	Same as above
Independent Directors	Kuo-Feng Lin	6	0	100.00%	Same as above

Other information to be disclosed:

- I. The purpose of the Company’s Audit Committee is to assist the Board of Directors in monitoring the quality and integrity of the Company’s accounting, financial reporting process and financial control, as well as internal control, legal compliance and audit or potential risk management.
- II. All members of the 12th Board of Directors elected the independent Director Hung-Chin Huang as the convener. In addition to complying with the Company Act, the Securities and Exchange Act, and other standards and regulations announced by the competent authorities, the Company has also established the organizational charter of the Audit Committee, and the following matters as the primary focus of the review of the Audit Committee, including:
 1. Appropriate presentation of the Company’s financial statements, and effective implementation of accounting policies and procedures.
 2. Internal control, internal audit and related policies and procedures amendment and effective implementation.
 3. Amendment and effective implementation of the procedures for handling major asset or derivative transactions.
 4. Amendments and effective implementation of the Procedures for Handling Endorsement or Guarantee for Material Loan of Funds. .
 5. Offering, issuance or private placement of equity-type securities.
 6. Compliance with relevant laws and regulations for the Company’s purpose and business needs.
 7. Matters involving the interests of directors.
 8. Whistle-blowing and grievance reports related to ethical corporate management.
 9. Information security policies and procedures, fraud prevention plans, and project reports.
 10. Management and control of existing or potential risks of the Company.
 11. Appointment, dismissal, independence and performance of CPAs.
 12. Appointment and dismissal of financial, accounting or internal auditing officers.
- III. Where the operation of Audit Committee is subject to one of the following, the board meeting date, session, proposal content, dissenting opinion of independent directors, reserved opinions or major recommendation item content, resolution result of the Audit Committee meeting and the Company’s handling with respect to the opinions of the Audit Committee shall be described.

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Audit Committee Date and Term	Proposal Content	Dissenting opinions, qualified opinions, or major recommendations of independent directors	Resolution of the Audit Committee	Response of the Company to Opinions of Audit Committee
2nd Term 4th Meeting 2024.03.12	<ol style="list-style-type: none"> 1. The Company’s 2023 business report and financial statements 2. The Company’s 2023 earnings distribution proposal 3. Proposal for 2023 capital increase by retained earnings with issuance of new shares 	None	Agreed and approved by all attending committee members	Agreed and approved by all attending directors

	4. Proposal for cancellation of non-compete restrictions for Director Chun-Ming Chen of the Company 5. The Company's 2023 "Statement of Internal Control System"			
2nd Term 5th Meeting 2024.05.10	The Company's 2024 Q1 consolidated financial statements	None	Agreed and approved by all attending committee members	Agreed and approved by all attending directors
2nd Term 6th Meeting 2024.7.10	The Company awarded the tender from Central Region Engineering Office, Railway Bureau, MOTC	None	Agreed and approved by all attending committee members	Agreed and approved by all attending directors
2nd Term 7th Meeting 2024.8.9	1. The Company's 2024 Q2 consolidated financial statements 2. The Company awarded the tender from Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC)	None	Agreed and approved by all attending committee members	Agreed and approved by all attending directors
2nd Term 8th Meeting 2024.11.8	1. The Company's 2024 Q3 consolidated financial statements 2. Proposal for amendment to parts of the provision of the "Rules of Procedure for Board of Directors Meetings" and "Audit Committee Charter" of the Company. 3. Proposal for amendment to parts of provisions of the "Procedure for the Acquisition or Disposition of Assets" of the Company 4. Proposal for amendment of the system manual and parts of the procedure of the internal control system of the Company	None	Agreed and approved by all attending committee members	Agreed and approved by all attending directors
2nd Term 9th Meeting 2024.12.20	1. Proposal of the Company's 2025 audit plan 2. Assessment of the independence and suitability of the CPAs retained by the Company 3. Proposal for amendment to the Risk Management Policy and Regulations" of the Company 4. The Company awarded the tender from Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC)	None	Agreed and approved by all attending committee members	Agreed and approved by all attending directors

(II) In addition to the aforementioned matters, other motions without approval by the Auditing Committee but passed by the board of the directors with the consents of more than two-thirds of the directors: None.

IV. Recusal of independent directors due to conflict of interest, with independent directors' names, content of the motions, reasons for recusal, and participation of voting specified: None.

V. Communication between independent directors and internal auditing officers and accountants (including major issues, methods, and results of communication on the Company's financial and business status).

(I) The Company's independent directors have direct communication channels with the internal audit officer and CPAs; they conduct regular inspections of the Company's financial and business conditions as required by the competent authority, and communicate directly with the management and governance units.

1. The Company's internal audit officer regularly reports on internal audits at quarterly Audit Committee meetings. The implementation of audited operations, the improvement and follow-up of identified defects, and their results have been fully communicated. The internal audit officer provides monthly written audit reports to

independent directors, and conducted individual project business reports in accordance with the recommendations of each independent director.

2. The Company's CPAs, at the Audit Committee's meeting or at a separate meeting convened before and after the annual audit of the Ministry of Finance, to report to the independent directors on the key audit matters, financial status and audit results of the Company and its subsidiaries, and to report on the internal control recommendations.

- (II) The communication between independent directors and the internal audit officer is good. The main communication matters in 2024 are summarized as follows:

Date	Communication matters	Recommendations and results
4th Meeting of 2nd Term 2024.03.12	Audit business report for October 2023 to January 1, 2024	Reported to the Audit Committee and the Board of Directors, without objection from the independent directors.
5th Meeting of 2nd Term 2024.05.11	Audit business report from February to March 2024	Reported to the Audit Committee and the Board of Directors, without objection from the independent directors.
7th Meeting of 2nd Term 2024.08.09	Audit business report from April to June 2024	Reported to the Audit Committee and the Board of Directors, without objection from the independent directors.
8th Meeting of 2nd Term 2024.11.08	Audit business report from July to September 2024	Reported to the Audit Committee and the Board of Directors, without objection from the independent directors.
Independent communication meeting between independent directors and internal auditing officers 2024.10.23	Audit business integration report from January to September 2024	The independent directors had no objection.
9th Meeting of 2nd Term 2024.12.20	2025 Internal audit plan	Reported to the Audit Committee and the Board of Directors, without objection from the independent directors.

- (III) The communication between independent directors and the CPAs is good. The main communication matters in 2024 are summarized as follows:

Audit Committee Meeting	Communication matters	Result of communication
Communication of Key Audit Matters in Financial Statements 2024.03.12	Results of audit on the 2023 financial statements and key audit matters are described.	The independent directors had no objection.
2024.08.09	2024 Q2 communication of financial statements review communication and educational promotion on updates of important laws and regulations.	The independent directors had no objection.

(III) Status of corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance best-practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company and its subsidiaries (hereinafter referred to as the “consolidated company”) have established the “Corporate Governance Best Practice Principles” in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, and it is disclosed on the Company’s website and MOPS. The consolidated company always pays attention to the development of domestic and foreign corporate governance and changes in the corporate environment, and continues to revise relevant contents, improves the system established by the Company, reviews the implementation status, in order to improve the effectiveness of corporate governance implementation.	No difference
II. The Company’s shareholding structure and shareholders’ rights and interests				
(I) Does the Company have internal operating procedures to handle shareholders’ suggestions, , doubts, disputes and litigation matters, and shall be implemented in accordance with the procedures ?	✓		(I) The consolidated company has also set up a spokesperson, a dedicated shareholder service unit and a dedicated stock affairs section in the accounting office. In addition, the consolidated company’s website is also established with a contact section to receive shareholders’ suggestions, concerns and dispute resolution. There has been no litigation with shareholders.	No difference
(II) Does the Company have a list of the Company’s major shareholders and the ultimate controllers of such major shareholders?	✓		(II) The consolidated company maintains close contact with major shareholders, and uses the shareholder registry provided by the stock agency to keep abreast of the shareholdings of major shareholders and their ultimate controllers.	No difference

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliates?	✓		(III) The consolidated company and its affiliated companies operate independently in terms of operations and finance, and have established the “Procedures for Management of Transactions with Related Parties”, “Procedures for Supervision and Management of Subsidiaries”, “Procedures for Loaning Funds to Others”, “Procedures for Endorsements and Guarantees”, and the “Procedure for Acquisition or Disposal of Assets” to establish a control and firewall mechanism between the Company and affiliated companies.	No difference
(IV) Has the Company established internal regulations to prohibit insiders from trading securities using undisclosed information in the market?	✓		(IV) In the "Procedures for Handling Material Internal Information", the consolidated company has established regulations in the section on the prevention of insider trading, stipulating that directors, independent directors, managers, and the persons specified in Article 157-1 of the Securities and Exchange Act are prohibited from using undisclosed market information to trade securities. They are also prohibited from trading the company's shares prior to the disclosure of material information or within 18 hours after the information has been disclosed. In addition, they may not trade the company's shares during the 30-day period prior to the announcement of the annual financial report and the 15-day period prior to the announcement of each quarterly financial report, which constitute the designated blackout periods. The consolidated company conducts at least one education seminar on the “Procedures for Handling Material Information Information” and related regulations for directors, managers and employees annually. For new directors and managers, the education is arranged within 3 months after they assume the office. For the new employees, the education is arranged by the human resource	No difference

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			department during the orientation. The Company also regularly sends notifications to directors and managers via email regarding the Procedures for Handling Material Information Information, insider stock transactions related regulations, common practices, and the closing period before the announcement of annual and quarterly financial reports. In 2024, the Company organized 1.5 hour of the education sessions on “Discussion on Anti-Corruption, Anti-Bribery and Unethical Conduct Risk” for a total of 92 current directors, managerial officers and employees via the video conferencing and online methods. After the end of the course, the audio and video files are placed in the internal employee system for the reference of those who did not attend the education session on that day.	
III. Composition and duties of the Board of Directors (I) Has the Board of Directors established a diversity policy with respect to the composition of its members, with specific management goals and implementation?	✓		(I) The provision of Article 20 of the “Corporate Governance Best Practice Principles” of the consolidated company specifies that the composition of the Board of Directors shall be determined by taking diversity into account. The Board of Directors currently consists of 9 directors, including 6 directors and 3 independent directors. The members are equipped with extensive experience profession in the fields of finance, commerce and management. In addition, the Company also emphasizes the gender equality of the composition of the Board of Directors. At present, the Company aims to elect at least one female director (the directors will be re-elected in 2026, and the management goal will also be based on such plan for female director). In the future, the Company will continue to increase the number of female directors to 25% or more. For relevant	No difference

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) In addition to establishing the Remuneration Committee and the Audit Committee as required by law, has the Company established other functional committees voluntarily?	✓		<p>management goals and implementation status, please refer to the “diversification and independence of the Board of Directors” in the description. The Company’s diversity policy on the composition of the board of directors is also disclosed on the Company’s website.</p> <p>(II) Further to establishing the Remuneration Committee and the Audit Committee in accordance with the law, the Board of Directors of the Company passed a resolution on July 15, 2022 to establish the “Sustainable Development Committee Charter” and appoint 4 members and an executive secretary of the Sustainable Development Committee, the committee has established five major working groups, namely the Green and Low-Carbon Working Group, Sustainable Supply Chain Working Group, Innovative Service Working Group, Employee Well-being and Social Inclusion Working Group, and Corporate Governance Working Group. Each Working Group is responsible for the promotion of various sustainable development action projects and execution. The Chairman of the Board of Directors acts the Chairperson of the Sustainable Development Committee, and more than half of the members are independent directors. On December 29, 2023, the Chairman Ai-Wei Yuan, Director Chen-Tan He, and two Independent Directors Hung-Chin Huang and Kuo-Feng Lin were appointed to act as members of the Sustainable Development Committee. The majority of the members are independent directors, and at least one of the members is a director. Chairman Ai-Wei Yuan has a profound experience in the Group, with expertise in business administration, planning and design, and sustainable development. He has participated in the sustainable development related issues</p>	No difference

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>for a long time, and is actively involved in the development of various sustainable development policies, such that the Company is able to complete the greenhouse gas inventory and disclosure as well as third-party verification earlier than the planned schedule. The Company also surpasses the industry peers in terms of the collection of all types of emission data. Director Chen-Tan He has a profound background in civil engineering, and is also one of the founders of the Taiwan Ecological Engineering Foundation, with commitment to balancing engineering and ecological development. Independent Director Hung-Chin Huang is a certified public accountant, with complete financial accounting and business management background. Independent Director Kuo-Feng Lin is a full-time professor in the civil engineering department, with profound knowledge and technology in construction engineering. The members of the Company's Sustainable Development Committee have professional backgrounds in sustainable development and relevant practical experience. The other professional abilities and practical experiences of each committee member are detailed in the information of directors and independent directors, and the composition of the Board of Directors is diverse.</p> <p>The Sustainable Development Committee convened a total of 2 meetings (February 29 and October 23, 2024) in 2024, and the sustainable development strategy planning and implementation outcome were reported to the Board of Directors on March 12 and November 8, 2024 respectively. For other operational status, please refer to (V) Deviation of the Company's actual promotion of sustainable development execution status from the Sustainable</p>	

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
(III) Has the Company established rules and methods for evaluating the performance of the Board of Directors? Is the performance evaluation conducted on a regular basis every year? Does the Company submit the results of the performance evaluation to the Board of Directors and use it as a reference for individual directors' remuneration and nomination?	✓		<p>Development Best Practice Principles for TWSE/TPEx Listed Companies and cause thereof.</p> <p>The Company plans to establish a nomination committee to assist the Board of Directors in developing a fair and transparent procedure, in order to establish human resource strategy for directors, supervisors and senior managerial officers.</p> <p>(III) The Board of Directors has resolved on November 9, 2022 to amend the "Procedures for Performance Evaluation of the Board of Directors". The amendment on: (1) The evaluation indicators are to be determined based on the operation and needs. Every year, the performance evaluation shall be reviewed once on aspects relating to the overall operation status of the board, the performance of individual directors and of the functional committees. And, (2) the evaluation is to be conducted by an external professional independent institution once every three years. The 2024 evaluation of the Board of Directors' performance was reported to the Board of Directors on March 7, 2025. The consolidated company's Board of Directors' performance had a good result. Please refer to Note 1 for details of the evaluation results. The last external performance evaluation was conducted by the Taiwan Association of Board Governance commissioned by the Company in 2023, and an evaluation report was issued on February 22, 2023. Relevant external Board performance evaluation implementation result explanation has been published on the Company's website.</p>	No difference
(IV) Does the Company regularly assess the independence of the CPAs?	✓		<p>(IV) The Company's Audit Committee evaluates the independence and suitability of its CPAs every year. In addition to requiring the CPAs to provide "Declaration of</p>	No difference

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>Independence” and “Audit Quality Index (AQIs)”, the Audit Committee also evaluates the standards and 13 AQI indicators in accordance with the standards in Note 2 and Note 3. The evaluation items of the AQI indicators are as follows: 1. Professionalism: audit experience, training hours, attrition rate, professional support; 2. Quality control: accountant load, audit commitment, case quality control review (EQCR), quality control support ability; 3. Independence: non-audit services, customer familiarity; 4. Supervision: external inspection deficiencies and dispositions, and improvement letters from the competent authority; 5. Innovation ability: innovative planning or advocacy.</p> <p>It was confirmed that the CPAs retained by the Company have no other financial interests or business relationship with the Company, and that the CPA’s family members do not violate the independence requirements. AQI indicator information is also used to confirm that the CPA and the firm have different experience and the training hours are superior to the industry average. In recent years, accounting firms have also continued to introduce digital auditing tools to improve audit quality. After the assessment results for the most recent year were discussed and approved by the Audit Committee on December 20, 2024, the results were reported to the Board of Directors on December 20, 2024 for resolution on the assessment of independence and competence of the CPAs. For other relevant information, please visit the Company’s website (https://www.kedge.com.tw/) or the Sustainability Report.</p>	

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
IV. Whether the listed company appoints competent and appropriate corporate governance personnel, and appoints a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors to comply with the laws, handling matters related to the Board of Directors and Shareholders' Meetings meeting legal standards, and preparing minutes of the Board of Directors and Shareholders' meetings)?	✓		<p>(I) Upon approval by the Remuneration Committee on November 10, 2023 and the resolution of the Board of Directors on November 7, 2023, the Company designated Deputy Manager Hsin-Yu Li as the Corporate Governance Officer. She is equipped with the lawyer qualification and has more than 3 years of management experience in publicly listed companies. The Company has 1 dedicated staff responsible for stock affairs and 1 to 2 co-organizers to coordinate and execute relevant corporate governance affairs with the corporate governance officer.</p> <p>(II) Corporate governance-related tasks include handling matters related to the meetings of the Board of Directors and shareholders' meetings in accordance with the law, preparing the minutes of the Board of Directors and shareholders' meetings, assisting directors in onboarding and continuing education, providing directors with information needed to carry out their duties, assisting directors in complying with laws and regulations, protecting shareholders' rights and interests, strengthening the functions of the Board of Directors, and disclose information on corporate governance, stakeholders, and corporate social responsibility on the Company's website.</p> <p>(III) The annual key points of corporate governance-related operations and the continuing education of Corporate Governance Officer are disclosed on the Company's website. Please visit https://www.kedge.com.tw/Investor Section/Corporate Governance Officer.</p>	<p>No difference</p> <p>No difference</p> <p>No difference</p>

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The consolidated company has set up a spokesperson and a stock affairs agency responsible for communication, and has also established the “Shareholders and Stakeholders Section” on the Company’s website to address the important issues concerned by stakeholders. The Company has dedicated communication channels for different stakeholders to appropriately respond to the issues concerned by stakeholders and to serve as a reference for the subsequent management policy and implementation plan.	No difference
VI. Does the Company appoint a professional shareholder service agency to handle shareholders’ meeting affairs?	✓		The Company has commissioned the agency department of CTBC Bank to handle the shareholders’ meeting-related affairs, and has duly implemented the relevant laws and regulations.	No difference
VII. Information Disclosure (I) Has the Company set up a website to disclose financial and corporate governance information?	✓		(I) The Company has set up a corporate website (https://www.kedge.com.tw/) to disclose financial, business and corporate governance information, and regularly update and maintain it.	No difference
(II) Has the Company adopted other measures (such as an English website, a designated person responsible for the collection and disclosure of information, implementation of the spokesman system, investors conference, etc.) to disclose information?	✓		(II) The Company has set up an English website (https://www.kedge.com.tw/kedge_en/) and also discloses information on the Market Observation Post System (MOPS) in accordance with the regulations. Furthermore, the Company appoints dedicated personnel to collect and disclose information, and implements a spokesperson system for immediate external clarification.	No difference
(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements and the monthly operations?	✓		(III) The consolidated company’s 2024 financial statement, 2024 Q1 to Q3 financial statements, and the 2024 monthly announcements and reports on operations are completed by the prescribed deadlines.	No difference
VIII. Does the Company have other important information for better understanding the	✓		(I) Employee rights, employee care, supplier relations, and stakeholders’ rights: Please refer to the information on	No difference

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, relation with investors, relation with suppliers, relation with interested parties, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?			<p>environmental protection expenditure, labor-management relations and suppliers in "V. Business Overview" of this annual report.</p> <p>(II) Investor relations: The consolidated company has set up a website in accordance with the laws and regulations to disclose financial, business and corporate governance information, and regularly update the information for investors' reference.</p> <p>(III) Continuing education of directors: The consolidated company regularly discloses the information of continuing education and attendance at the Board of Directors on the MOPS. As of the end of 2024, all the directors (including independent directors) have completed the training hours as required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.</p> <p>(IV) Implementation status of risk management policies and risk assessment standards: The Company has established "Risk Management Policies and Regulations" in accordance with relevant regulations, as the basis for the implementation of risk management and evaluation at all levels of the Company, and reports the implementation of risk management to the Audit Committee and the Board of Directors at least once a year. The latest risk report was submitted to the Audit Committee and the Board of Directors on November 8, 2024.</p> <p>(V) Implementation of customer policy: Established by the Business Planning Division of the consolidated company. The sales and service team maintains a stable and good relationship with customers.</p>	<p>No difference</p> <p>No difference</p> <p>No difference</p> <p>No difference</p>

IX. Please explain improvements made pursuant to the Taiwan Stock Exchange Corporation Corporate Governance Center's corporate governance assessment results issued in the most recent year, and explain any matters and measures to be strengthened as a first priority in areas where improvements have not yet been made.

(I) Status of Improvement

No.	Evaluation Indicator	Whether improvement is made	Explanation
1.2	Has the Company established written regulations on financial and business related operations with related parties, the contents shall include the management procedures for purchase and sale, acquisition or disposal of assets, and other significant transactions, and shall be submitted to the Board of Directors for approval and submitted to the shareholders' meeting for approval or report?	Yes	The "Management Procedures for Related Party Transactions" and "Procedures for Acquisition or Disposal of Assets" have been amended to include the purchase and sale with related parties, acquisition or disposal of assets, etc. The amendments were approved by the Board of Directors on November 8, 2024. "Procedures for Acquisition and Disposal of Assets" are to be reported to the shareholders' meeting.
1.6	Has the Company convened a shareholders annual general meeting before the end of May?	Yes	The 2024 General Shareholders' Meeting was held on May 29, 2024.
4.1	Does the Company establish a dedicated (or part-time) unit to promote sustainable development that conducts risk assessments on environmental, social, or corporate governance issues related to the Company's operations and development based on the principle of materiality, and disclose it on the Company's website and annual report.	Yes	The Company's Board of Directors has approved the establishment of the Sustainable Development Committee on March 25, 2022, which is responsible for promoting the objectives and implementation of various work plans for sustainable development. The Company has identified material issues in the environmental, social, and corporate governance aspects based on the three principles of identification, analysis, and confirmation in accordance with the Sustainability Reporting Guidelines and the materiality principle. The responsible departments for each issue are then required to conduct risk assessments and to formulate management strategies, in order to identify risks and opportunities in advance, thereby ensuring that the Company has sufficient resilience and preparation to respond to these risks. Based on the assessed risks, the consolidated company has formulated relevant risk management policies or strategies and disclosed them on the Company's website and annual report. The results of the sustainable development were reported to the Board of Directors on November 8, 2024 and disclosed on the Company's website (https://www.kedge.com.tw).

4.2	Does the Company have a unit that specializes (or is involved) in ethical corporate management, and is the unit responsible for the formulation and supervision of ethical corporate management policies and prevention programs, and disclose the operation and implementation of the unit on the Company's website and annual report, and report to the Board of Directors at least once a year?	Yes	The "Integrity Management Team" and the "Corporate Governance Team" of the Company are responsible for promoting the Company's integrity management and anti-corruption, thereby ensuring the implementation of the Ethical Corporate Management Best Practice Principles, and reporting the implementation results to the Board of Directors once a year, and disclosing them on the Company's website and annual report. The implementation of ethical corporate management was reported to the Board of Directors on December 20, 2024.
4.11	Has the Company disclosed the annual greenhouse gas emission, water consumption and total weight of waste in the past two years? [If the annual greenhouse gas emission, water consumption or total weight of waste in the past two years has been certified by an external third party, one point is further added to the total score.]	Yes	The 2022 and 2023 greenhouse gas emissions, water consumption and total weight of waste have been disclosed in the Company's Sustainability Report and on the Company's website, which have also been verified by a third party.
4.13	Has the Company obtained ISO 14001, ISO50001 or similar environmental or energy management system certification?	Yes	The ISO14001 certificate has been obtained on February 27, 2024.
(II) Priority enhancement and measures for matters yet to be improved:			
Question No.	Evaluation Indicators	Whether improvement is made	Description
1.1	Does the Company report to the general shareholders' meeting on the remuneration received by directors, including the remuneration policy, individual remuneration content and amount?	No	It is handled according to the Group's policy.
1.7	Has any government agency or single corporate entity and its subsidiaries held more than one-third of the seats of the Board of Directors?	No	According to the expansion of the operational scale, the Company plans to introduce external directors.
2.6	Is the Company's board members consisting of at least one female directors?	No	The board of directors will be re-elected in 2026. The board of directors plans to include at least one female director.
3.4	Does the Company disclose the annual financial report audited and certified by CPAs within two months after the end of the fiscal year?	No	It requires the audit schedule of the CPA, and the Company continues to communicate with the CPA on such issue.

	3.12	Does the Company's annual report explicitly describe the dividend policy?	No	It is handled according to the Group's policy.
	3.13	Does the Company voluntarily disclose the individual remuneration of directors in the annual report?	No	It is handled according to the Group's policy.
	3.21	Does the Company voluntarily disclose the individual remuneration of the Presidents and Vice Presidents in the annual report?	No	It is handled according to the Group's policy.
	4.19	Has the Company invested in machinery and equipment related to energy saving or green energy, or invests in the green energy industry (such as renewable energy power plants) in Taiwan, or has issued or invested its funds in green or social benefit investment plans with substantial benefits, and discloses its investment status and specific benefits?	No	It is handled according to the Group's policy, and the 2024 evaluation of green deposits has been submitted for assessment.

Note 1: The results of the Board of Directors' performance evaluation are detailed in the following table.

1. Evaluation by external professional independent institutions:

The 2022 "Board Performance Evaluation" was commissioned to Taiwan Association of Board Governance. The "Board Performance Evaluation Working Group" (evaluation committee members and convener: Sheng-Yuan Chen, De-Wei Chou, and Ching-Hai Yeh) has on February 8, 2023 performed the evaluation using the "Self-Evaluation Questionnaire", "On-site Interview", and so on methods. The scope of this review covers: "Composition and Structure of the Board of Directors", "Election and Continuing Education of Directors", "Board of Directors' Participation in Corporate Operations", "Improving the Quality of Board of Directors' Decision Making", "Internal Control", "Environmental, Social, and Governance" and "Creating Values" "and so on.

Conclusion and recommendation:

Overall, the governance and operation of the Company's Board of Directors has mostly complied with the regulations on corporate governance practices and board of directors' evaluations proposed by the Taiwan Stock Exchange and Taipei Exchange. More specifically, the strengths of board governance include:

- (1) The board members have diversified professional backgrounds. The general directors have rich experience in the construction industry, and the independent directors have expertise in accounting, business management, and civil engineering.
- (2) The Board of Directors leads by example. In addition to conducting self-evaluation and reporting the results of the evaluation to the Board of Directors, the Board of Directors also commissions an external independent agency to evaluate the performance of the Board of Directors every three years.
- (3) The Company actively plans net zero carbon emissions measures such as carbon inventory and carbon reduction paths. In addition to working with upstream customers to promote ESG, the company also advocates the implementation of ESG with its suppliers.
- (4) The Company values community care, and the "Circulation of Kindness" is implemented by the Planning Department, and immediate assistance is provided to earthquake-stricken households or disadvantaged families.
- (5) The Company carefully controls the risks including construction period execution, cost reduction procurement and construction quality risks, so both the performance and profits have grown in recent years.

However, it is suggested that the Company can improve the governance of the Board of Directors in the following directions:

- (1) The Company may establish a formal orientation system for the new directors to help new directors perform their duties.
- (2) The company may report the implementation of corporate social responsibility or ESG to

the shareholders' meeting, and regularly report the planning of the succession system to the board of directors.

- (3) To improve the whistle-blowing mechanism, mailboxes can be set up for independent directors to send and receive reports in person, or an impartial and neutral professional organization can be commissioned as a window through which to receive reports.

2. Self-evaluation of the Board of Directors and functional committees:

(1) The results of the 2024 Board of Directors' overall performance evaluation:

Aspect	Number of questions	Evaluation result (total of 5 points)	Evaluation result
Involvement in company operations	12	4.42	The self-evaluation results were "Excellent " and "Significantly Above the Standard".
Improvement to the quality of the board decision-making process	12	4.79	
Composition and structure of the board	7	4.36	
Election of directors and their continuing education	7	4.07	
Internal control	7	4.71	
Total/Average score	45	4.47	

(2) Results of the self-evaluation of the Board members:

Aspect	Number of questions	Evaluation result (total of 5 points)	Evaluation result
Alignment with company goals and tasks	3	4.93	The self-evaluation results were "Excellent " and "Significantly Above the Standard".
Awareness of directors' responsibilities	3	4.85	
Involvement in company operations	8	4.74	
Internal relations management and communication	3	4.81	
Directors' professionalism and their continuing education	3	4.67	
Internal control	3	4.70	
Total/Average score	23	4.78	

(3) Results of the Remuneration Committee's self-evaluation:

Aspect	Number of questions	Evaluation result (total of 5 points)	Evaluation result
Involvement in company operations	4	5.00	The self-evaluation results were "Excellent " and "Significantly Above the Standard".
Awareness of the duties of the functional committee.	5	5.00	
Improvement of the decision-making quality of functional committees	7	5.00	
Composition of the functional committee and election of its members	3	5.00	
Total/Average score	19	5.00	

(4) Results of the Internal Audit Committee's self-evaluation:

Aspect	Number of questions	Evaluation result (total of 5 points)	Evaluation result
Involvement in company operations	4	4.83	The self-evaluation results were "Excellent " and "Significantly Above the Standard".
Awareness of the duties of the functional committee.	5	4.87	
Improvement of the decision-making quality of functional committees	7	4.95	
Composition of the functional committee and election of its members	3	5.00	
Internal control	3	4.89	
Total/Average score	22	4.91	

(5) Results of the Sustainable Development Committee's self-evaluation:

Aspect	Number of questions	Evaluation result (total of 5 points)	Evaluation result
Involvement in company operations	4	4.94	The self-evaluation results were "Excellent " and "Significantly Above the Standard".
Awareness of the duties of the functional committee.	3	4.81	
Improvement of the decision-making quality of functional committees	7	4.93	
Composition of the functional committee and election of its members	2	4.83	
Total/Average score	16	4.88	

Note 2: Please refer to the following table for the results of the 2024 evaluation on the independence and suitability of CPAs:

Evaluation Items	Evaluation result	Whether it meets the requirements
1. Does the attesting CPA have a close business relationship or potential employment relationship with the Company or its affiliated companies?	No	Yes
2. Do the CPAs hold or broker the shares or other securities issued by the Company or any of its affiliated companies?	No	Yes
3. Do the CPAs act as the defender or representative of the Company or its affiliated companies to coordinate conflicts with other third parties?	No	Yes
4. Does the attesting CPA have a relative relationship with the Company's directors, managers or personnel who have a significant impact on the audit?	No	Yes
5. Have any co-practicing accountants of the CPAs' associated accounting firm served as the Company's directors, managers, or positions that have a significant impact on the audit within one year after retirement?	No	Yes
6. Have CPAs provided audit services for the Company for 7 consecutive years?	No	Yes
7. Have the CPAs complied with the independence requirements specified in CPA Professional Ethics Bulletin No. 10?	Yes	Yes
8. Do the CPAs and the audit service team make appropriate recommendations and keep records of the company's management system and internal control system audits?	Yes	Yes
9. Do the CPAs and the audit service team provide the Company with legal updates, amendment information and provide courses?	Yes	Yes

Note 3: Please refer to the following table for the results of the 2024 evaluation on the independence and suitability of CPAs:

No.	Independence	Evaluation result	Remarks
1.	Have the CPAs retained by the Company recused from any director conflicts of interest in the entrusted matters that may affect the impartiality and independence in order to avoid the handling of such case?	Yes	None.
2.	The CPAs perform the audit, review, review or professional review of the financial statements and issue an opinion. In addition to maintaining substantive independence, the CPAs must be honest and objective, and must exercise professional care, and must also maintain the formality independence. Accordingly, have the audit service team members, other co-practice accountants or corporate accounting firm shareholders, accounting firm, affiliate of the firm and alliance firm also maintained their independence from the Company?	Yes	
3.	Are the retained CPAs of the Company qualified for the following:		
	(1) Integrity: The CPAs shall perform their professional services with a rigorous and honest attitude. The CPAs shall be honest, just and fair in their professional and business relationships.	Yes	
	(2) Objectivity and impartiality: The CPAs shall maintain a fair and objective attitude when performing their professional services, and shall avoid favoring, conflicts of interest or conflicts of interest that affect the professional judgment. The impartial and objective attitude includes being impartial and diligent with due care for providing information to users.	Yes	
	(3) The CPAs shall maintain their independence in the audit, review, review or project review of the financial statements and prepare an opinion, and shall express their opinions fairly and objectively.	Yes	
4.	The independence and integrity of the CPAs are related to the fairness and impartiality of the Company. Are there any deficiencies or losses in the independence of the CPAs at the time of appointment, which may affect the fairness and impartiality of the Company?	No	
5.	Whether the independence of the CPAs is affected by self-interest, self-assessment, defense, familiarity and coercion?	No	
6.	Independence is affected by self-interest, which refers to the financial benefits obtained by the Company, or conflicts of interest with the Company due to other interests. Situations that may result in such impact typically include:		
	(1) There is a direct or material indirect financial interest relationship with the Company.	No	

No.	Independence	Evaluation result	Remarks
	(2) The CPA firm overly relies on the Company's source of remuneration.	No	
	(3) There is a significant close business relationship with the Company, including financing or guarantee with the Company's directors.	No	
	(4) Consideration of the possibility of the Company's loss.	No	
	(5) There is a potential employment relationship with the Company.	No	
	(6) There are contingent fees related to the audit cases of the Company	No	
	(7) The other members of the accounting firm are not subject to major fault in professional service reports previously provided.	No	
7.	"Independence affected by self-assessment" means that the accountant performs a report or judgment made in the non-audit service case, which is an important basis for the audit conclusion in the process of auditing or reviewing financial information; or, the members of the audit service team have served as directors and supervisors of the Company, or held positions that directly and significantly influenced the audit case. Situations that may result in such impact typically include:		
	(1) The CPA firm issues a service report that confirms the effective operation of the financial information system design or assistance.	No	No such appointment or retention of service.
	(2) The original documents prepared by the CPA firm are used to confirm the material or important matters of the service case.	No	
	(3) Members of the Audit Service Team are currently directors, supervisors, managers, or positions that have significant influence on the audit case in the Company in the current period or in the last two years.	No	
	(4) The non-audit service provided to the Company affects the important items of the audit case directly.	No	
8.	Independence is undermined by the defense of the Company's position or opinions, which causes members of the audit service team to become doubtful about their objectivity. Situations that may result in such impact typically include:		
	(1) Promoting or acting as broker for the shares or other securities issued by the Company.	No	
	(2) Except for services permitted by the law, the CPA represents the Company to defend in legal cases or other dispute matters with a third party.	No	
9.	"Impact of familiarity on independence" refers to the close relationship with the Company's directors, supervisors, and managers, which causes		

No.	Independence	Evaluation result	Remarks
	accountants or members of the audit service team to pay excessive attention or sympathy to the Company's interests. Situations that may result in such impact typically include:		
	(1) Members of the audit service team have a relationship with the Company's directors, supervisors, managers, or personnel with significant influence on the audit case.	No	
	(2) The co-practice accountant assumes the position of director, manager or duties having material impact on the audit case within one year after discharge from previous job position.	No	
	(3) The accountant receives gifts or presents of significant value from the Company or directors, managers or major shareholders.	No	
10.	"Forced influence on independence" refers to the members of the audit service team who are subject to or feel intimidation from the Company or from other matters, which makes them unable to maintain objectivity and clarify their professional skepticism. Situations that may result in such impact typically include:		
	(1) The Company intends to file a lawsuit for its own protection.	No	None.
	(2) The appointment of the non-audit case was revoked, and the CPA has been forced to accept the improper accounting treatment policy for a specific transaction.	No	None.
	(3) There is threat made to dismiss the appointment or reappointment of the audit case.	No	None.
	(4) In order to reduce public expenses, the Company applies pressure to the CPAs, so that they do not perform the audit work ought to be performed.	No	None.
	(5) The Company's staff forces the auditors to accept the professional judgment of a dispute matter with an expert attitude.	No	None.
	(6) The CPAs require the members of the audit service team to accept improper management choices in accounting policies or improper disclosures in financial statements, otherwise they will not be promoted.	No	None.
11.	The members of the accounting firm and the audit service team are responsible for maintaining the independence, and when maintaining the independence, the impact of the work content should be considered on the independence, and the measures should be established to eliminate the aforementioned impact or reduce it to an acceptable level.	Yes	

No.	Independence	Evaluation result	Remarks
12.	When the Company determines that the impact on the independence is significant, the accounting firm and the members of the audit service team shall adopt appropriate and effective measures to eliminate the impact or reduce it to an acceptable level, and record the conclusion.	Yes	
13.	If the CPA or the accounting firm does not take any measures, or the measures adopted cannot effectively eliminate the impact on the independence or reduce it to an acceptable level, the CPA will continue to undertake the audit cases commissioned by the Company to maintain its independence.	No	None.
No.	Competence	Evaluation result	Remarks
1.	Whether he/she is equipped with the CPA qualification to perform the service?	Yes	
2.	Whether he/she is subject to disciplinary action of competent authority and CPA Association, or decision rendered in accordance with the provisions of Paragraph 3 of Article 37 of the Securities and Exchange Act?	Yes	
3.	Whether he/she is equipped with relevant industrial knowledge	Yes	
4.	Whether he/she performs the audit of financial statements in accordance with the “Corporate Accounting Standards Bulletin” and the interpretations thereof published by the Accounting Research and Development Foundation, and the “Rules Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”?	Yes	
5.	Whether the CPAs retained by the Company use their positions as CPAs to engage in improper competition in the business and commerce?	Yes	

Conclusion: After the results of the preceding evaluation has been carried out, no exceptions have been found, and the retained CPA firm and the CPAs are not affected: KPMG International / CPA Yi-Lien Han, CPA Kuo-Yang Tseng.

(IV) Composition, duties and operation of the Remuneration Committee:

1. Information of Remuneration Committee members:

March 28, 2025

Criteria Identity (Note 1) Name		Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Independent Directors	Hung-Chin Huang	<ul style="list-style-type: none"> Master of Accounting, Shanghai University of Finance and Economics Major: Finance CPA 	<ul style="list-style-type: none"> Satisfies the independence specified in Paragraph 1, Article 6 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 Not subject to the provisions of Article 30 of the Company Act 	1
Independent Directors	Kuo-Feng Lin	<ul style="list-style-type: none"> PhD, University of Pittsburgh Major: Civil Engineering Distinguished Professor, Department of Civil Engineering, National Taiwan University 		1
Committee members	Tung-Hsuan Wan	<ul style="list-style-type: none"> PhD, Institute of Management Science, Tamkang University Expertise: Corporate management/HR management CEO of Enterprise Service Center, Ming Chuan University 		1

Note 1: Please specify the seniority, professional qualifications, experience, and independence of each Remuneration Committee member in the table. In the case of independent directors, please refer to Table 1 Directors and Supervisors on Page 9 for the description Information (1) Related content. Please fill in the identity whether as an independent director or others (if the convener, please specify).

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

Note 3: Independence criteria: Members of the Remuneration Committee meet the independence criteria, including but not limited to whether the member, his/her spouse, or a relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or its affiliated companies; spouse, relative within the second degree of kinship (or in the name of a third party), and the number and percentage of shares held in the company; whether or not he holds the position as a director, supervisor, or employee in a company that has a specific relationship with the Company (refer to Sub-Paragraph 5-8, Paragraph 1, Article 6 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); any compensation received from the Company or its affiliated enterprises for the provision of commercial, legal, financial, or accounting services in the last two years.

2. Operation Status of Remuneration Committee:

(1) The Company's Remuneration Committee consists of 3 members.

(2) The term of office of the current members: From June 2, 2023 to the date of re-election of directors in 2026, the Remuneration Committee held 4 meetings (A) in the most recent year, and the qualifications and attendance of members are as follows:

Job title	Name	Number of attendances in person (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Hung-Chin Huang	4	0	100%	Required attendance: 4 times
Committee members	Kuo-Feng Lin	4	0	100%	Same as above
Committee members	Tung-Hsuan Wan	4	0	100%	Same as above
Other information to be disclosed:					
I. If the Board of Directors does not adopt or amend the recommendation of the remuneration committee, it shall state the date, session, content of the resolution, and the result of the Board of Directors' resolution and the Company's action in response to the advice of the remuneration committee (e.g. if the board has approved remuneration higher than the recommended remuneration by the Remuneration Committee, the difference and the reason should be stated): None.					
II. If the resolutions of the remuneration committee have written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion, the date, session, content of the resolution, the opinions of all members and the action in response to the opinions of the member of the remuneration committee shall be stated: None.					
III. The operation of the Remuneration Committee in the last year:					
Remuneration Committee	Proposal content and follow-up treatment		Resolution Result	The Company's handling of the opinions of the Remuneration Committee	
5th Meeting of 5th Term on 2024.03.05	Proposal for the appropriation and distribution of the 2023 remuneration of employees and directors.		Agreed and approved by all attending committee members	Proposal was submitted to the Board of Directors and approved by all attending directors.	
6th Meeting of 5th Term 2024.05.07	Promotion and salary increase of Senior Assistant Vice President Ming-Chung Lin.		Agreed and approved by all attending committee members	Proposal was submitted to the Board of Directors and approved by all attending directors.	
7th Meeting of 5th Term 2024.11.05	1. Proposal for adjustment of organizational structure 2. Proposal for adjustment of the salary scale of the Company 3. Proposal for promotion, job title change and salary adjustment of the Company's managerial officers.		Agreed and approved by all attending committee members	Proposal 2 of the salary scale adjustment further reported to the Board of Directors in December 2024.	
8th Meeting of 5th Term 2024.12.13	Proposal to change the name of the Company's "Regulations Governing Promotion and Salary Adjustment" to "Regulations Governing Job Promotion, Job Rank and Salary Adjustment" and content adjustment.		Agreed and approved by all attending committee members	Proposal was submitted to the Board of Directors and approved by all attending directors.	

(V) Implementation of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX-listed Companies and the reasons therefor:

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
I. Has the Company established a governance structure for promoting the sustainable development, and set up a unit that specializes (or is involved) in the promotion of sustainable development, and does the board of director authorize the senior management for handling such mater, and the supervision status of the board of directors?	✓		<p>(I) The consolidated company's Board of Directors has approved the establishment of the "Sustainable Development Committee" on March 25, 2022. The Chairman acts as the Committee Chairperson, and more than half of the members are independent directors responsible for supervising the Company's sustainable development strategy and assisting in the implementation of related matters of sustainable development programs. On December 29, 2023, the Company appointed the Chairman Ai-Wei Yuan, Director Chen-Tan He and two independent directors Hung-Chin Huang and Kuo-Feng Lin, as members of the second term of the Sustainable Development Committee.</p> <p>(II) The Sustainable Development Committee is a cross-department communication platform. It covers five main promotion teams of "corporate governance, green low-carbon, innovative services, sustainable supply chain, employee happiness and social inclusion". The Company's corresponding department heads serve as the convener of each team. The Company sets up a secretary for the committee, in order to guide the promotion of team operations, meeting convention, recording, project progress and implementation performance tracking, and to be responsible for submitting at least two reports to the Board of Directors annually.</p> <p>(III)The promotion team conducts annual sustainability</p>	<p>Compliant</p> <p>Compliant</p> <p>Compliant</p>

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>risk assessments, management and formulates relevant ESG promotion plans for the main scope of the control topic. The promotion team also holds a meeting every month to continuously understand the sustainability actions of the Company in terms of the environmental protection (E), social inclusion (S), corporate governance (G) and other aspects, to review the implementation status and to formulate improvement measures while tracking the implementation results at the same time.</p> <p>(IV) In 2024, the Sustainable Development Committee held two meetings (February 29, 2024, October 23, 2024). The promotion team summarized the ESG work plan and implementation status of the year for reporting and discussion. On March 12, 2024 and November 8, 2024, the results of the sustainable development strategy planning and implementation were reported to the Board of Directors. The content of the proposal included:</p> <ol style="list-style-type: none"> 1. Review the goals and strategies of sustainable issues. 2. Propose action plans and implementation methods for sustainability issues (e.g. the advanced ISO 14001 environmental management system, the greenhouse gas reduction initiative, low-carbon material testing and application, etc.). 3. Implementation status of supervision and evaluation of various plans. <p>After the Board of Directors of the Company has listened to the report on the results of the sustainable development strategy planning and implementation,</p>	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			the Board of Directors then supervises the action plans, goals or policies, and propose revision, refinement plans or issues requiring attention or keeps track of for each implementation item, and also requests the management team to report the implementation or adjust the progress. The implementation of other operations and implementation status is disclosed in the following section of Sustainable Development Committee Implementation Outcome and the Sustainability Report and the Company's website (https://www.kedge.com.tw/).	
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?	✓		<p>(I) The scope of risk assessment for environmental, social and corporate governance issues related to operations covers the entities of the Company's operations in Taiwan (including the Taipei Headquarters and the scope of operations for construction sites contracted in the current year), but does not include the construction of subsidiaries.</p> <p>(II) According to the Sustainability Report Guidelines and the principle of materiality, the consolidated company communicates with internal and external stakeholders, and follows the principles of identification, analysis and confirmation to identify material issues in the environmental, social and governance aspects, following which the responsible departments of each issue complete the risk assessment and management strategy formulation, and early risk and opportunity are monitored. Please refer to Section 2.5 of the Sustainability Report for the analysis of material topics and Section 3.5 for the description of risk and crisis management.</p>	<p>Compliant</p> <p>Compliant</p>

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons		
	Yes	No	Summary description			
			(III)Based on the risks assessed, the consolidated company has formulated relevant risk management policies or strategies, and the key points are summarized in the following:	Compliant		
			Material topic		Evaluation Items	Description
			Environment		Environmental Impact	The Company has qualified the certification of ISO 14001 environmental management system, and conducts training and on-site inspections on environmental protection regulations and management measures irregularly. The Company also continues to monitor and improve the environmental performance, in order to effectively control the environmental risks and reduce environmental pollution in each

Evaluation Items	Status of Operation					Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description			
					stage of construction.	
				Climate change	The Company has identified and managed climate change risks and physical risks in accordance with the four major disclosure structures of the TCFD, and has assessed the financial impact of high-risk factors as a reference for the Company’s decision-making. Please refer to Section 4.3 of the Sustainability Report and “Climate-Related Financial Disclosure Report (TCFD)” of the Investor Section on the Company’s website for details.	
				Energy saving and carbon reduction	The Company conducts annual greenhouse gas inventory in accordance with ISO 14064-1, and sets	

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
				reduction goals based on the results of the inventory inspection. The Company also conducts SBTi short-term goal reviews, continues to promote reduction measures, and reviews achievement status (such as the implementation of low-carbon methods and building materials, etc.), in order to reduce carbon management risks.
			Society	Occupational safety The Company has qualified the ISO 45001 and the TOSHMS certifications. The Occupational Safety and Health Office assists the job sites to identify risk hazards and to propose improvement measures, and also

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
				<p>strengthens personnel education and training, conducts safety matters communication through meetings, and implements incident reporting system, etc., in order to reduce the risk of accidents. Fire drills and other training are organized on a regular basis annually to help employees develop the ability to respond to emergencies and manage their own safety.</p>
			Construction quality	<p>Through a comprehensive supplier evaluation and assessment system, we ensure that raw material supplies and construction quality of suppliers are maintained at a high level. We have also</p>

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
				established various construction standards, professional technology training, and through the Quality Assurance Department's voluntary quality inspection, Quality Control System, and Quality Conference, in order to maintain proper construction quality.
			Legal compliance	Two regulatory assessment meetings are held annually to ensure the applicability and compliance of various laws and regulations. In addition, annual internal audit plan is implemented to ensure the Company's compliance with all relevant laws and regulations, and to audit all operating

Evaluation Items	Status of Operation					Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description			
					procedures for compliance.	
			Corporate governance	Ethical management	The Company has established relevant regulations and a whistle-blowing system, and continues to actively strengthen compliance management and establish a good compliance culture. Through education and training, employees are able to understand the legal regulations, and the corporate culture of ethical management, in order to facilitate the achievement of proper business operations and risk management, which also serves as the foundation of corporate sustainability.	
				Sustainable supply chain	The Company continues to promote	

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			management green procurement (the 2024 goal is 4.21%) and localization of procurement. The Company promotes the information related to sustainable development in the quarterly electronic newsletters and through the supplier conferences held every two years, in order to jointly establish a low-carbon and sustainable construction supply chain with the suppliers.	
III. Environmental Issues (I) Has the Company established environmental policies suitable for the Company's industrial characteristics?	✓		(I) The Company has qualified the certification of ISO 14001 environmental management system in 2024. From the view of the entire life cycle of construction projects, the Company manages and controls the potential environmental risks in each stage, and provides the proprietors with construction plans to reduce pollution and environmental impacts. In addition, the Company has established environmental	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(II) Is the Company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		<p>protection plans and implemented self-inspection based on the characteristics of the local environment, and implemented pollution prevention and control measures in accordance with the relevant environmental protection laws and regulations of the proprietors and government agencies.</p> <p>(II) The Company actively improves the efficiency of the use of various resources and promotes energy saving and carbon reduction. In addition to fly ash and furnace slag, the concrete structure has also used cement made from recycled materials. The Company has also reduced the use of raw materials by using pre-cast concrete and aluminum formwork to replace traditional wooden formwork. The Company has also implemented resource recycling and reuse projects on each job site, such as recycling and reuse of the underground walls with the waste waste from construction projects, and recycling and reusing of concrete aggregates from the construction waste. The Company sets the goals of local procurement and green procurement, in order to reduce the carbon emissions from material manufacturing and transportation. The Company also uses energy-saving products to reduce energy consumption. The Company gradually replaces traditional fossil fuel-powered vehicles with electric vehicles and electric motorcycles on the sites. For routine operations, the</p>	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(III) Has the Company evaluated the climate change on the present and future potential risks and opportunities of the corporation, and has the company adopted responsive actions on climate related issues?	✓		<p>Company promotes energy saving, including the implementation of e-operations for official documents, and the use of recycled paper and energy-saving lamps, in order to increase the efficient use of energy and resources.</p> <p>(III)The Company considers climate change mitigation as one of the Company’s main missions. We are also the first company in the industry to pass the SBTi Science-Based Targets Initiative carbon reduction near-term goal review in 2024, and we actively promote various energy-saving and carbon reduction works,in order to head towards the goal of net zero emissions by 2050. In response to the impact of global climate change on operations, the Company has established a comprehensive climate change risk and opportunity assessment mechanism in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. Through cross-departmental cooperation, the senior executives of each unit are responsible for identifying the transformation risks and opportunities that may be caused by climate change, and conducting quantitative analysis to assess its potential financial impact on the Company’s operations, supply chain and industrial development.</p> <p>The Company has published its first climate-related financial disclosure (TCFD) report in 2023. The</p>	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(IV) Has the company statistically analyzed the greenhouse gas emission, water usage and waste total weight over the past years, and has the company established policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage or other waste management?	✓		<p>report assesses the financial performance impacts of climate change risks and opportunities on the Company, and formulates response strategies to reduce possible impacts, including: adopting or adding a buffer time to project plans, enhancing the flood prevention standards, recruiting young employees, and providing more personal weather-resistant equipment, etc., in order to prevent disasters or work delays due to climate change. Please refer to Section 4.3 of the Sustainability Report for details on climate change and adaptation.</p> <p>(IV)The Company performs statistical analysis on the greenhouse gas emissions, water consumption, electricity consumption, and total weight of waste every year, and discloses relevant data for the last three years in the Sustainability Report. Please refer to Section 4.2 Energy Consumption in the Sustainability Report. For daily operations, the Company purchases Class 1 energy-efficient equipment in priority when replacing equipment, and has implemented energy monitoring and analysis at the job sites and the engineering offices through various energy management measures, in order to monitor the power consumption status and to perform analysis, thereby reducing the construction process and office energy consumption.</p>	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>The Headquarters regularly promotes the concept of energy conservation, announces the personal photocopies and the water and electricity consumption of each floor, and establishes a reduction plan. All the attendance forms, official documents, and signatures of the Company are now in electronic format, which effectively reduces the use of papers and achieves the goal of energy conservation and carbon reduction. The Company also implements waste classification and recycling, and reduces the use of disposable products. The Company implements energy-saving measures, such as public space lighting and air conditioning, and encourages the use of public transportation. The Headquarters' electricity consumption emission intensity in 2024 was 45.23kg CO₂e/m², a 6.7% decrease compared to 2023, indicating a decreasing trend in the overall electricity consumption intensity.</p> <p>In terms of water resource conservation, the Company has set the water saving goal of 1% annually. The Company has adopted water-saving equipment, implemented educational promotion, and installed posters to encourage employees to save water consumption. In 2023, the annual water consumption of the Company's headquarters is 6.43m³, a 12.6% increase compared to 2022, mainly</p>	

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																		
	Yes	No	Summary description																			
			<p>due to the Company’s recovery to normal working conditions after the pandemic, but in comparison to 2021, the water consumption has been significantly reduced.</p> <table> <tr> <td></td> <td>2022</td> <td>2023</td> </tr> <tr> <td>Total water consumption (millions of liters)</td> <td>0.725</td> <td>0.829</td> </tr> <tr> <td>Water intensity (headquarters: m3/person)</td> <td>5.71</td> <td>6.43</td> </tr> </table> <p>In terms of waste reduction, the Headquarters of the Company has encourages employees to reduce waste by recycling, to use digital tools, and to stop the use of office trash cans. However, the Company currently has no statistics on the volume of waste generated by employees. After moving to the new building in 2025, the Company will set a reduction goal of 1% annually and implement reduction measures accordingly.</p> <table> <tr> <td></td> <td>2022</td> <td>2023</td> </tr> <tr> <td>Waste output (tons)</td> <td>7.801</td> <td>9.911</td> </tr> <tr> <td>Waste density (Headquarters: kg/person.year)</td> <td>61.4</td> <td>76.8</td> </tr> </table>		2022	2023	Total water consumption (millions of liters)	0.725	0.829	Water intensity (headquarters: m3/person)	5.71	6.43		2022	2023	Waste output (tons)	7.801	9.911	Waste density (Headquarters: kg/person.year)	61.4	76.8	
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Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>In terms of greenhouse gas reduction, the Company has officially passed the SBTi near-term goal review in February 2023. The goals for Scope 1 and Scope 2 emissions reduction by 42% and Scope 3 emissions reduction by 25% from the base year of 2022 have been set. The Company promotes environmental sustainability, comprehensively and continues to implement various environmental protection and carbon reduction measures in each department and engineering project, actively tracks the net zero trend, establishes a green and sustainable engineering team, practice and achieves a sustainable environmental vision of mutual prosperity and mutual good.</p> <p>The company's greenhouse gas emissions, water consumption and total waste weight in scope 1/2/3 for the past two years will be disclosed in the company's sustainability report and official website (https://www.kedge.com.tw/) in conjunction with third-party verification.</p>	
IV. Social Topic (I) Has the Company established relevant management policies and procedures in accordance with applicable laws and the international human rights conventions?	✓		(I) The consolidated company supports and respects the human rights protection policies and legislative principles of the “Universal Declaration of Human Rights,” the “United Nations Global Compact,” and the “International Labour Organization Declaration on Fundamental Principles and Rights at Work,” and has established the “Code of Ethical Conduct,”	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave and other welfare etc.), and has the company appropriately reflected the operation performance or outcome in the remuneration of employees?	✓		<p>“Human Rights Policy,” and other basic behavioral guidelines, and complied with the “Labor Standards Act” and related regulations, not to violate human liberty, force labor, discrimination, and do not use child labor. The “Guidelines for Prevention and Control of Sexual Harassment” have also been established, and all complaint channels have been announced. If there is a complaint, the Company will establish a committee to investigate the incident of sexual harassment, to prevent improper gender sexual harassment due to the execution of business. All new employees of the Company shall participate in the orientation, and shall accept the introduction and explanation of the Company’s relevant systems and regulations, including human rights-related courses, to continue to strengthen the awareness and concept of human rights of colleagues. The number of people participating in human rights-related education and training is 376, and the number of people qualifying the training is 339, with a course qualification rate of 90%.</p> <p>The Company’s supplier code of conduct also specifies human rights clauses, requiring suppliers to prevent any forced labor, child labor, and to provide a safe and healthy working environment, etc.</p> <p>(II) The consolidated company values the employee welfare and care, and the professional team analyzes and surveys the market salary, welfare market and the employment environment, to establish a reasonable remuneration policy and a remuneration committee, regularly reviews the performance and remuneration standards of directors and all senior executives, and</p>	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>has also established the “Regulations Governing the Issuance of Year-end Bonuses” in order to distribute year-end bonuses and employees’ remuneration based on the Company’s annual profit status.</p> <p>According to the Articles of Incorporation, if the Company makes a profit in a fiscal year, no less than 0.5% of the profit shall be distributed as remuneration of employees and no more than 2% as remuneration of directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. This provision will be submitted to the shareholders’ meeting for amendment in accordance with amendment of Paragraph 6 of Article 14 of the Securities and Exchange Act announced on August 7, 2024.</p> <p>Employees are evaluated based on their job functions and roles. The Company has established the “Regulations Governing the Evaluation of Fundamental Operations” and the “Regulations Governing Rewards and Disciplinary Actions of Employees” to ensure that employees comply with work ethics and regulations in daily business operations. Employee ethics, department performance, and work performance are all included in the promotion evaluation items. The year-end bonus ratio, promotion, and salary increase are determined based on the evaluation results.</p> <p>For the special or major contribution to tender projects made by employees of the consolidated company, employees who participated in the tender submission are rewarded. For completion of</p>	

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(III) Has the Company provided a safe and healthy work environment for employees, and implemented education on occupational safety and health for employees regularly?	✓		<p>construction works, award budget is appropriated from the profit amount for distribution to the project personnel and staff responsible for the job site and demonstrating outstanding performance.</p> <p>The consolidated company also provides a leave system complying with the law, employee benefits (birthday vouchers, three-holiday gift vouchers, wedding gift money, childbirth gift vouchers, irregular birthday celebration gifts, employee house purchase discounts, injury and sickness condolence money, emergency subsidies, annual health examinations, continuing education subsidies, funeral condolence money, irregular employee dinner gathering, year-end dinner party, movie activities, sports events, etc.) and insurance systems (labor insurance, national health insurance, labor pension contributions, group insurance), etc.</p> <p>For other relevant information, please refer to the later contents of 1. Employee Benefits and 4. Retirement System of V. Labor-Management Relations or information on the Company's website (https://www.kedge.com.tw/) or the Sustainability Report.</p> <p>(III) On December 2, 2018, the consolidated company was awarded the "ISO 45001 Occupational Safety and Health Management System" certification by the international certification organization SGS, and the first TAF certificate in the domestic construction industry. The system continues to be verified on a yearly basis, and all certifications passed. The Company also stipulates that all departments need to be comprehensively inspected, reviewed, and revised</p>	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>for the ISO 45001 Occupational Health and Safety Management System procedures and standards before the third quarter of each year. By the end of October 2024, the Company has completed the annual inspection, review, and revision of the ISO 45001 Occupational Health and Safety Management System Procedures and Standards, which were announced and implemented after the revision. For the ISO 45001 Occupational Safety and Health Management System, the latest system verification valid period is from February 3, 2024 to February 2, 2027.</p> <p>The merged company complies with the provisions of the occupational safety laws and regulations. The occupational safety office regularly organizes safety and health education and training. Some special occupational safety professional training is entrusted to external professional organizations to provide training, so that employees or suppliers can obtain the necessary knowledge and skills to perform their jobs. Through continuous training, the occupational safety concepts of employees or suppliers are improved.</p> <p>To provide a safe, healthy and comfortable working environment, the consolidated company arranges health examinations for employees annually. At the same time, to provide a friendly working environment, the Company has set up a nursery room in the Headquarters, to encourage home parenting and child birth of employees, and to protect the rights related to breastfeeding of female employees after giving birth.</p> <p>For other relevant information, please refer to the</p>	

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(IV) Has the Company established a plan for the training of effective career development and planning of employees?	✓		<p>content of 5. Occupational Safety and Health of V. Labor-Management Relations, or the Company's website (https://www.kedge.com.tw/) or the Sustainability Report.</p> <p>(IV) The Human Resources Department establishes an annual training program based on business needs, and organizes specific training for supervisors (training for supervisors and staff) with job promotion, job changes, new employees (new employee orientation) or professional job duties (such as occupational safety personnel). The training program includes more than 20 hours of education and training annually, including personal professional training. The training hours are included in the annual performance evaluation, in order to strengthen the professional competence of employees. At the same time, to optimize education and training resources, each unit may propose training requirements based on business development, and the Human Resources Department then organizes the training, invites external lecturers or internal personnel to open courses irregularly, and to exchange professional skills with each other, in order to improve the manpower quality.</p>	Compliant
(V) Has the Company complied with laws and international standards with regards to the customer health and safety of products and services, customer privacy, marketing and labeling of products and services, and has the Company established policies and reporting procedure related to consumer right and benefit protection?	✓		<p>(V) The consolidated company is dedicated to protect the health and safety of the customers, and prohibits the use of hazardous substances during the construction process. The raw materials used are also certified by suppliers via relevant tests, such as: proof of radiation pollution prevention of steel bars, proof of chlorine ion content inspection of concrete, and proof of non-use of asbestos, use of legal paints, wooden</p>	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>decoration materials, and light partitions, thereby ensuring the quality of the construction work. The Company has also introduced a CRM customer relationship management system for customer privacy, including software security management, peripheral device security management, and file monitoring management, in order to ensure customer privacy and to prevent disclosure of confidential information</p> <p>The consolidated company has obtained the international standards certifications of ISO 9001:2015, ISO 45001 and CSR. In terms of project management, the consolidated company has established a quality management system and stipulated the quality management regulations. The Company's contracting projects mostly adopt the tender or bargaining system, and most of the customers have commissioned professional supervisory companies to implement supervision. Therefore, the Company does not use any unfair, incomplete or incorrect marketing and information to mislead customers to purchase products and services that do not comply with the requirements.</p> <p>The "Procurement Department" and the "Customer Service Department" have also set up contact persons for complaint and customer service. In case of receipt of any supplier issues, the Procurement Department is responsible for responding to such issues. If any customer complaints on quality are received, the "Customer Service Department" hotline is provided and the CRM system is used to provide response within 24 hours, in order to provide immediate after-</p>	

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(VI)Has the Company established supplier management policy, requested suppliers to comply with relevant regulations with regards to the issues of the environmental protection, occupational safety and health or labor rights, and the implementation status thereof?	✓		<p>sales services and to protect customer rights and interests.</p> <p>(VI) The consolidated company values environmental and social protection, and is committed to ensuring the safety of the working environment in the industry supply chain, occupational safety and health of workers, or labor rights. Accordingly, the consolidated company has formulated a supplier code of conduct and management strategies, requiring suppliers to comply with the content of the standards and to duly implement the same, and to also comply with the local laws and regulations of the countries where they are located.</p> <p>In addition, the Company has set up a quotation system and an evaluation system before and after the quotation is made with the supplier. For the acceptance inspection, the Company have also established relevant evaluation systems, in order to comply with the labor rights and environmental protection measures, which is also used as the basis for determination of subsequent contracting works of suppliers.</p> <p>The contracts between the consolidated company and suppliers include the “CSR” clauses, and the “Code of Ethical Conduct” is also required to be signed by suppliers, in order to achieve the goal of joint improvement of CSR by the consolidated company and suppliers. If any supplier violates the CSR policy or makes a significant impact on the environment and society, the contract may be terminated or rescinded at any time. In 2024, the supplier’s implementation rate was 100%.</p>	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
V. Has the Company stipulated standards or guidelines according to the internationally accepted report, prepared corporate social responsibility report etc. and reports for disclosing non-financial information of the Company? Has a third-party verification entity provided assurance or assurance opinion for the aforementioned report?	✓		The consolidated company has prepared its Corporate Social Responsibility Report and Sustainability Report in accordance with the Global Reporting Initiative GRI Standards, United Nations Sustainable Development Goals SDGs, and Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies published by Taiwan Stock Exchange Corporation. The Company has also obtained an impartial third-party DNV Taiwan assurance statement in accordance with the international standard AA 1000 ASv3 requirements.	Compliant
<p>VI. Where the Company establishes its own corporate social responsibility best practice principles according to the “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the discrepancy between its operation and the principles established:</p> <p>The Company’s amendment of the Kedge Construction Sustainable Development Best Practice Principles has been approved by the Board of Directors in March 2023 in accordance with the “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies”, specifying the directors’ obligation to pay attention to the sustainable development, and to review the implementation results and continuously improve, and to actively incorporate the sustainable development into the Company’s business activities and development direction, and to ensure the timeliness and accuracy of the disclosure of relevant information about the sustainable development. The Company regularly reviews the implementation status in accordance with the Principles and improves accordingly. There is no difference in the implementation to date.</p>				
<p>VII. Other important information to facilitate the understanding of the status of corporate social responsibility operation:</p> <p>The Company’s website and the corporate sustainable development website (https://esg.kedge.com.tw/)</p> <p>The Company’s Sustainability Report (https://esg.kedge.com.tw/ch/report/)</p>				

VIII. Implementation of Climate-Related Information

Item	Implementation Status					
(1) Describe the supervision and governance of the Board of Directors and management on climate-related risks and opportunities.	<p>The Board of Directors is the highest supervisory unit for climate change risk management. It is responsible for reviewing and supervising the Company's climate change-related policies, goals and action plans, ensuring that climate strategies are consistent with the Company's long-term development direction. The Company has formally included the climate change topics in the management scope of the "Green Low Carbon" team under the Sustainable Development Committee, which is responsible for the promotion of environmental management system, environmental compliance, international standards, carbon management and low-carbon transformation, and improving the efficiency of energy and resource use. The cross-departmental discussion meeting is convened irregularly to communicate the environmental sustainability goals and strategies. The Sustainable Development Committee convenes meetings annually to review the implementation of climate change risk management, assess the effectiveness of greenhouse gas reduction, and formulate concrete carbon reduction and climate adaptation strategies. The Sustainable Development Committee also regularly reports the results of climate change management outcome to the Board of Directors. The relevant implementation progress in 2024 has been reported to the Board of Directors in March and November, in order to ensure the effective operation of the climate governance mechanism.</p> <p>The Company also continues to assess the risks of climate change related transformation through the TCFD framework. The senior executives of various departments identify the major climate risks and opportunities, and quantify the financial impact that climate risks and opportunities may cause or bring to the Company's core, supply chain and related industries, and also communicate with stakeholders through the disclosure of financial information related to climate and the stakeholders.</p>					
(2) Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance of the enterprise (short-term, mid-term, and long-term).	Risk ranking	Type of risk/opportunity	Risk or opportunity content	Time of occurrence	Probability of occurrence	Financial impact level
	Risk 1	Physical risk	[Immediate] Tropical cyclone	Short-term	Confirmed	Low
	Risk 2	Physical risk	[Immediate] Change of extreme temperature	Short-term	Confirmed	High
	Risk 3	Transformation risk	[Regulations] Government's collection of corporate carbon fees	Medium-term	Confirmed	Medium
	Risk 4	Transformation risk	[Regulations] Compulsory	Medium-	Very likely	Low

			reporting and public construction specifications	term		
	Opp 1	Resource efficiency	Production and manufacturing - Aluminum formwork	Short-term	Confirmed	High
	Opp 2	Market	International Initiative - SBTi	Medium-term	Very likely	Low
	Opp 3	Resource efficiency	Recycled materials	Long-term	Confirmed	Low
	Opp 4	Products and services	Innovation and R&D	Medium-term	Very likely	Low
	Opp 5	Market	Public construction participation	Short-term	Very likely	Low
(3) Describe the impact of extreme climate event and transformation action on the finance.	<p><u>Tropical cyclone</u></p> <p>According to the scientific focus of IPCC's sixth assessment report on climate change and Taiwan's climate change analysis update report (RCP8.5), the 21st century's strong typhoons with the best scenarios (RCP8.5) will increase by approximately 100%. The Company expects that there will be 2 strong typhoons in the short term, 3 in the mid term, and 4 in the long term that will cause suspension of the construction work at the job sites and cause property losses. Typhoon will cause job site property (repair and maintenance expenses) loss and direct and indirect management fee losses due to job site construction work suspension. The Company's response measures are to enhance typhoon prevention measures in advance and to inspect construction sites as required. During the typhoon period, we monitor the situation of the construction sites in real-time, and reduce personnel on the ground, if possible. We also purchase relevant hazard insurance.</p> <p><u>Changes in extreme temperature</u></p> <p>According to the scientific focus of IPCC's sixth assessment report on climate change and Taiwan's climate change analysis update report (RCP8.5), the number of days with a temperature above 36°C has increased in the future extreme high temperature events. The increase in the number of days with a temperature above 36°C in the 21st century and the end of the 21st century is approximately 8.5 days and 48.1 days, respectively. The Company expects that for the short-term, there will be 5 days per year, 10 days for the mid-term, and 15 days for the long-term, and the financial impact includes the loss caused by the suspension of work due to extremely high temperature (or reduction of work hours), the cost generated by the government's cooling measures, the risk cost generated by the delay of work, and the loss caused by the</p>					

	<p>change of working hours at night. The Company's response strategy is to adjust the working hours to avoid the extremely high temperature period.</p> <p><u>Government's collection of corporate carbon fees</u></p> <p>The government of Taiwan has passed the "Climate Change Response Act" to establish a carbon fee mechanism for enterprises, which will increase the cost of the main raw materials of the Company, such as steel, steel structure and cement. In the future, the Company will adopt low-carbon materials and raw material cost reduction strategies.</p> <p><u>Compulsory reporting and public construction specifications</u></p> <p>The relevant domestic departments have required enterprises to report the greenhouse gas emissions in accordance with the Climate Change Response Act. On the other hand, future public construction may also specify requirements for greenhouse gas and carbon footprint, which will increase the cost of human resources for the Company to implement carbon management, and will also increase the cost of assistance and external verification. The Company has completed the greenhouse gas inventory and related carbon management.</p>	
(4) Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	<p>Through cross-departmental discussion meetings, the Company identifies and sorts climate-related risks/opportunities, assesses its financial impact, and reports the results of the climate-related risk meeting and financial impact to the Sustainable Development Committee and the Board of Directors. In addition, the Company has established a risk management team in 2024. In the future, the Company will cooperate with the risk management team to conduct regular reviews on the climate risk identification and assessment management through risk assessment meetings in April and October of each year.</p>	
(5) If the scenario analysis is used to assess the resilience against the climate change risks, then the scenarios, parameters, assumptions, analysis factors and major financial impacts shall be stated.	<p>Scenario of risk assessment strategy for transformation risks and opportunities</p> <ul style="list-style-type: none"> • 1.5 degree C • Taiwan's 2050 Net Zero Emission Roadmap and Strategy • NDC Taiwan • Climate Change Response Act 	<p>Scenario of physical risk assessment strategy</p> <ul style="list-style-type: none"> • Worst scenario of global warning indicated in IPCC's 6th Science Assessment Report(SSP5-8.5).
(6) If transformation plan for managing climate-related risk is available, the plan content shall be explained, and the indicators and goals for identifying and managing	<p>The Company has established a low-carbon transformation plan and carbon reduction roadmap, and plans to reduce direct emissions (Scope 1), indirect emissions (Scope 2), and indirect emissions generated by the value chain (Scope 3) for operating activities. The content of implementation includes:</p>	

physical risks and transformation risk shall be described.	<ol style="list-style-type: none"> 1. Scope 1 <ol style="list-style-type: none"> (1) Change of fixed high-voltage washing machine, water pump motor and other small machines to electrical machines. (2) Choose electric vehicles for newly purchased company vehicles. Change to use electric vehicles for company vehicles as much as possible. (3) Accelerate the temporary electricity application for new projects, and change the infrastructure (such as the continuous wall construction) before power delivery to temporary electricity for construction, in order to reduce the use of temporary power generators. (4) Use temporary electricity supply for tower cranes, construction elevators, and steel structure electric welders, without the use of diesel generators. (5) Change to environmental protection refrigerant and adopt it as a procurement standard, including air conditioning and refrigerators. 2. Scope 2 <ol style="list-style-type: none"> (1) Implement electricity saving for the engineering office and the headquarters office, and reduce electricity consumption year by year. (2) Install solar power generation system on the roof after relocation of the headquarters building. 3. Scope 3 <ol style="list-style-type: none"> (1) Promote the application of low-carbon materials/technologies, including low-cement ratio concrete, limestone cement low-carbon concrete, electric-arc-furnace steel bars, steel plates, and profile steel, and pre-cast method and aluminum formwork to replace traditional wooden formwork. (2) Promote the use of low-carbon materials and methods for turnkey projects, and include such requirements in the design. (3) Continuously increase the localized procurement ratio to 85%.
(7) If the internal carbon pricing is used as the planning tool, it is necessary to explain the price setting basis.	The Company plans to complete the establishment of the internal carbon pricing implementation measures in 2025.
(8) If climate-related goal has been set up, it is necessary to describe the information of activity covered, greenhouse gas emissions scope, plan schedule, annual achievement progress, etc. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant goals, it is necessary to explain the carbon reduction source and quantity for the offset or the quantity of renewable energy certificates (RECs).	The Company has set 2022 as the base year, and has proposed the near-term science based target (NSBT) to SBTi, with the commitment to reduce greenhouse gas emissions of Scope 1 and Scope 2 by 42% and to reduce greenhouse gas emissions of Scope 3 by 25% in 2030. The carbon reduction goals have qualified the SBTi goal verification review on February 22, 2024.

<p>(9) Greenhouse gas inventory inspection and assurance status, and reduction goal, strategy and specific action plan (please provide information in Sections 1-1 and 1-2)</p>	<p>The Company has not yet obtained complete data on the greenhouse gas inventory activities on the date of publication of the annual report. Only the reasonable estimate of the greenhouse gas emissions is made based on past experience and existing data. The verification opinions and complete information will be disclosed in the Sustainability Report and difference will also be explained. Please refer to the following for details.</p>
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1-1. Greenhouse gas inventory inspection and assurance status of the Company in the most recent two years

1-1-1 Information on Greenhouse Gas Inventory Inspection

Describe the greenhouse gas emissions in the last two years (tonnes of CO₂e), intensity (tonnes of CO₂e/NTD million), and data coverage.

According to the requirements of the TWSE/TPEX Listed Company Sustainable Development Roadmap:

1. The parent company shall start the inventory inspection in 2026.
2. The subsidiaries in the consolidated financial statements shall start the inventory inspection in 2027.

Since 2022, the Company has fully promoted the organization's greenhouse gas inventory for the construction in progress nationwide in accordance with the ISO 14064-1:2018, and has adopted the operation control right method. In addition, the Scope 3 emission also covers the upstream transportation, employee commuting, business trips, procurement of goods, waste disposal treatment. The Company's greenhouse gas emissions are summarized in the following table (the 2024 emissions are estimated):

	2023		2024	
	Emissions (tonnes CO ₂ e)	Intensity (tonnes of Co ₂ e ₂ e sales volume in millions NTD)	Emissions (tonnes CO ₂ e)	Intensity (tonnes of Co ₂ e ₂ e sales volume in millions NTD)
Scope 1	561	0.0393	550	0.0386
Scope 2	2,829	0.1979	2,772	0.1947
Scope 3	210,912	14.7569	200,366	14.0764
Total	214,302	14.9941	203,688	14.3098

Note 1: Direct emissions (Scope 1, i.e. emissions directly from the Company's ownership or control), indirect energy emissions (Scope 2, i.e. emissions caused by input of electricity, heat or steam that lead to indirect greenhouse gas emissions), and other indirect emissions (Scope 3, i.e. emissions generated by the Company's activities, not from energy indirect emissions, but from other companies' ownership or control).

Note 2: The scope of direct emissions and indirect emissions of energy shall be handled in accordance with the schedule specified in Paragraph 2 of Article 10 of these standards. Other indirect emissions information may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emission may be calculated based on the unit of product/services or sales volume, but at least the data calculated based on the sales volume (in NT\$ million) shall be provided.

1-1-2 Information on Greenhouse Gas Assurance

Describe the assurance status in the last two years up to the date of publication of the annual report, including the scope of assurance, the assurance institution, the assurance standards and the assurance opinions.

According to the requirements of the TWSE/TPEX Listed Company Sustainable Development Roadmap:

1. The parent company and its subsidiaries shall be inventoried starting from 2025.
2. The consolidated financial statements of subsidiaries should be inventoried from 2026.

The Company's greenhouse gas inventory for the past two years is as follows (the emission volume for 2024 is estimated only):

	Emissions in 2023 (tonnes CO ₂ e)	Emissions in 2024 (tonnes CO ₂ e)
Scope 1	561	550
Scope 2	2,829	2,772
Scope 3	210,912	200,366
Total	214,302	203,688
As a percentage of the above disclosure of 1-1-1	100.00%	100.00%
Inspection Institution	SGS Taiwan Ltd.	DNV GL Business Assurance Co., Ltd.
Description of verification	The inspection was completed according to ISO14064-3:2019. Scope 1 and 2 reasonable assurance level Scope 3 limited assurance level	Document review on 2025/4/15 S1 and S2 verification on 2025/5/5, 5/6, and 5/27
Verification opinion/conclusion	Unqualified opinion/conclusion	Complete verification information will be disclosed in the Sustainability Report.

Describe the greenhouse gas reduction base year and the data, reduction goal, strategy, and actual action plan and reduction goal achievement status.

Greenhouse gas reduction goal

The Company has set 2022 as the base year, and has proposed the near-term science based target (NSBT) to SBTi, with the commitment to reduce greenhouse gas emissions of Scope 1 and Scope 2 by 42% and to reduce greenhouse gas emissions of Scope 3 by 25% in 2030.

Reduction Action Plan

Scope 1: Promote the change of fuel burners to electric machineries, change of company cars/motorcycles to electric vehicles, and change of use of eco-friendly refrigerant equipment, etc.

Scope 2: Promote the Engineering Office to install electric gauges, to turn off lights during lunch break, to install energy-saving lamps, and to use Class 1 energy-efficient refrigerators and appliances.

Scope 3: For the building materials with the highest emissions, continue to adopt the pre-cast method, to replace the traditional wooden formwork, and to use low-carbon concrete, in order to reduce carbon.

Goal achievement status

The Company has not yet obtained complete data on the greenhouse gas inventory activities on the date of publication of the annual report. Only the reasonable estimates of the greenhouse gas emissions is providing in the following based on past experience and existing data. The verification opinions and complete information will be disclosed in the Sustainability Report and difference will also be explained.

The total emission of the Company in 2024 was 4.95% lower than that in 2023. The scope 1 and scope 2 emissions in 2024 are 3,322 tonnes of CO₂e, a decrease of 2.0% from 2023, mainly due to the energy saving

of the construction job sites in accordance with the Company's policy. In addition, Scope 3 has been affected by the progress of construction and different types of construction works, resulting in a decrease of approximately 4.5% in the carbon content of construction materials in 2024 compared to 2023.

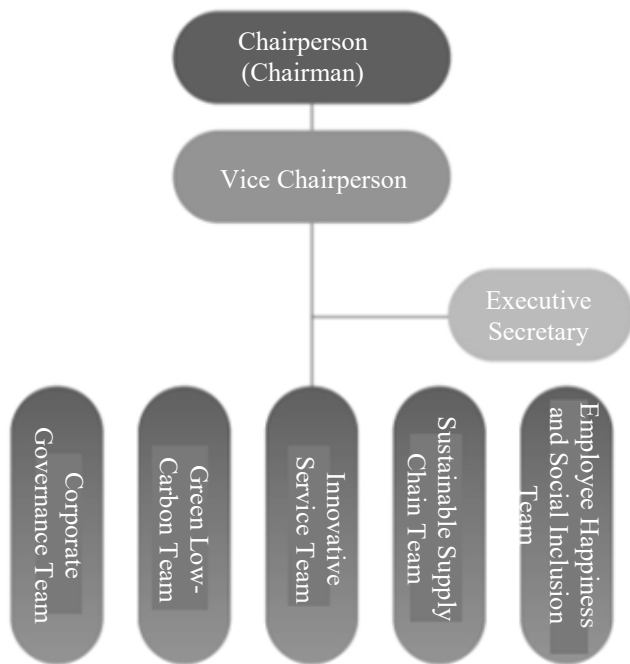
Note 1: It shall be handled in accordance with the schedule specified in Paragraph 2 of Article 10 of these standards.

Note 2: The base year shall be the year when the consolidated financial statements are completed. For example, according to the requirement specified in Paragraph 2 of Article 10 of these guidelines, companies with a capital of more than NT\$10 billion shall complete the 2024 consolidated financial statements in 2025. Therefore, the base year is 2024. If the company has completed the 2024 consolidated financial statements in advance, the earlier year shall be the base year. In addition, the data of the base year may be calculated based on the average value of a single year or several years.

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

Explanation of Organizational Chart and Responsibilities of Sustainable Development Committee and Promotion Team

Organizational Structure



Implementation Team	Job Content
Corporate Governance Team	Responsible for the review and assessment of operational and financial risks and performance, and enhancement of the operations of the Board of Directors, compliance, implementation of internal audits, internal control, and information security.
Green Low-carbon Team	Responsible for the design and research and development of engineering projects on green legislation and other issues, and carbon reduction environmental management and greenhouse gas governance.
Innovative Service Team	Responsible for the use of R&D capabilities, improvement of engineering operation products and services through digitalization and intelligence.
Sustainable Supply Chain Team	Responsible for negotiating, sharing, and implementing sustainability concepts with customers and suppliers; establishing sustainability guidelines and risk impact assessment mechanism.
Employee Happiness and Social Inclusion Team	Responsible for improving the social care and environmental education efforts inside and outside the Company, enhancing work environment and quality of life, and social welfare contribution.

To implement corporate sustainable governance, the Sustainable Development Committee’s duties and responsibilities are as follows:

- ▶ Establishment of sustainable development policy
- ▶ Review the operation of the sustainable development management system.
- ▶ Review the Company’s ESG policy objectives, strategies, and action plans and guide and follow up on the progress and performance improvement of each action plan.

- ▶ Supervise various stakeholder engagement plans (such as the disclosure of the ESG Report) and invite stakeholders to participate in committee meetings or hold stakeholder meetings if necessary.
- ▶ Supervise the preparation of the ESG Report to be completed before a deadline. The Sustainable Development Committee’s each project implementation results and progress are reviewed and supervised by the Corporate Governance team to incorporate them in the company’s decision-making process and improve the performance of sustainable development, while gradually achieving the short-, medium-, and long-term sustainable development targets, demonstrating our determination to move toward sustainable development.

(VI) Ethical Corporate Management Practices, and Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons:

Evaluation Items	Status of Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and plans				
(I) Has the Company established an ethical corporate management policy approved by the Board of Directors and stated in its Articles of Incorporation or external correspondence about the ethical management policies and practices, as well as the commitment of the Board of Directors and senior management to actively implement the operating policies?	✓		(I) To establish a corporate culture of ethical corporate management and a reference framework for good business operations, the Company has established the “Corporate Governance Best Practice Principles”, “Ethical Corporate Management Best Practice Principles”, and “Operation Procedures and Guidelines for Ethical Management” to regulate the Company and its directors, managers, employees, mandataries, and persons with substantial control shall follow the ethical standards and code of conduct when performing their duties.	Compliant
(II) Has the company established a mechanism for assessing the risk of dishonest acts, regularly analyzed and evaluated the business activities within the scope of business that have a higher risk of dishonest acts, and formulated a program for prevention of dishonest acts based on such plan, which at least covers the preventive measures mentioned in paragraph 2 of Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	✓		(II) To ensure the implementation of ethical corporate management, the consolidated company has established effective accounting and internal control systems, and internal auditors regularly audit the compliance of the aforementioned systems. In addition, when selecting contractors, the Company selects suitable partners, and it is clearly stipulated in the Affidavit Letter “no gifts, entertainment or improper benefits”. The Company has established the Procedures for Ethical Management and Guidelines for Conduct, specifying the prevention programs and prevention measures for unethical conducts.	Compliant
(III) Has the Company established the program to prevent unethical conduct, including operational procedures, guidelines, penalties for violations, and a complaint system, and implemented the program, and regularly review and amend the aforementioned programs?	✓		(III) On March 26, 2021, the consolidated company established the “Procedures for Ethical Corporate Management and Guidelines for Conduct” and the “Act for Detecting Violation of Ethical Corporate Management” was passed in October 2021. The directors, managers, employees, mandataries and	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>persons with substantial control of the Company and Group enterprises and organizations are subjected to the regulations of this Procedures. It is prohibited to offer or accept bribes, offer illegal political contributions, improper charitable donations or sponsorships, offer or accept inappropriate gifts or other improper gains, leaking of the Company's trade secrets, intellectual property infringement, unfair competition, or services that harm consumers or other stakeholders and other unethical conducts. Complaint channel has been provided for reporting on these unethical conducts.</p> <p>In addition to the "Employee Work Rules" and other personnel regulations specifying that employees must not engage in any unethical conducts, the consolidated company have also included the prevention operating procedures in the orientation of new employees or other personnel education and training courses. In addition, relevant regulations are further announced and conveyed to employees, managers and directors irregularly.</p>	
II. Implementing ethical corporate management				
(I) Has the Company evaluated the ethical records of its trading counterparts, and specified the ethical conduct clauses in the contracts signed with its trading counterparts?	✓		(I) When the consolidated company selects a cooperative contractor/supplier, a suitable contractor/supplier is selected based on the credit check method, and the affidavit specifies "no gifts, entertainment or improper benefits", and relevant contracts also specify ethical management clauses.	Compliant
(II) Has the Company set up a dedicated unit under the Board of Directors to promote corporate ethical management, and report the implementation of the ethical management policies and prevention programs against unethical behaviors to the Board of Directors on a regular basis (at least once a year)?	✓		(II) The consolidated company has designated the corporate governance team under the Board of Directors as the responsible unit for corporate governance. The corporate governance team and the ethical management team consist of the corporate governance officer, heads of the legal department, human resources department, and various operating units. They are responsible for assisting the Board of	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>Directors and the management in formulating and supervising the implementation of ethical management policies and prevention programs based on the duties and scope of each unit, in order to ensure the implementation of the ethical management best practice principles. In addition, the implementation status and results are also reported to the Board of Directors (the implementation status and results have been reported to the Board of Directors on December 20, 2024).</p> <p>Implementation status in 2024:</p> <ol style="list-style-type: none"> 1. Contractual incorporation of ethical management clauses and signing of affidavit: approximately 489 cases In order to implement ethical management and anti-corruption, contracts include the clause requiring suppliers to comply with the ethical management responsibility, signing the “no gift, reception or improper benefits” affidavit, and the effect of termination of contract and compensation for violation are also specified for suppliers’ compliance. 2. Education and training or public promotion: A total of 452 people participated in the education and training or public promotion activities, for a total of 495 training hours. The Company includes the promotion of ethical management as one of the education and training courses for new employees. The Company also regularly organizes courses for official document preparation process and promotion of ethical management, case study and prevention of unlawful violation at the workplace, the Company’s corporate governance and ethical management - discussion on anti-corruption, anti-bribery and unethical conduct risks, and the promotion of ethical management (Part I) (Part II) (Part III) courses, etc. The total number of people 	

Evaluation Items	Status of Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			<p>participated in the aforementioned courses was 452 people, for a total of 495 training hours. The Company also organizes various relevant educational courses irregularly.</p> <p>3. Employees' affidavit signing rate: 100% New employees are required to sign an affidavit upon reporting to work, requiring them to comply with non-disclosure obligation and the Company's ethical corporate management best practice principles, in order to implement the Company's ethical management.</p> <p>4. Periodic review: The Ethical Corporate Management Best Practice Principles clearly stipulate the prohibition of bribery and acceptance of bribery, prohibition of illegal political contributions, prohibition of improper charitable donation or sponsorship, prohibition of unreasonable gifts, reception, or other improper benefit prevention programs and handling procedures. When engaging in business activities, the Company avoids trading with those with unethical records, and specifies the condition of ethical management in relevant contracts. Through the compliance and self-assessment of the internal control system, the Company achieves effective control and implementation, and the Audit Office conducts independent audits to ensure the effective implementation of the overall mechanism.</p> <p>5. The "Regulations for Reporting Violation of Ethical Management" and "Procedures for Ethical Management and Guidelines for Conduct" are publicly disclosed on the Company's website and the internal employee section, in order to clearly specify the acceptance of units, reporting channels and handling procedures, and to ensure the legal rights and interests of</p>	

Evaluation Items	Status of Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(III) Has the Company established policies to prevent conflicts of interest, provide appropriate channels of communication, and implement such policies?	✓		the reporter and the counterparty. For other relevant information, please visit the Company's website (https://www.kedge.com.tw/) or the Sustainability Report. (III) The consolidated company has established the "Procedures for Ethical Corporate Management and Guidelines for Conduct" on March 26, 2021. The Corporate Governance Officer, Legal Affairs Division, Administrative Management Division and heads of all operating units have jointly formed the ethical management team. The Human Resources Department of the Administrative Management Division is the contact for receiving reports from reporting personnel, which are also submitted to the ethical management team for discussion and proper implementation, and reported to the Board of Directors periodically.	Compliant
(IV) Whether the Company has established an effective accounting system and internal control system to implement ethical corporate management, and has the internal audit unit formulate relevant audit plans based on the assessment results of the risks of unethical behaviors, and used to audit the compliance of the prevention of unethical behaviors? Or appoint a CPA to perform the audit?	✓		(IV) The consolidated company has established an effective accounting system and an internal control system. The audit unit formulates an audit plan based on the risk assessment results, and regularly or irregularly conducts audits on various business activities, in order to ensure the effective implementation of various systems, and reports the audit results to the Audit Committee and the Board of Directors.	Compliant
(V) Does the Company organize internal and external training on ethical corporate management on a regular basis?	✓		(V) The consolidated company upholds the ethical corporate management philosophy and strengthens the promotion of the internal training during the management meetings and internal trainings. The Company includes the promotion of ethical management as one of the education and training courses for new employees. The Company also regularly organizes courses for official document preparation process and promotion of ethical management, case study and prevention	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			of unlawful violation at the workplace, the Company's corporate governance and ethical management - discussion on anti-corruption, anti-bribery and unethical conduct risks, and the promotion of ethical management (Part I) (Part II) (Part III) courses, etc. The total number of people participated in the aforementioned courses was 452 people, for a total of 495 training hours. The Company also organizes various relevant educational courses irregularly.	
III. The operation of the Company's whistle-blowing system				
(I) Has the Company established a substantive reporting and reward and punishment system and convenient channels for reporting, and appointed designated personnel for handling the targets of reports?	✓		(I) The consolidated company has established the "Regulations for Reporting Violation of Ethical Management" and the "Procedures for Ethical Management and Guidelines for Conduct", and has also set up the mailbox for complaints and hotline for whistle-blowing. The Human Resources Department is responsible for handling related matters, in order to handle complaints and disciplinary actions in accordance with the operating procedures of the Company.	Compliant
(II) Has the Company established standard operating procedures for the investigation of whistle-blowing matters, the follow-up measures to be taken after the investigation is completed, and the related confidentiality mechanism?	✓		(II) The consolidated company has established the "Regulations for Reporting Violation of Ethical Management" and the "Procedures for Ethical Management and Guidelines for Conduct", such that when the Human Resources Department accepts reports, it is responsible for the confidentiality of personal information of the reporters.	Compliant
(III) Has the Company taken measures to protect the whistleblower from improper treatment due to their whistle-blowing?	✓		(III) The consolidated company has established a confidentiality system in its whistle-blowing process, and the whistle-blower will not be punished for the whistle-blowing conduct.	Compliant
IV. Strengthening information disclosure				
Has the Company disclosed the content of its Ethical	✓		The Company's website has set up the "Investor Section" disclosing the "Ethical Corporate Management Best Practice	Compliant

Evaluation Items	Status of Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
Corporate Management Best Practice Principles and results on its website and Market Observation Post System?			Principles”, “Regulations for Reporting Violation of Ethical Management”, and “Procedures for Ethical Management and Guidelines for Conduct”, which explicit state that “integrity” is the most fundamental business philosophy. The Company’s philosophy of “emphasis on integrity, persistence to quality, honesty and service, innovation and improvement, sustainable operation” is also conveyed. Furthermore, the implementation status and results are also disclosed on the Company’s website.	
<p>V. If the Company has established its own ethical corporate management best-practice principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe the current practices and any deviations from the TWSE/TPEX Best-Practice Principles:</p> <p>To fulfill corporate social responsibility, and to promote the balance and sustainable development of the economy, society and environment, the Board of Directors of the Company has approved the “Ethical Corporate Management Best Practice Principles” on March 24, 2016. Subsequently, the “Procedures for Ethical Management and Guidelines for Conduct” has been further established in March 2021, and the “Regulations for Reporting Violation of Ethical Management” has been further established in October 2021. In addition, the implementation status is regularly reviewed and improved accordingly. There have been no discrepancies in the implementation up to the present day.</p>				
<p>VI. Other important information that is helpful in understanding the Company’s ethical corporate management practices (e.g., the circumstance in which the Company is reviewing and amending the Company’s ethical corporate management best practice principles):</p> <p>(I) The consolidated company shall comply with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the regulations related to listing on the TWSE or TPEX, or other laws and regulations related to business activities, as the basis for the implementation of ethical corporate management.</p> <p>(II) The consolidated company’s “Regulations Governing Procedures for Board of Directors Meetings” has a recusal clause for directors, which clearly stipulates that a director with self-interests or a corporate representative with interests, which will harm the company’s interests, he/she may express opinions and answer questions, and may not participate in and avoid discussion and voting, and may not exercise voting rights on behalf of other directors.</p> <p>(III) The consolidated company has “Procedures for Handling Internal Material Information” expressly stating that directors, supervisors, managers and employees are not allowed to divulge to others any material internal information that they are informed of, nor shall they inquire or collect from any person who is informed of material internal information of the Company that is not relevant to their personal duties, and also shall not divulge to others any material internal information of the Company that they are not informed of through their official duties.</p> <p>(IV) The consolidated company has established the “Ethical Corporate Management Best Practice Principles”, “Regulations for Reporting Violation of Ethical Management”, and “Procedures for Ethical Management and Guidelines for Conduct”, explicitly specifying that directors, managers, employees, mandataries, or persons with substantial control power shall not directly or indirectly offer, promise, request or accept any illegal benefits or commit other unethical acts such as</p>				

Evaluation Items	Status of Operation			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
(V) breach of ethics, unlawful acts, or breach of fiduciary duty in the course of conducting business related to the Company, in order to obtain or maintain benefits. The consolidated company has established the Sustainable Development Committee on March 25, 2022, and has formulated the “Sustainable Development Committee Charter”, to be responsible for the promotion and implementation of various sustainable development action plans, in order to implement the objectives of the Company’s ethical management, corporate social responsibility and sustainable development.				

(VII) Other information material to the understanding of corporate governance within the Company: None.

(VIII) Internal Control System Implementation Status:

1. Statement of Internal Control: Information inquiry website:

<https://mopsov.twse.com.tw/nas/cont06/c2546113011140307.pdf>

2. CPAs are retained to review the internal control system: None.

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

1. Important resolutions of the general shareholders' meeting:

Meeting time	Important resolution matters		Implementation status
2024.5.29	Ratification Items	Approved the Company's 2024 business report and financial statements.	Handled in accordance with the resolution of the shareholders' meeting
		Approved the Company's 2023 earnings distribution proposal	Distribution of cash dividends of NT\$4 per share, and distribution has been made on August 23, 2024. Stock dividends for distribution of NT\$0.2 per share, ex-dividend (ex-dividend) date on 2024/07/29.
	Discussion Items	Approved the proposal for 2023 capital increase by retained earnings with issuance of new shares.	Handled in accordance with the resolution of the shareholders' meeting
		Approved the lifting of non-compete restrictions on Directors.	Handled in accordance with the resolution of the shareholders' meeting

2. Important resolutions of the Board of Directors' meetings:

Date	Term of Board of Directors	Important resolution matters
2024/03/12	6th Meeting of 12th Term	<ol style="list-style-type: none"> 1. Approved the 2023 business report and financial statements. 2. Approved the 2023 earnings distribution proposal. 3. Approved the 2023 capital increase by retained earnings with issuance of new shares. 4. Approved the proposal for the appropriation and distribution of the 2023 remuneration of employees and directors. 5. Approved the cancellation of non-compete restriction for directors of the Company. 6. Approved the 2023 "Statement of Internal Control System". 7. Approved the 2024 general shareholders' meeting convention agenda and related affairs. 8. Approved the signing of financing contracts with financial institutions.
2024/05/10	7th Meeting of 12th Term	<ol style="list-style-type: none"> 1. Approved the 2024 Q1 consolidated financial statements. 2. Approved the promotion and salary increase of managerial officers. 3. Approved the signing of financing contracts with financial institutions.
2024/07/10	8th Meeting of 12th Term	<ol style="list-style-type: none"> 1. Approved the obtaining of tender project from the Central Engineering Office of the Railway Bureau, Ministry of Transportation and Communications. 2. Approved the record date for the distribution of dividends in 2023.

		3. Approved the proposal for signing financing contract with financial institutions for business needs.
2024/08/09	9th Meeting of 12th Term	1. Approved the 2023 Sustainability Report preparation progress and implementation status. 2. Approved the 2024 Q2 consolidated financial statements. 3. Approved the signing of financing contracts with financial institutions.
2024/11/08	10th Meeting of 12th Term	1. Approved the 2024 Q3 consolidated financial statements. 2. Approved the amendment to parts of the provisions of the “Rules of Procedure for Board of Directors Meetings” and “Audit Committee Charter”. 3. Approved the amendment to parts of the provisions of the “Procedures for Acquisition or Disposal of Assets”. 4. Approved the amendment to the system manual and parts of the procedures for the internal control system. 5. Proposal for organizational structure adjustment. 6. Approved the job promotion, job title change and salary adjustment of the Company’s managerial officers. 7. Approved the signing of financing contracts of the Company with financial institutions.
2024/12/20	11th Meeting of 12th Term	1. Establishment of the 2025 business plan. 2. Establishment of the 2025 audit plan. 3. Assessment of the independence and suitability of the retained CPAs. 4. Approved the TSMC tender award. 5. Approved the salary scale table adjustment. 6. Approved the proposal for changing the name of “Regulations Governing Promotion and Salary Adjustment” to “Regulations Governing Job Promotion, Job Rank and Salary Adjustment” and content adjustment. 7. Approved the 2025 donation to “Kindom Yu San Education Foundation”. 8. Approved the proposal for the signing of financing contracts with financial institutions.
2025/03/07	12th Meeting of 12th Term	1. Approved the 2024 business report and financial statements. 2. Approved the 2024 earnings appropriation proposal. 3. Approved the proposal for distribution of cash dividends from earnings. 4. Approved the amendment to parts of the provisions of the “Articles of Incorporation” of the Company. 5. Approved the proposal for capital increase by retained earnings with issuance of new shares. 6. Approved the 2024 distribution of remuneration of employees and directors. 7. Approved the adjustment to the transportation allowance for directors. 8. Approved the adjustment of meal allowance. 9. Approved the application for the retirement of the managerial officers under the old system. 10. Approved the 2024 Statement of Internal Control System. 11. Approved the amendment to parts of the provisions of the “Corporate Governance Best Practice Principles”. 12. Approved the proposal for the rotation of CPAs of KPMG. 13. Approved the proposal for the assessment of the independence and suitability of the retained CPAs. 14. Approved the 2025 general shareholders’ meeting agenda and related affairs. 15. Approved the proposal for the signing of financing contracts with financial institutions.

(X) In the most recent year and up to the date of publication of the annual report, if 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 statement, the main content thereof: None.

IV. Information on CPA fees:

(I) Information on CPA fees:

Name of CPA firm	Name of CPA	Audit fee (NT\$ thousand)	Non-audit fees (NT\$ thousand)					Independent Auditors' Report	Remarks
			System design	Industrial and Commercial Registration	Human resources	Other	Subtotal		
KPMG	Yi-Lian Han	3,070	0	125	30	0	155	2024.01.01 ~ 2024.12.31	Human Resource's "Checklist for Full-time Non-Managerial Employees' Salary Information" review expense.
	Kuo-Cheng Tseng								

(II) Non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto: None.

(III) If the accounting firm is changed, and the audit fee paid in the year of replacement is less than the audit fee of the previous year: None.

(IV) Is the audit fee reduced by more than 15% from the previous year: None.

V. Information on replacement of CPA:

(I) Information relating to the former CPAs: None.

(II) Information relating to the succeeding CPA: None

(III) The reply of the former CPA in accordance with Article 10, Paragraph 6, Item 1 and 2-3 of the Guidelines: Not applicable.

VI. The Company's Chairman, President and Managers in charge of its finance and accounting operations holding any positions within the independent audit firm or its affiliates in the most recent year: None.

VIII. Transfer and pledge of shareholdings of directors, managers and shareholders holding more than 10% of the shares for the most recent year and up to the date of publication of the annual report:

(I) Changes in the shareholdings of directors, independent directors, managerial officers and shareholders with shareholding percentage exceeding 10%:

Information inquiry website: https://mops.twse.com.tw/mops/web/query6_1

(II) Information on transfer of shares: Information inquiry website:

<https://mops.twse.com.tw/mops/web/stapap1>

(III) Information on pledge of equity: Information inquiry website:

<https://mops.twse.com.tw/mops/web/stapap1>

VIII. Spouses or relatives within the second degree of kinship of another among the top ten shareholders:

March 28, 2025 (Unit: shares)

Name	Shareholding of the individual		Shares held by spouse and underage children		Total Shares Held in the Name of Others		The names and relationships of the top ten shareholders who are related, spouse, or relatives within second degree of kinship to each other.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Company name (or personal name)	Relationship	
Kindom Development Co., LTD. Representative: Mike Ma	42,093,444	34.18%	-	-	-	-	Yu-De Investment Co., Ltd.	The individual is a relative within the first degree of kinship of the Chairman of Yu-De Investment Co., Ltd.	
							Mike Ma	The individual is the Chairman of said company.	
							Mei-Chu Liu	The individual is a relative within the first degree of kinship of the Chairman of said company.	
Yu-De Investment Co., Ltd. Representative: Mei-Chu Liu	10,202,378	8.29%	-	-	-	-	Kindom Development Co., LTD.	The chairman of the company is a relative of the Chairman of the board of Kindom Development Corp.	
							Mike Ma	The individual is a relative within the first degree of kinship of the Chairman of said company.	
							Mei-Chu Liu	The individual is the Chairman of said company.	
							Ming-Nai Ma	The individual is a relative within the first degree of kinship of the Chairman of said company.	
							Shao-Ling Ma	The individual is a relative within the first degree of kinship of the Chairman of said company.	
Mei-Chu Liu	3,280,555	2.66%	-	-	-	-	Kindom Development Co., LTD.	1st degree of kinship - Chairman of the board of Kindom Development Corp..	
							Yu-De Investment Co., Ltd.	The individual is the Chairman of said company.	
							Ming-Nai Ma	The individual is a relative within the first degree of kinship.	

Name	Shareholding of the individual		Shares held by spouse and underage children		Total Shares Held in the Name of Others		The names and relationships of the top ten shareholders who are related, spouse, or relatives within second degree of kinship to each other.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Company name (or personal name)	Relationship	
							Shao-Ling Ma	The individual is a relative within the first degree of kinship.	
Ming-Nai Ma	2,642,107	2.15%	-	-	-	-	Kindom Development Co., LTD.	The individual is a relative within the second degree of kinship of the Chairman of Kindom Development Corp.	
							Yu-De Investment Co., Ltd.	The individual is a relative within the first degree of kinship of the Chairman of Yu-De Investment Co., Ltd.	
							Mike Ma	The individual is a relative within the second degree of kinship.	
							Mei-Chu Liu	The individual is a relative within the first degree of kinship.	
							Shao-Ling Ma	The individual is a relative within the second degree of kinship.	
Po-Wen Chang	2,444,492	1.99%	-	-	-	-	-	-	
Mei-Jin Wu	2,202,478	1.79%	-	-	-	-	-	-	
Mike Ma	2,126,227	1.73%	-	-	-	-	Kindom Development Co., LTD.	The individual is the Chairman of said company.	
							Yu-De Investment Co., Ltd.	The individual is a relative within the first degree of kinship of the Chairman of Kindom Development Corp.	
							Mei-Chu Liu	The individual is a relative within the first degree of kinship.	
							Shao-Ling Ma	The individual is a relative within the second degree of kinship.	
							Ming-Nai Ma	The individual is a relative within the second degree of kinship.	
Su-Yueh Chuang	1,664,329	1.35%	-	-	-	-	-	-	
Shao-Ling Ma	1,527,149	1.24%	286,652	0.27%	-	-	Kindom Development Co., LTD.	The individual is a relative within the second degree of kinship of the Chairman	

Name	Shareholding of the individual		Shares held by spouse and underage children		Total Shares Held in the Name of Others		The names and relationships of the top ten shareholders who are related, spouse, or relatives within second degree of kinship to each other.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Company name (or personal name)	Relationship	
								of Kindom Development Corp.	
							Yu-De Investment Co., Ltd.	The individual is a relative within the first degree of kinship of the Chairman of Yu-De Investment Co., Ltd.	
							Mike Ma	The individual is a relative within the second degree of kinship.	
							Mei-Chu Liu	The individual is a relative within the first degree of kinship.	
							Ming-Nai Ma	The individual is a relative within the second degree of kinship.	
Yung-Hsin Chang	1,249,280	1.01%	-	-	-	-	-	-	

Note: The above information is based on the shareholders' register as of March 28, 2025.

IX. Number of shares held by the Company, its directors, independent directors, managerial officers, and enterprises directly or indirectly controlled by the Company in the same investee, and combined to calculate the comprehensive shareholding ratio:

Unit: shares; %

Reinvestment business (Note)	The Company's investment		Directors, Supervisors, Managers, and Directly or Indirectly Controlling Businesses		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Kuan Ching Electromechanical Co., Ltd.	7,748,000	99.97%	-	-	7,748,000	99.97%
Jiechun Investment Co., Ltd.	16,396,352	99.98%	-	-	16,396,352	99.98%

Note: Investments accounted for using the equity method.

Three. Financing Status

1. Capital and shares:

(I) Sources of share capital:

March 28, 2025; Unit: NT\$; shares

Year/ Month	Issuing price	Authorized share capital		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as payment for share payment	Other
1982.04	-	300,000	3,000,000	300,000	3,000,000	Initiation and establishment	-	-
1987.10	-	750,000	7,500,000	750,000	7,500,000	Cash capital increase: 4,500,000	-	-
1990.02	-	2,250,000	22,500,000	2,250,000	22,500,000	Cash capital increase: 15,000,000	-	-
1994.08	10	2,250,000	22,500,000	2,250,000	22,500,000	-	-	-
1994.12	10	19,000,000	190,000,000	19,000,000	190,000,000	Cash capital increase: 167,500,000	-	-
1996.09	10	90,000,000	900,000,000	36,850,000	368,500,000	Capital increase by retained earnings: 28,500,000 Cash capital increase: 150,000,000	-	-
1997.06	10	90,000,000	900,000,000	46,117,500	461,175,000	Capital increase by retained earnings: 55,275,000 Cash capital increase: 37,400,000	-	-
1998.08	10	90,000,000	900,000,000	53,035,125	530,351,250	Capital increase by retained earnings: 69,176,250	-	-
1999.06	10	90,000,000	900,000,000	60,990,393	609,903,930	Capital increase by retained earnings: 79,552,680	-	-
2000.06	10	90,000,000	900,000,000	67,699,336	676,993,360	Capital increase by retained earnings: 67,089,430	-	-
2001.05	10	90,000,000	900,000,000	67,106,336	671,063,360	Capital reduction: 5,930,000	-	-
2001.10	10	90,000,000	900,000,000	66,106,336	661,063,360	Capital reduction: 10,000,000	-	-
2009.11 ~2010. 07	10	90,000,000	900,000,000	67,847,858	678,478,580	Corporate bond conversion: 17,415,220	-	-
2010.10	10	120,000,000	1,200,000,000	95,047,858	950,478,580	Cash capital increase: 272,000,000	-	-
2010.10 ~2011. 07	10	120,000,000	1,200,000,000	107,949,660	1,079,496,600	Corporate bond conversion: 129,018,020	-	-
2012.11	10	120,000,000	1,200,000,000	106,035,660	1,060,356,600	Cancellation of treasury stock: 19,140,000	-	-

2022.08	10	120,000,000	1,200,000,000	116,639,226	1,166,392,260	Capital increase by retained earnings: 106,035,660	-	-
2023.08	10	180,000,000	1,800,000,000	120,721,599	1,207,215,990	Capital increase by retained earnings: 40,823,730	-	-
2024.09	10	180,000,000	1,800,000,000	123,136,031	1,231,360,310	Capital increase by retained earnings: 24,144,320	-	-

March 28, 2025; Unit: shares

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	123,136,031	56,863,969	180,000,000	Listed stocks

(II) List of major shareholders:

March 28, 2025

Shares of Stock Name of major shareholder	Number of shares held	Shareholding ratio
Kindom Development Co., LTD.	42,093,444	34.18%
Yu-De Investment Co., Ltd.	10,202,378	8.29%
Mei-Chu Liu	3,280,555	2.66%
MA,MING-NAI	2,642,107	2.15%
Po-Wen Chang	2,444,492	1.99%
Mei-Jin Wu	2,202,478	1.79%
Mike Ma	2,126,227	1.73%
Su-Yueh Chuang	1,664,329	1.35%
Shao-Ling Ma	1,527,149	1.24%
Yung-Hsin Chang	1,249,280	1.01%

(III) Dividend policy and implementation status of the Company:

1. Dividend policy specified in the Articles of Incorporation:

The Company will develop large-scale construction projects and strive for growth and innovation. In order to continue to expand the appropriate amount of capital to meet the needs of the business, and to take into account the needs of shareholders for cash, the Company has specified that the proportion of future cash dividend distribution ratio shall not be less than 20% of the total dividends distributed in that year. In recent years, the dividend payout rate has exceeded 50% of the distributable earnings in the current year. In the future, the Company will determine an appropriate payout ratio depending on the operation situation of the year and taking into account of the capital budget plan of the following year. For other relevant information, please visit the Company's website (<https://www.kedge.com.tw/>) or the Sustainability Report.

2. Dividend distribution proposed at the shareholders' meeting:

The Company planned the 2024 cash dividends of NT\$3.2 per share and stock dividends of NT\$0.60 per share in the Board meeting on March 7, 2025. This proposal will be processed in accordance with the relevant regulations after being approved by the shareholders' meeting on May 26, 2025.

3. Expected material changes in dividend policy: None.

(IV) Impact of the distribution of bonus shares proposed in the present shareholders' meeting on the business performance of the Company and earning per share: None.

(V) Remunerations of employees, directors and supervisors:

1. Percentages or ranges with respect to employees/directors/supervisors' remuneration as stated in the Articles of Incorporation:

In accordance with the Articles of Incorporation of the Company, if there is profit in the year, no less than 0.5% of the profit shall be set aside as employee's remuneration, and no more than 2% shall be appropriated as directors' remuneration. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. The Articles of Incorporation will be submitted to the shareholders' meeting for amendment in accordance with amendment of Paragraph 6 of Article 14 of the Securities and Exchange Act announced on August 7, 2024.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the

accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:

The Company's Board of Directors resolved on March 7, 2025 to distribute 2024 remuneration of employees and directors, which was in compliance with the Articles of Incorporation. If the actual distributed amount resolved by the shareholders' meeting differs from the estimated amount, it will be treated as a change in accounting estimates and recognized as profit or loss for the year of distribution.

3. Information on distribution of employees' remuneration proposal approved by the Board of Directors' meeting: Unit: NT\$

	Resolution of the Board of Directors on March 7, 2025
Employees' remuneration (cash)	62,965,553
Remuneration of directors and supervisors (cash)	23,672,489
Total	86,638,042

4. Actual distribution status of employees', directors' and supervisors' remunerations in the last year (including the distributed number of shares, amount and share price), and any discrepancy with the employees', directors' and supervisors' remuneration recognized, and shall describe the difference amount, reason and handling status:

Unit: NT\$

	May 29, 2024 Report to the shareholders' meeting	Actual distribution
Employee remuneration (cash)	86,062,706	86,062,706
Remuneration to directors and supervisors (cash)	27,319,203	27,319,203
Total	113,381,909	113,381,909

(VI) Shares repurchased by the Company: None.

II. Issuance of corporate bonds: None.

III. Preference shares: None.

IV. Overseas depository receipts: None.

V. Employee stock options and employee restricted shares: None.

VI. M&A or transfer of shares of other companies and issuance of new shares: None.

VII. Implementation of the capital utilization plan:

(I) Plan content:

As of the quarter prior to the publication date of the annual report, previous issuances or private placements of securities have not been completed, or have been completed in the last three years and the planned benefits have not yet emerged: None.

(II) Implementation status:

As of the quarter prior to the publication date of the annual report, analyze the implementation of each of the preceding projects, and the comparison with the original expected benefits: None.

Four. Operation Overview

The core business of the consolidated company is comprehensive construction. The consolidated company's operation is described as follows:

I. Business description:

(I) Scope of Business:

1. Main business contents:

- (1) Construction projects: government public construction projects, government-targeted construction projects, government social housing, corporate headquarters and office buildings, and residential buildings.
- (2) Civil engineering works: government transportation construction, roads, bridges, stations and other engineering projects.
- (3) Other projects: land preparation for the government's public engineering redevelopment zone, park base development, urban renewal business, foundation pile construction, high-tech and private facilities, etc.

2. Operating revenue percentage:

The proportion of the consolidated company's operating revenue in 2024 is as follows:

Construction item	Weight of business
Construction project	23.01%
Civil engineering works	24.89%
Other construction	52.10%
Total	100.00%

3. Current products (services) and new products (services) planned to be developed:

The uses of the construction projects undertaken by the consolidated company are as follows. In the future, in addition to continuing to win projects for residential buildings, corporate plants and commercial buildings, for the public construction projects, considering the nature of the projects, the most advantageous tenders, turnkey projects, such as high-tech and high value-added projects, will be selected for active participation in the bidding.

- (1) Construction projects: private construction and development to meet the housing needs of citizens.
- (2) Civil engineering project: Government transportation construction to provide convenient transportation for the people.
- (3) Other projects: construction projects of government public works, corporate plants and office buildings.

(II) Industry Overview:

1. Industry status and development:

Although the impact of COVID-19 has gradually eased, the global economy still faces numerous challenges in 2025. The Russo-Ukrainian War, high inflation and climate change continue to affect the global economy, and the economic growth speed is slowing down. Most countries have adopted a tightening monetary policy in order to control high inflation. These policies and financial pressure have made the global economy rather pessimistic.

According to the report of the World Bank, global economic growth is expected to maintain at 2.7% in 2025 and 2026. This growth is insufficient to offset the damage caused by the pandemic and geopolitical conflicts on the economy.

In addition, trade restrictions and continued high inflation may delay the central banks' interest rate cuts in various countries, further suppressing economic activities.

Taiwan's economy is benefited from the growth momentum of the AI industry. Taiwan's export value has reached US\$475.1 billion in 2024, with an annual growth rate

of 9.9%. In addition, the export growth of AI servers and cyber products has reached 59%, showing that the AI industry has a positive impact on Taiwan's economy. In recent years, the international raw material price cycle has been affected by factors such as the pandemic and the Russo-Ukrainian war, making it difficult to determine the future trend. The development of various industries has also been affected by rising raw materials, fluctuating oil prices, and rising prices of raw materials such as iron ore. The carbon footprint issue, the shortage of sand and gravel, and the escalation of transportation costs at home and abroad will inevitably result in the increase of construction costs. At present, governments of various countries continue to provide relief subsidies, and various revitalization plans are proposed to revive the economy. Huge changes took place for the industrial chain during this period, mostly in the direction of "decentralization" and "diversification," accelerating the transformation of the industry. The path of transformation for the construction industry will be from digitalization to digital optimization to become truly digitally transformed. It will mainly utilize artificial intelligence (AI), machine learning, big data, 5G, and cloud-based technologies which are demonstrating engineering value under the current predicament.

In the transformation of the construction industry, digital applications are added to promote the transformation and upgrading of the construction industry, which includes five technology aspects: building data center, building information modeling (BIM), smart management cloud platform, smart construction, and smart building materials. From construction to use to maintenance and management, the entire life cycle of the building is fully upgraded.

Under the impact of the US-China trade war and COVID-19, a large number of Taiwanese businessmen have successively returned to Taiwan to invest in Taiwan since 2019. The government has also implemented the "three major programs for investment in Taiwan" since July 2019. Taiwanese businessmen are welcomed to return to Taiwan to invest with the government providing incentive measures in utilities, financing, land, and taxation which have been extended to encourage SMEs to invest quickly and with confidence until 2024. By the end of January 2024, more than 1,450 manufacturers had passed the audit, and the total investment amount had exceeded NT\$2.1 trillion. Demand has resulted in a large shortage of land for factory construction, and a shortage of land, water, electricity, talents, and labor. Currently, the Ministry of Economic Affairs is releasing idle land and three-dimensional industrial parks to provide land for factory construction. In terms of water and electricity shortages, the Company ensures that there is no doubt about the use of water and electricity through measures such as "source revenue, expenditure reduction, dispatching, and backup" and "coal reduction, increase in gas, green development, and non-nuclear."

The Ministry of Labor proposes to "recruit, retain, and cultivate talents" and improve the low-wage environment and develop labor force to supplement Taiwan's manpower market, and proposes to amend the regulations on migrant workers in the construction industry, including the deletion of the threshold of NT\$10 billion, lowering the NT\$1 billion contract to NT\$100 million, and adding the social housing projects included in the urban center; removing the NT\$10 billion threshold for major private economic construction projects such as urban renewal, and reconstruction of unsafe and old building projects, and changing the individual contract threshold from NT\$1 billion subsidy down to NT\$200 million, and the applicable categories were increased. Currently, the private sector has invested in the construction of public utilities, private schools, social welfare institutions, medical institutions, and manufacturing plants, and sports facilities, urban renewal, and renovation of unsafe and old buildings, which may all apply for the use of foreign workers to increase the labor force. According to the statistics of the Ministry of Labor, the number of migrant workers exceeded 820,000 by the end of December 2024, but the proportion of migrant workers engaged in construction engineering only accounted for about 3.8%, and the construction engineering vacancy

rate reached 6.46%, which was higher than the overall vacancy rate of 2.66%. This shows that the relaxation of the threshold for hiring migrant workers has only limited relief to the shortage of construction workers; in the long run, we should continue to promote the implementation of automation and to reduce on-site manpower requirements through simplification, standardization, and automation.

In Taiwan, despite the weakening global economic demand, the capital investment of manufacturers turns conservative due to the weak global economy and higher borrowing rates; on the other hand, the domestic government's public construction project budget has reached a record high, and private consumption is still stable, thanks to the opening of the borders, the demand for cross-border travel among Taiwanese people is still strong, and the overseas consumption is expected to increase significantly, which is expected to continue to activate the growth momentum of Taiwan's economy.

A. Construction project

According to the statistics of the Ministry of Interior's building sales and transfer data, from January to December 2024, the annual increase rate of building sales and transfer in the six metropolitan areas was 15.0%. The annual decrease rate was 12% in Taipei City, the annual increase rate was 7% in New Taipei City, the annual decrease rate was 21% in Taoyuan City, the annual decrease rate was 15% in Taichung City, the annual decrease rate was 11% in Tainan City, and the annual decrease rate was 25% in Kaohsiung City. The Central Bank has implemented a realty price suppression policy in the second half of the year, and the transaction volume was reduced slightly. Nevertheless, the real estate market during the first half of the year was booming, and the number of houses transferred still reached a record high in recent years.

Due to the Central Bank's realty market suppression policy, the new year is expected to be a year of adjustment for the real estate market. With the mortgage limit tightening and credit control being affected, the real estate market is expected to slow down and cool down.

B. Public works

In 2025, the total budget for public construction projects is NT\$264.4 billion, plus the special budget for infrastructure foresight (Phase 5) of NT\$57.4 billion and operating and non-operating special funds of NT\$326.5 billion, for a total of NT\$648.3 billion. In 2024, the spending on the same infrastructure and public construction increased by NT\$67.9 billion, or 11.7%.

The overall budget plan includes the expenditure required for balanced infrastructure, cross-disciplinary innovative net-zero transformation, comprehensive social safety system, investment in the next generation, building a healthy Taiwan, and strengthening the defense and security, in order to accumulate national economic power, and strengthen key infrastructure, enhance national economic potential, and improve Taiwan's international competitiveness.

In response to price increases and labor shortages, the construction commission will coordinate with other ministries and commissions to propose relevant countermeasures; ready-mixed concrete is one of the most important materials for various projects. In order to stabilize the price of concrete, a control mechanism is established to control the sand and gravel on a monthly basis and ready-mix concrete supply and demand, and control the source from the source and coordinate with the Water Resources Department of the Ministry of Economic Affairs to actively dredge the river to fully supply the required sand and gravel to achieve a sufficient volume and stable price; for rebars and shaped steel, the engineering committee also convene meetings to coordinate the integration of steel materials and materials. In terms of supply and demand and prices, we will continue to pay attention to the price of steel bars; and the Engineering Association has adopted a 3-level physical adjustment mechanism to adjust the contract template according to individual items, mid-level items (including materials and wages), and the overall index

increase/decrease to reduce the supplier's exposure to the risk of price fluctuations during the contract performance stage, to ensure that the construction of various projects can proceed smoothly.

C. Commercial offices and factories

Despite the sluggish exports, the lack of economic recovery, and the threat of inflation, the real estate market in Taiwan performed well in 2024. According to a report by Colliers International, the transaction volume of commercial real estate in 2024 reached NT\$182.1 billion, a 32.3% increase compared to 2023, and a record high.

Land transactions in Taiwan reached NT\$263.2 billion in 2024, a significant increase of 1.3 times from NT\$112.9 billion in 2023, making it the fourth highest annual figure on record.

However, due to the impact of policy factors, particularly the Central Bank's loan restrictions, the land transaction volume is expected to decline by approximately 30% in 2025, and it is estimated to be approximately NT\$180 billion.

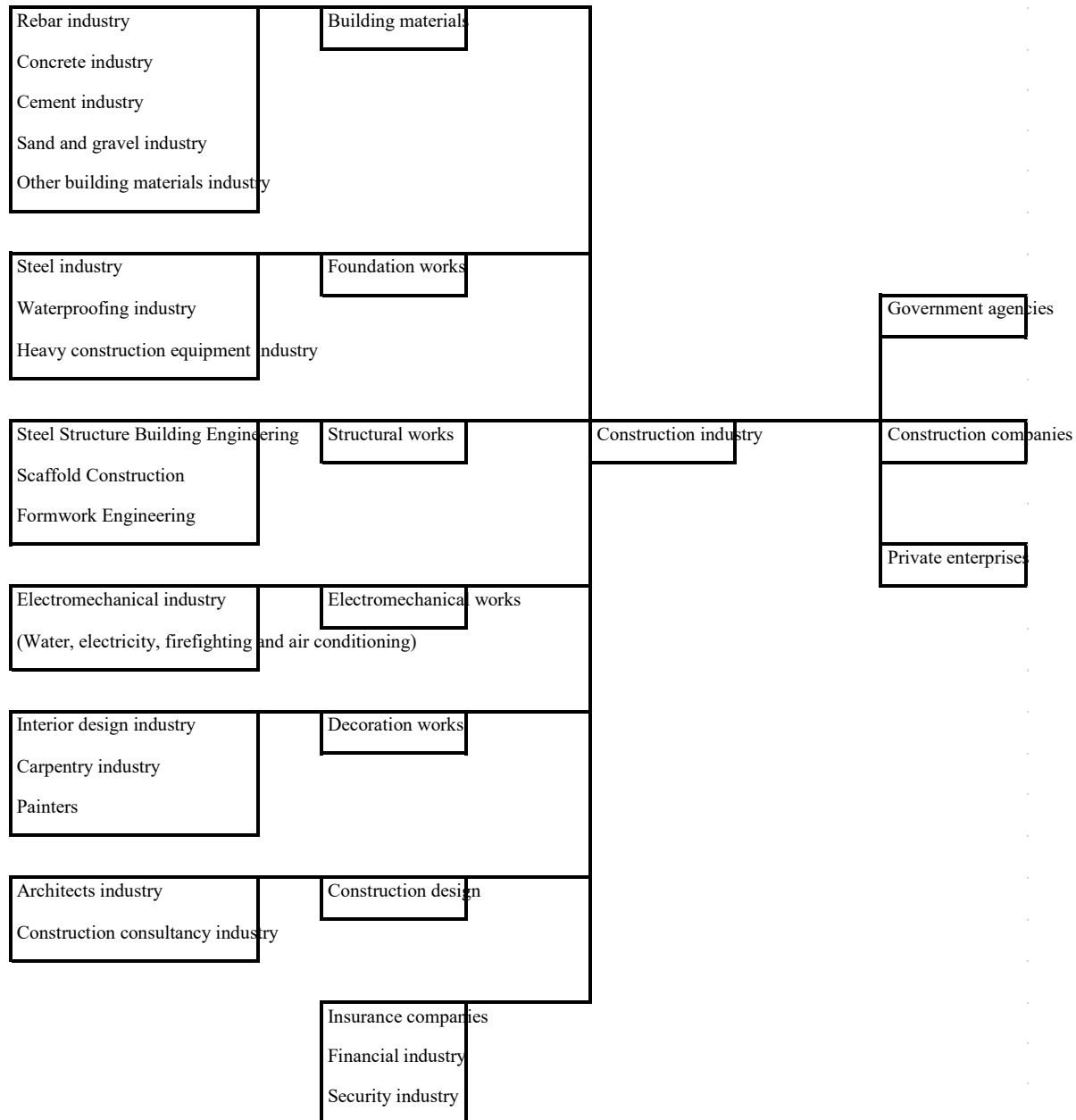
The commercial office leasing market is still growing steadily, maintaining the trend of rising rents and falling vacancy rates. In recent years, corporate operations have gradually moved towards ESG concepts as the core. Therefore, environmental protection, green energy, sustainable design concepts, or commercial and office buildings with LEED and WELL certifications have become a new trend to replace traditional leasing models. In the future, the overall commercial office market will develop in the direction of slow rent increase and stable supply and demand.

2. Correlation among upstream, midstream and downstream in the industry:

The construction industry is a part of the construction industry. The correlation diagram between the up-stream, mid-stream, and down-stream industries is shown below.

Upstream industries

Downstream industries



- (1) Relevance to upstream industries: The price fluctuation of building materials, the increase in the cost of professional contractors, the increase in labor costs due to shortage of labor, and the increase in the cost of machinery and tools due to price fluctuations all influence the construction costs of the civil engineering industry, and the development of the upstream industries is deeply influenced by the economic condition in the civil engineering industry. The two are closely related.
- (2) Relevance to the downstream industries: The downstream industries based on sources of businesses include the owners of government agencies, public and private institutions, and private construction companies. We obtain business opportunities mainly through competitive bidding or price comparison or negotiation. Among them, public works through by open bidding by government agencies and projects contracted by private construction companies are the main source of business opportunities, so the economic condition in this industry is mainly affected by the government's public works policies and the economic condition in the construction industry.

3. Product development trend and competition:

As the construction industry continues to move toward large-scale, exquisite design, and high-tech trends, large-scale construction companies will have higher competitiveness in terms of bidding qualifications and conditions. According to statistics from the Construction and Planning Administration, Ministry of the Interior, the total capital of the construction industry in Taiwan in Q4 of 2024 was approximately NT\$944.6 billion, a decrease of approximately NT\$37.9 billion compared to the whole year of 2023. However, it is still expected to be higher than that in 2023. The average total capital of manufacturers from Q1 to Q3 of 2024 was NT\$47.23 million.

The Company has reached a capital of NT\$1.2 billion. Since the establishment, we have created various construction achievements in the industry, including residential buildings or commercial offices, civil bridges, infrastructure, medical buildings, and technology company plants. Our control of quality and progress has been deeply recognized by owners, and our financial foundation is robust and profitability is above the industry average. We have strong competitive advantages.

(III) Overview of technology and R&D:

1. Overview

Kedge Construction is a comprehensive construction industry. The Company's main R&D focuses on shortening construction periods, improving construction methods, reducing pollution, and improving efficiency. The Company also researches and refines the workflow composed of IT software and hardware, as well as the working methods of innovative technologies, in order to achieve the goal of "improving quality, increasing efficiency, cost reduction, and image enhancement."

New technologies and R&D methods are developed by the Design and R&D Division, IT Division, and other business divisions on their own, or introduced jointly with vendors. Aiming to enhance the Company's competitiveness, in addition to researching and refining construction technology, an ERP system has been established in recent years to manage and integrate the Company's core business processes and resources, and a construction management system has been introduced to improve the efficiency of engineering management at project sites. At present, the overall IT engineering operation continues to be introduced to each department and site with the cloud-based service model.

To improve safety and disaster prevention technology in response to the latest trends in domestic occupational disasters, the government departments have used information technology, innovative analysis methods, and built a disaster prevention database. On this basis, the Company is committed to improving its security assessment and smart monitoring technologies to achieve the goal of precision disaster prevention.

The Company is committed to the development of the BIM (Building Information Modeling). In the process of developing the BIM system to feed the BIM model with data or extract data from the BIM model, all kinds of software and hardware are all based on BIM, with digital twin as core, thereby providing various possibilities and solutions, such as AR, VR, MR, drone, image processing, and IoT, so that users can create many possibilities accordingly, and then extract and convert such data into execution plans to reinforce an enterprise's technological foundation.

In recent years, the Group has not only devoted to the promotion of ESG, but also has introduced low-carbon methods such as aluminum molds and pre-cast, in order to improve the quality of construction, to reduce the need for human resources and to improve the construction efficiency. In addition, the Group will introduce artificial intelligence (AI) technology and promote construction automation, such as the technology application of

BIM+AI and introduce robots to the construction site to fully optimize the operating process, in order to improve efficiency and promote the application of intelligitization.

2. R&D projects invested and successfully developed technologies or products in the most recent year:

No.	2023	2024	Implementation results and description
1	ERP system innovation program-1	ERP system innovation program-1	1. Optimization of the engineering management module 2. Optimization of financial management module 3. Optimization of fixed asset management module
2	Mobile CTTV	AR interactive film	Use 360-degree camera and software to create VR interactive videos
3		Research and development of BIM+AI	R&D and application for implementing BIM+AI
4		Research and introduction of BIM visual program (Dynamo)	Application of DYNAMO automatic model building
5	Research and development of BIM combined with greenhouse gas inventory		1. Goals achieved in 2023 2. In 2024, the research results have been incorporated into the project applications. In the future, the Company will continue to focus on the research direction of metaverse and greenhouse gas inventory, and develop more effective methods.
6	Research and implementation of circular economy	Research and implementation of circular economy	Relocation of the sustainable engineering office projects to Taipower Nangang project to head toward the 2.0 development
7	Research on building automation	Research on building automation	Research on the introduction of automation to construction

(IV) Long-term and short-term business development plans:

1. Short-term plan:

- (1) Cooperate with domestic excellent property owners to build high-quality exquisite housing and maintain the corporate image of excellent construction.
- (2) Actively participate in the government's most advantageous tenders and turnkey projects to get rid of the low-price bidding model and obtain the best profits.
- (3) Strive for indicative public works and construction projects to maintain a competitive advantage, road and bridge projects for sustainable growth, rail projects for business expansion, and submerged shield and tunnel projects to create emerging business results.

- (4) Collaborate with the Japanese construction team to improve the construction strength.
 - (5) Compete for special index projects.
 - (6) Actively strive for urban renewal projects.
 - (7) Actively participate in green energy construction projects.
2. Long-term plan:
- (1) Integrate architectural design, mechanical and electrical planning, raw material production and supply, engineering consultants and professionals to form a strong bidding team.
 - (2) Work with overseas well-known businesses in technology to improve our technical capabilities and move toward the global state.
 - (3) Long-term investment in R&D.
 - (4) Cultivate design talents, and combine with domestic well-known design teams to provide customers with holistic services.
 - (5) Actively strive for large-scale and most advantageous tenders, turnkey projects and other policies to improve the technical capabilities of construction projects.
 - (6) Participate in land development and create company performance growth.
 - (7) Become one of the top five construction companies in Taiwan.
 - (8) Expand to overseas markets.
 - (9) Enhance brand awareness.

II. Overview of the market, production and sales:

(I) Market analysis:

1. Sales and supply areas of major products and services:
 - (1) The consolidated company's main business is contracting residential construction projects, civil engineering and bridge projects, and hospital plant projects in Taiwan.
 - (2) Future planned services:

Item	Short-term targets	Long-term targets
Business scope	1. Domestic large construction engineering business 2. Domestic civil engineering business 3. Domestic large plant construction engineering business 4. Domestic turnkey project business	1. Domestic and overseas large construction engineering business 2. Domestic and overseas civil engineering business 3. Domestic and overseas plant construction engineering business 4. Domestic and overseas turnkey project business 5. Domestic land development

2. Market share:

Unit: NT\$100 million

Year	Consolidated company's turnover	Revenue in the construction industry	Market share
2020	141	26,829	0.53%
2021	108	30,732	0.35%
2022	142	35,996	0.39%
2023	143	38,754	0.37%
2024	142	43,553	0.32%

Source: Financial Statistics Monthly Report of the Department of Statistics, Ministry of Finance.

3. Market future supply and demand status and growth:

(1) Supply aspect:

According to statistics from the Construction Agency, Ministry of the Interior, as of Q4 of 2024, there were 19,963 construction companies of all levels nationwide, of which 3,305 were Grade-A construction companies. According to the statistics, the number of construction companies nationwide increased by 165 compared to that in 2023, and the number of A-level comprehensive construction companies increased by 74 compared to that in 2023.

(2) Demand aspect:

The overall budget of public construction in 2024 will be nearly NT\$780 billion. With the continued promotion, many important public construction projects have been gradually completed, activated or entered into commercial operation. At the same time, the government continues to strengthen key infrastructure in Taiwan, and in the prospective 2.0 program, it continues to promote balanced regional development and strengthen the goal of building in remote areas. In addition, the government actively promotes the infrastructure required for the six core strategic industries, including 5G, digital development, artificial intelligence (AI), information security, etc., and expands relevant projects of digital transformation, environmental sustainability, in order to establish a resilient country.

4. Competitive niche:

- (1) We have won many awards from government agencies and other awards over the years and have a competitive advantage in the selection process of the most advantageous tenders.
- (2) We have a robust financial structure, sufficient working capital, and a positive corporate image, which are conducive to winning construction contracts.
- (3) We have obtained ISO 9001 certification; our quality management system has been well-established, and we have obtained the first ISO 45001 certification in the construction industry in 2019.
- (4) We release the ESG Report every year, conduct Type 1 medium assurance level verification according to AA1000 standard becoming the first publicly listed construction company in Taiwan that has passed the third-party verification (BSI Taiwan) and complies with the GRI Standards, and has been continuously awarded TCSA.
- (5) We were the first company in Taiwan that has passed the BIM (PAS 1192-2:2013) verification in 2018 and were the first company in Taiwan that has passed the ISO 19650 BIM verification in 2019.
- (6) In 2019, we became the first construction plant in Taiwan to obtain the highest level of circular economy standard certificate verified by BSI.
- (7) Continue to accumulate the actual results of turnkey projects of index type including convention and exhibition centers, large commercial and market buildings, sports centers, hospitals, and social housing, and effectively integrate internal and external professional teams to create the maximum benefits of projects.
- (8) The professional managers are experienced and well-qualified, and are complemented by a complete consultant group (land, structure, material, productivity, legal consultants); in addition, the members are young and professional. The education distribution in 2024 was 22.98% with a master's degree or above. College degree or above, 73.07%, average age 39.52 years old, average tenure 5.90 years, more than 700 people with architects, structural technicians, civil technicians, site supervisors, quality control, safety and health licenses, increasing industrial competitiveness.

5. Favorable, unfavorable factors for development outlook and responsive strategies:

(1) Favorable factors:

- A. The Company has a rich track record in undertaking various domestic projects, and has also been recognized by the clients for the quality of projects, fulfillment of construction deadlines, and valuable services. In recent years, the Company has actively striven for turnkey projects, accumulated integrated design, deepened the planning and design momentum, and integrated the achievements of green construction to improve the sustainable value of services.
- B. Master the complete construction supply chain system, and the procurement department grasps the pulse of construction prices in a timely manner, actively create procurement performance, and increase shareholders' profits.
- C. Possessing outstanding professional and technical talents in engineering, finance, legal affairs, and management. With the information system network, work efficiency is comprehensively improved and e-construction is promoted.
- D. Accredited with British Standards Institution (BSI) PAS 1192-2 and the international standard ISO 19650 BIM (Building Information Modeling (BIM)) certification, which enhances interface integration and reduces management costs.
- E. Introduce the concept of circular economy into the project, change the traditional linear thinking, and become the first construction company in Taiwan to obtain BS 8001 certification, which is conducive to improving the company's competitiveness.
- F. Standardized (ISO) operations and full-scale e-commerce, project management, vendor management and bulk material procurement institutionalization, significantly reducing construction mobilization costs and effectively controlling the impact of price fluctuations.
- G. The Company has introduced and obtained the ISO 45001 Taiwan Occupational Safety and Health Management System standard certification to reduce occupational safety management risks and establish a quality, healthy and safe working environment. Furthermore, the construction management system (QCDSE) is fully implemented, and the goal is high quality, low cost, fast construction, and zero disasters, and continuous improvements and innovations are made.
- H. The government promotes the most advantageous bidding, turnkey engineering and BOT projects to drive the economic recovery, and continues to improve the efficiency of project execution, so that large-scale construction companies with proven records have a higher competitive advantage.
- I. The government promotes the development of green energy and carbon reduction innovative industrial models and technologies, which helps to promote the implementation and application of public construction projects such as smart green buildings.

(2) Unfavorable factors:

- A. The prices of building materials such as steel bars, ready-mixed concrete, sand and gravel, and metal construction materials are easily affected by international raw material market conditions and transportation costs, and profits are easily compressed.
- B. The severe climate makes it difficult to control the construction schedule, which increases the difficulty in contract fulfillment and the risk to workers' lives and safety.
- C. Due to the serious lack of human resources caused by the aging population, the unstable supply and prices of bulk building materials, and the risks of uncontrollable costs and construction schedules, plus the impact of COVID-19 in China, the shortage of sand and gravel is further expanded, and prices are more difficult to control.
- D. The war and the U.S. leader's decision-making changes and shocks have many factors in the market, which affect business strategies and increase the uncertainties of bidding risks.

(3) Response measures:

- A. Actively maintain good interaction with architects, consulting companies and other upstream industries to grasp project planning and contracting information in advance, and deepen cooperation with downstream industry manufacturers with good performance to strengthen long-term cooperative relations.
 - B. Actively cultivate talents, improve the management capacity of the most advantageous tenders and turnkey tenders, and get rid of the low-price bidding model to obtain the best profits.
 - C. Develop a team of excellent third-party vendors to strengthen supply chain relations and management. Grasp the fluctuation trend of bulk materials and formulate risk control strategies; introduce foreign workers for major projects to increase labor resources.
- (II) Important uses of the main products and production processes:
1. Purpose of main products:
 - (1) Construction engineering:

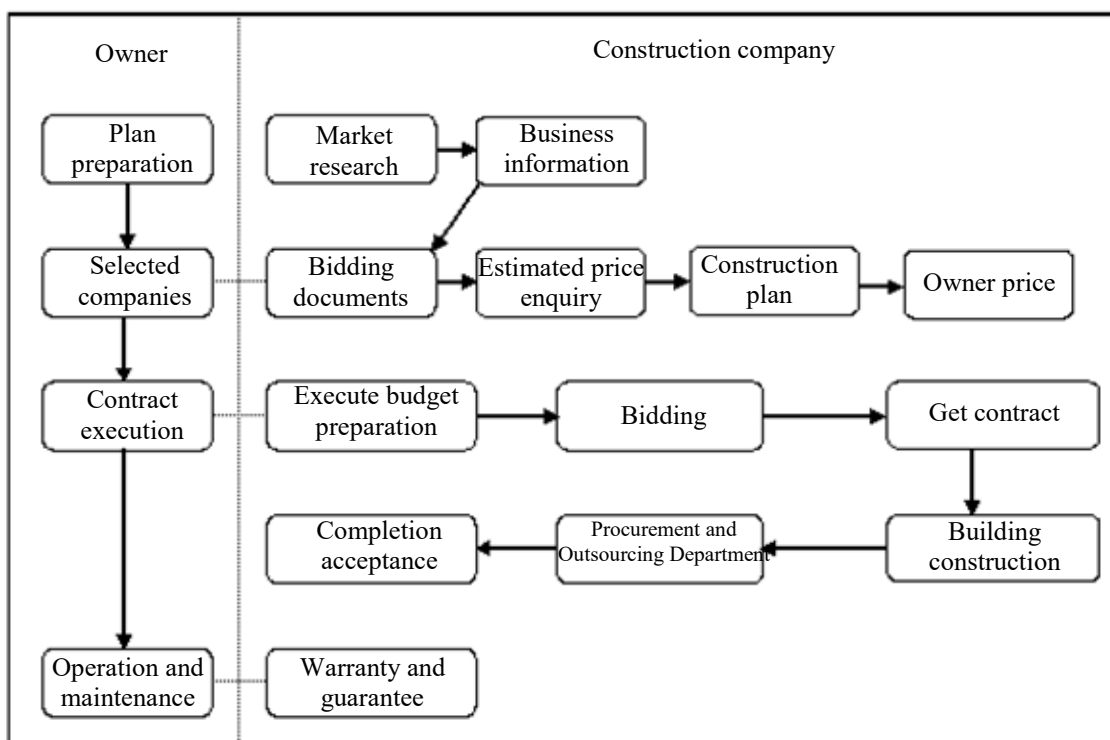
To respond to the domestic trend of more refined buildings and the convenience of traffic and meet owners' and design units' needs for designs, we put together various types of professional contractors and technicians and properly plan and prepare various building materials; then, we provide such materials to residential and office building projects depending on the types of building structures and decoration works through the construction management approaches to timeline, cost, and quality. Currently under construction contracts are the Kindom Wanda Line LG08, Minquan East Road Public Urban Renewal, Xiulang Bridge Station Development Project, Wanhua Chih Hsing Urban Renewal Project, Banqiao Fuzhong Section Urban Renewal, Kindom Taipower Nangang Urban Renewal, Taichung Yumaowu New Construction Project, Taichung MRT G5 Station Joint Development Project, etc. We value all relevant construction projects as Kedge Construction's responsibility to the society.
 - (2) Infrastructure:

In cooperation with the government's infrastructure and private investment and development projects, we properly plan the implementation of the projects, prioritize public interests, effectively put together professional contractors and other technicians through construction management approaches, and prepare various construction materials to complete all kinds of major public works with professional techniques, thereby facilitating the overall domestic economic development. We have undertaken projects such as the C212 tender Tainan Station underground project, C611 Chiayi Railway elevated project, C612 tender Jiabei Elevated Station, Chiayi Elevated Station, North Loop Station project and Taiwan 61 Line Hou Long Guanhai Bridge and West Lake Bridge reconstruction project.

The purpose of turnkey engineering is to reduce engineering disputes and the waste of manpower caused by the coordination of disputes; to cultivate special expertise; to improve construction efficiency and reduce interface integration; to encourage the introduction of new technologies, new construction methods and new materials, and to speed up the construction progress to enhance our competitiveness. At present, we have undertaken turnkey projects including the Semiconductor Supplier Linkou Plant, the Zhongshan Section Social Housing Project in Taishan, New Taipei City, and the military duty dormitory construction phase I project.
 - (3) Plant construction:

In response to the development trend of technology, the demand for domestic high-tech factory construction in 5G, IoT, Internet of Things, and the cloud, and the trend of Taiwanese businessmen returning, professional construction contractors and material suppliers are integrated to build professional plants within the most efficient construction period. Suppliers to various industries and productions can also revitalize the domestic economy. The contracted construction projects include TSMC Kaohsiung

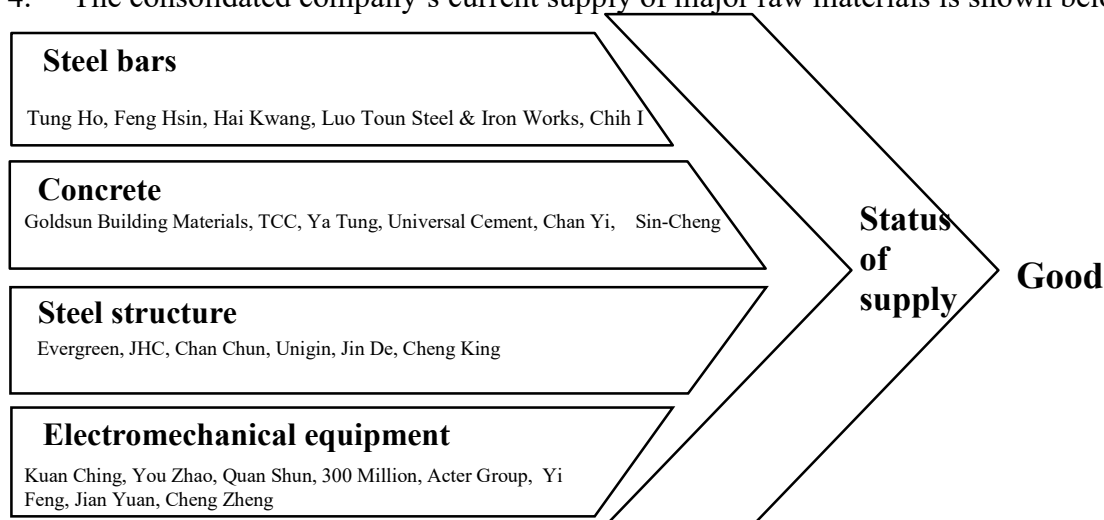
2. Production process of main products:



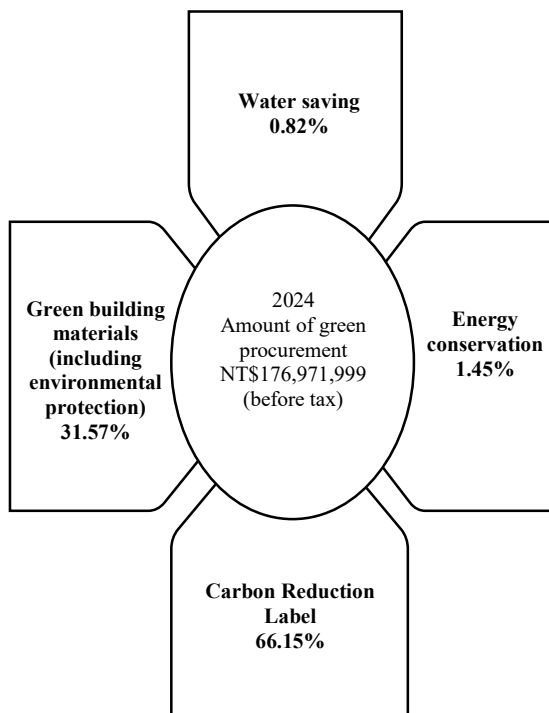
(III) Supply of main raw materials:

1. The main raw materials required by the consolidated company include steel bars, cement, ready-mixed concrete, tiles, aluminum windows, and steel structures. Unless the contract is to be supplied by the landlords, the rest are purchased by the consolidated company. The consolidated company establishes procurement contracts with various suppliers before the commencement of construction to clarify construction requirements and related responsibilities, in order to control the source of goods.
2. The consolidated company's key materials such as steel bars and sheets are compared with the domestic inventory prices to determine when to purchase in bulk. The contracting of bulk materials is one of the countermeasures for fluctuations in raw materials, and the price is based on volume. The quality of raw materials is excellent and the price is reasonable. For the rest of the raw materials, with reference to the international economic dynamics and fluctuations, the commodity and manpower market forecasts in the second half of the year are presented every six months. In the future, quarterly analysis will be used as the reference for new project tender submission and cost control.
3. The consolidated company carefully selects material suppliers and construction partners, emphasizes their engineering experience and professionalism, and cultivates a good cooperative relationship based on the principle of ethical management. In addition, suppliers are regularly assessed and managed in accordance with the ISO procedures to guide and replace them to establish a complete, high-quality and stable supply chain to control project quality, construction duration and cost.

4. The consolidated company's current supply of major raw materials is shown below:



5. In response to the topics of green energy, environmental protection and circular economy, the consolidated company has complied with the requirements of the proprietors or the recommendations of the Environmental Protection Administration to select building materials that are water-saving, energy-saving, green building materials, green marks, equipped with carbon footprint reduction labels, and some of the vehicles purchased are electric motorcycles and cars, thereby demonstrating that the Company continues to expand its commitment to green and sustainable. The goal is to increase the green procurement amount by 10% of the total amount every year compared to the previous year. In the future, the amount of purchased renewable materials and circular building materials will be included in the statistics, and the Company will report the procurement of resource regeneration green products to the Ministry of Economic Affairs, and continue to follow the results of the greenhouse gas (GHG) inventory to classify suppliers, and visit high-carbon emissions suppliers to learn about the carbon reduction methods and percentages. The Company will give priority to suppliers that have adopted carbon reduction practices, or cooperate to introduce them to the Company's construction sites. In the future, the Company will cooperate with the Company's construction automation and AI strategies, in order to introduce construction robots to save manpower, increase the work rate and reduce costs.



- **Water saving label**

Total bid amount awarded to companies that have obtained water conservation labels according to the Water Resources Administration, Ministry of Economic Affairs.

- **Energy-saving labels**

According to the standard calculated by the Bureau of Energy, MOEA, the energy efficiency of the product is 10-50% higher than the national certification standard, and the bid amount of the energy-saving logo companies is added up.

- **Carbon Footprint**

According to the regulations of the Ministry of Environment, the carbon footprint reduction must reach at least 3% within five years. After the review and approval, the total bidding value of the winning materials can be used to obtain the right to use the Carbon Reduction Label.

- **Environmental Protection Label**

Based on ISO 14024 Environmental Labeling Principles and Procedures, the amount of materials awarded for the Environmental Labeling is summed up.

- **Green building material labels**

As per the regulations of the Architecture and Building Research Institute, Ministry of the Interior, the labels are divided into four types: health, ecology, recycled, and high performance. We have confirmed that the suppliers have obtained the green building material labels and added up the amounts.

6. To prevent the impact of the shortage of labor and materials due to the pandemic, the consolidated company has built a database of construction crews to learn about their situation in real-time, so as to quickly support the construction sites and work with foreign migrant workers to reduce the impact of suppliers' shortage of labor. Regarding materials or construction crews with whom we have signed contracts, we communicate with the suppliers regularly to confirm the stable supply of goods or services. If a supplier's materials are affected by the pandemic, it should report immediately, and we will determine the impact of the pandemic on the imported materials and draw up countermeasures.
7. For the supply of building materials, raw materials and a large amount of manpower required for each construction project, we must rely on good suppliers to support each other in sustainable operations. Kedge Construction views supplier with excellent integrity as business partners built on the foundation of integrity and taking quality as a responsibility, so as to support each other in sustainable operations. The first supplier conference was held in March 2023, in order to demonstrate the strength in close cooperation with domestic and foreign suppliers. In addition, the Company has specified in the ISO procedure that supplier conference shall be convened at least once every 2 years. Suppliers with excellent quality performance will be commended at the event. The company's ESG policy and related plans are promoted in the supplier conference, in order to encourage suppliers to continue to excel for excellence. Furthermore, the 2025 outstanding supplier conference will be held in March 2025.

(IV) Names of customers accounting for more than 10% of total purchases (sales) in any of the last two years, the amount of purchases (sales) and proportions, and explain the reasons for the changes:

1. List of main suppliers:

Unit: NT\$1,000; %

	2023				2024				Up to Q1 for 2025 (Note 1)			
Item	Title (Note)	Amount	Proportion of net purchases for the year (%)	Relationship with the issuer	Title (Note)	Amount	Proportion of net purchases for the year (%)	Relationship with the issuer	Title	Amount	Net purchase percentage up to the last quarter of the current year (%)	Relationship with the issuer
1	Other	12,785.961	100.00	None	Other	12,916,977	100.00	None	-	-	-	-
	Net purchase	12,785,961	100.00		Net purchase	12,916,977	100.00					

Note 1: The first quarter of 2024 have not been reviewed by CPAs; therefore, it is not applicable.

Note 2: No single supplier that accounted for more than 10% of the total purchase amount in any period.

2. List of main sales:

Unit: NT\$1,000; %

	2023				2024				Up to Q1 for 2025 (Note 1)			
Item	Title	Amount	Annual net sales percentage (%)	Relationship with the issuer	Title	Amount	Annual net sales percentage (%)	Relationship with the issuer	Title	Amount	Net sales percentage up to the last quarter of the current year (%)	Relationship with the issuer
1	Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC)	4,942,305	34.58	None	TSMC	4,802,827	33.74	None	-	-	-	-
2	Kindom Development Co., Ltd.	3,006,589	21.04	Investment companies evaluated using the equity method	Railway Reconstruction Bureau, Ministry of Transportation and Communications	3,542,241	24.89	None	-	-	-	-
3	Railway Reconstruction Bureau, Ministry of Transportation	2,941,905	20.58	None	Kindom Development Co., Ltd.	3,275,121	23.01	Investment companies evaluated using the	-	-	-	-

	and Communications							equity method				
4	Other	3,401,612	23.80	None	Other	2,613,960	18.36	None	-	-	-	-
	Net sales	14,292,411	100.00			14,234,149	100.00					

Note 1: The first quarter of 2024 have not been reviewed by CPAs; therefore, it is not applicable.

Note 2: Explanation of changes:

In the construction industry, because the contracted projects involve a large amount of money and the construction period is as long as 1 to 3 years, if the total contract amount of some projects is large, and the sales are calculated based on the percentage of completion, there will be concentration of certain customers in a certain period of time.

This is due to the characteristics of the industry. However, the consolidated company's construction projects are all obtained through bidding or negotiation, and the main customers change with the construction and completion of the projects. Therefore, in the medium and long term, the consolidated company should have no concentration risk of sales to the general manufacturing industry.

III. Information on employees in the last two years and up to the publication date of the annual report:

Year		2023	2024	Up to March 31 for 2025
Number of employees	Engineering personnel	443	454	486
	Administrative staff	139	140	138
	Total	582	594	622
Average age		39.77	39.61	39.83
Average years of service		5.64	5.88	5.81
Education distribution ratio	Doctoral Degree	0.00%	0.00%	0.00%
	Master's Degree	20.79%	22.56%	22.19%
	Junior College	74.74%	73.23%	73.95%
	Senior High School	4.47%	4.21%	3.86%
	Below high school	-	-	-

IV. Information on Environmental Protection Expenses:

- (I) Losses due to environmental pollution in the most recent year and up to the date of publication of the annual report:

Type	Violation of laws and regulations	Contents of violation	Penalty details
Noise pollution	Subparagraph 4, Article 8 of the Noise Control Act	Use of powered machinery for construction disturbs peace	Penalty fine of NT\$9,000, and 1 hour of environmental protection seminar
	Subparagraph 4 of Paragraph 1 of Article 9 of the Noise Control Act, and Article 6 of Noise Control Standards	Noise exceeding control standard	Penalty fine of NT\$54,000 and 12 hours of environmental protection seminar
Water pollution	Subparagraph 2 of Paragraph 1 of Article 30 of the Water Pollution Control Act	Directly disposing of other pollutants in the Tamsui River System Control Zone	Penalty fine of NT\$30,000 and 2 hours of environmental protection seminar
Waste cleanup	Subparagraph 2 of Article 27 of the Waste Disposal Act	The construction work was not properly cleaned, causing waste or residual soil to contaminate the adjacent roads or sidewalks.	Penalty fine of NT\$4,800

- (II) Estimated amount of current and possible future occurrences and responsive measures:

1. In order to prevent violations of environmental protection laws and regulations that could result in penalty fines, the Company has adopted the ISO 14001 environmental management system to strengthen and implement environmental operations through systematic management, conduct education and training and promotion courses to enhance the professional functions of personnel, and regularly review to ensure that they comply with the requirements of the construction management and environmental protection authorities of each county and city, continue to invest in the main equipment for environmental pollution prevention, and select green building materials, low-pollution construction methods, low-noise equipment and set up noise prevention measures at the planning stage, in order to reduce environmental impacts as much as possible. Furthermore, professional contractors are required to comply with environmental protection laws and regulations and the owner's regulations during construction. The environmental protection personnel of the Environment Continuity Department and the project will conduct regular or irregular inspections. If any defect is found, they will require improvement and confirm that the improvement is effective.
2. The consolidated company has budgeted for environmental protection measures to ensure that each project can comply with laws and regulations and that there are sufficient resources to implement environmental protection during the construction period. As of December 31, 2024, the environmental protection budget for the construction in progress and the amount of expenditure so far are as follows:

Unit: NT\$ thousand

Environmental protection expenditure items	Budget	Spent	Completed execution rate
Fence	166,878	93,929	56%
Air pollution prevention	60,073	23,539	39%
Water pollution prevention	62,582	39,638	63%
Waste removal	129,682	69,250	53%
Earthwork treatment	947,784	722,726	76%
Noise/vibration monitoring	25,651	14,365	56%
Total	1,392,650	963,447	69%

(III) Environmental improvement measures, preventive measures, and resources invested:

1. The Environmental Sustainability Department of the Company is responsible for establishing environmental sustainability systems and regulations, assisting in the education and training of environmental protection laws and regulations and control measures, and supervising the implementation of environmental protection measures during the construction period of projects. For the construction projects, the Company assigns personnel to participate in regular or irregular environmental protection advocacy or training organized by the environmental protection authorities of the local governments. The Company implements environmental protection measures in accordance with laws and regulations and the requirements of the proprietors, and also provides relevant information on the construction signboards, such that stakeholders may file report in case of discovery of any violations.
2. Based on the concept of environmental sustainability, the consolidated company has formulated relevant operating standards based on the characteristics of various projects for waste (including residual soil) treatment, noise, air pollution and water pollution, and requires contractors to perform for environmental protection during the process to reduce pollution penalties. The Company has budgeted for the installation of pollution prevention and control equipment, and set up air quality (PM10, PM2.5) and noise monitoring systems for construction sites nationwide. The real-time monitoring of air pollution and noise exceeding standards and countermeasures can ensure the quality of the construction environment and maintain public health.
3. The environmental protection personnel assigned by the project ensure that all environmental protection treatment procedures are implemented, including that each equipment and measure is in compliance with the central and local environmental protection laws and regulations (such as the Waste Disposal Act, the Water Pollution Control Act, the Air Pollution Control Act, etc.) and the special provisions of the proprietor are processed according to the criteria or standards. If any defect is found, it will be improved immediately. The surrounding environment of the site and the work of neighborhood and coordination will be properly maintained.

(IV) ESG goals and plans:

1. Alignment with government policies:
 - (1) The carbon reduction targets, strategies and implementation plans are set based on the "Taiwan 2050 Net Zero Emission" and "National 2030 Carbon Reduction New Goals", and for the greenhouse gas emissions generated in the "Raw Material Manufacturing" and "Construction" stages of the construction life cycle, inventory inspection and statistical analysis have been completed. The low-carbon methods are actively adopted,

such as aluminum formwork to replace the traditional formwork and low-carbon construction materials such as limestone low-carbon concrete.

- (2) To cooperate with the “Promotion of Green Living for All Citizens”, the Company has set its annual green procurement targets to choose and use green products that are of lower environmental impact, certified for environmental protection and energy-saving, and that are equipped with green building materials in priority. The Company also aims to reduce energy use at the workplace, including the implementation of digital communication, setting of air conditioning, convention of video conferencing, and replacement of old appliances, etc. The Company also encourages the use of electric vehicles for the company cars and motorcycles.
 - (3) In accordance with the “Circular Economy Promotion Plan” and the “12 Key Strategies”, the Company has established a waste recycling and reuse strategy for construction job sites, including promotion of sustainable engineering offices, recycling of valuable materials such as steel bars, transfer of interior and exterior of the engineering offices and assets, repair of the housing of disadvantaged families at remote villages with the construction materials, recycling and reuse of waste plastic for re-fabrication of the underground wall panels, recycling and reuse of the remaining soil and gravel as fine aggregate of concrete, and recycling and classification of waste resources at the construction job sites.
2. The Company has established the construction information model BIM to reduce carbon emissions. New development and priority are given to suppliers that have implemented ESG. The mechanical and electrical planning and training courses are included in the green energy analysis courses training or seminars, and the Company continues to promote the construction project to establish a face recognition access control system to ensure that personnel enter the site with proper qualifications and security. The Company actively promotes the healthy workplace and establishes a good working environment. Professional nurses and special occupational doctors are hired to improve the health care of the Company’s employees.
 3. The Company continues to promote the greenhouse gas inventory and verification operations in the Headquarters Building and all the construction job sites nationwide, and has also qualified the SBTi Science Carbon Reduction Target Commitment Review in 2024. The goal is to reduce carbon emissions of Scope 1 and Scope 2 by 42% and Scope 3 by 25% in 2030. In 2024, we have promoted the use of low-cement concrete, limestone cement, and aluminum formwork to replace traditional wooden formwork, pre-cast methods, and construction residual soil.
 4. The Company has been selected as the first enterprise to participate in the “Natural Carbon Exchange and Biodiversity Project” organized by the Forestry and Nature Conservation Agency. The Company has incorporated biodiversity and natural capital into the business strategy, in order to promote the conservation of biodiversity and natural capital in the Yushan Forest Area in Chiayi County. In addition, the Company establishes a quality habitat for Formosan giant cicada through forest protection, ecological education, ecological monitoring, and forest economy. Furthermore, the Company has also collaborated with local communities and partners of indigenous peoples to achieve the sustainable development goals of sustainable development and social responsibility.
 5. The Company entrusted the Department of Civil Engineering, National Cheng Kung University, to complete the test of low-carbon concrete with Portland cement (PLC) and to confirm that the concrete made of Portland cement and powdered furnace slag and fly ash can meet the shock resistance performance specified in the Design Standards for Structural Members, and that the concrete is able to achieve the strength for carbon reduction and the

shock resistance performance. Relevant results have been announced during the seminar held on June 24, and the first high-tech plant structure and the first public construction project in Taiwan were successfully implemented in 2024.

6. Adhering to the mission of “Building a Sustainable City”, combining the Company’s own core capabilities and operating strategies, it develops professional and sustainable green engineering services on the road of sustainable management, and at the same time strives to give back to the society. In 2024, the Company has completed the public welfare repair for 11 households at remote villages and disadvantaged families in Taiwan, and also cooperated with TSMC to repair 118 households in Hualien damaged due to earthquake. According to the SROI analysis, for the investment of every NT\$1 in the circular plan, it is estimated to achieve the social impact of approximately NT\$8.1. In addition, the Company has also been actively involved in public welfare initiatives, including: rational fertilization employees of Northern Region Water Resources Branch bamboo shoots harvesting event, adoption of Chuan’an Park and organization of environmental seminar, Railway Bureau “Railway New Frontier” outdoor learning event, migrant worker care and health promotion event, etc.

V. Labor-Management Relations:

- (I) The Company’s employee welfare measures, advanced study, training, and retirement systems, and the implementation thereof, as well as the agreements and protection of employees’ rights and interests:

1. Employee welfare measures:

- (1) The Employee Welfare Committee is in charge of planning and implementing various employee welfare programs. The main welfare measures and their implementation: Mid-autumn Festival, Dragon Boat Festival, birthdays, wedding and childbirth gift money, etc.; funeral condolence money, injury and sickness subsidies; providing subsidies for various activities for all employees (employee health examination, sports event, year-end dinner party, and group meal gathering); providing coffee machines, snacks, afternoon tea, and massage services, allowing colleagues to relax during free time of work, and to adjust their work status. Furthermore, irregular travel subsidies are also provided. Moreover, employees’ remuneration is also appropriated and distributed in accordance with the Company’s Articles of Incorporation.
- (2) Childcare program for employees’ children: We entrusted “HESS Kindergarten” to provide childcare services for employees’ children, and employees are entitled to enjoy discounts for the registration fee.
- (3) Purchase discount and special sales event: We provide affiliate (Global Mall) discounts and sales to employees.
- (4) House purchase discounts: Employees’ families and friends are entitled to enjoy home purchase discounts and special home purchase surprises from time to time, in order to share work outcomes achieved by Group employees and high residential quality.
- (5) In addition to the statutory labor health insurance and pension contributions, the consolidated company also provides group insurance, periodic life insurance, accident insurance (including major burn injuries), medical insurance, accident injury medical insurance, cancer insurance, etc. for employees, and all expenses are fully borne by the Company.
- (6) The Headquarters is displayed with famous art crafts and crafts on each floor with office environment improvement, allowing employees to gain inspiration at work or living, and to improve their aesthetic, thereby achieving the vision of a happy workplace.

2. Employee continuing education and training:

- (1) The consolidated company has been actively creating a learning environment in 2024, making good use of video conferencing platforms and multimedia tools, and combining

offline and online training to provide more convenient and rapid learning of new knowledge. Training courses are also planned based on job functions and work requirements to ensure professional improvement and develop the ability required for each position, and the planning of project training for reserve talents, so as to retain potential talents and cultivate the cornerstone of the Company's future.

- (2) The 2024 education and training status is as follows:

Unit: NT\$ thousand

Category		Number of courses	Expenses	Percentage	Number of people	Percentage
Internal training	Internal instructor course	65	100	4.3%	1,048	13.0%
	External instructor course	37	38	1.6%	1,036	12.9%
Middle manager training course		7	508	21.8	148	1.8%
Lifelong learning	Professional training subsidies (subsidies for license obtaining)	21	259	11.2%	21	0.3%
	Subsidies for further studies (master's programs)	-	514	22.1%	Currently under education program: 5 Graduated: 2	-
General external training subsidy		503	893	38.3%	503	6.3%
Online course		80	-	0%	5,281	65.7%
Total		713	2331	100%	8,037	100%

3. Employee code of conduct and ethics:

- (1) To maintain the employment order in the workplace and clearly regulate the rights and obligations between employers and employees, all employees shall comply with laws and regulations and the Company's internal control system when dealing with the Company's affairs, as well as adherence to personal integrity and social moral standards, in order to maintain Company assets, interests, and image.
- (2) Each employee is expected to do their best to achieve the Company's highest business goals and improve their moral sense. The "Code of Conduct and Ethical Corporate Management Best Practice Principles and Guidelines for Conduct" has been established, which covers the following items:
 - A. Protection of confidential information: The basic information filled in by each employee when applying for a job will only be collected, processed and used internally by the Company. They are also required to sign the "Employee Confidentiality Agreement" upon arrival, pledging not to disclose the Company's business secrets in any form during their employment and after resignation.
 - B. Prohibition of seeking personal gain: Each employee shall not seek personal gain by using the Company's property, information or taking advantage of his/her position,

and shall not operate the Company's similar business for himself or for others.

- C. No solicitation for improper benefits: No employee may ask for gifts, kickbacks, entertainment, or other improper benefits from the Company's trading vendors. Supervisors are not allowed to accept financial gifts in any form from subordinates.
- D. Fair trade regulations: Every colleague shall treat the Company's purchase (sale) customers, competitors and employees fairly.
- E. Strict prohibition on insider trading: No employee may use the insider information obtained from the conduct of business for the benefit of others or for personal gain. The Company's financial and business information shall not be released without permission or prior to the disclosure, so as not to affect the rights and interests of other shareholders.

4. Retirement system:

- (1) The consolidated company has established retirement policies for employees who are officially employed. The retirement conditions, pension benefits and calculation methods of employees are handled in accordance with the Labor Standards Act, the Labor Pension Act and relevant laws and regulations.
- (2) For employees covered by the new pension system, no less than 6% of the employees' monthly salary shall be deposited in the individual pension account of the Bureau of Labor Insurance. In addition, for employees who choose to apply or retain part of the old system for the seniority, the Labor Pension Reserve Supervisory Committee has been established. The Company contributes 3% of the total monthly salary to the labor pension reserve, and makes up for the pension reserve in accordance with the Labor Standards Act. The special account is deposited at the dedicated account of the Bank of Taiwan, in order to protect the rights and interests of the employees.

The Company's pension plans are as follows:

A. Voluntary retirement:

A worker may apply for voluntary retirement under any of the following circumstances: (those who have chosen to apply the Labor Pension Act shall be governed by the same Act)

- (a) Where the employee attains the age of fifty-five and has worked for fifteen years.
- (b) Where the employee has worked for more than twenty-five years.
- (c) Where the employee attains the age of sixty and has worked for ten years.

B. Compulsory retirement:

The Company shall not force an employee to retire unless any of the following situations has occurred:

- (a) Where the employee reaches the age of sixty-five.
- (b) Where the employee suffers mental disability or physical disability that renders the person unfit to work.

For the age requirement in the Subparagraph 1 of the preceding paragraph, the Company may report to the central competent authority for approval on adjustment of the age for job duties that are dangerous and labor-intensive. However, the age requirement shall be no less than 55.

C. Pension payment standards:

- (a) The pension payment for the seniority prior to and after the Labor Standards Act

and the seniority prior to and after the Labor Pension Act, the pension payment for the seniority prior to and after the Labor Standards Act shall be calculated in accordance with Article 84-2 and Article 55 of the Labor Standards Act.

- (b) For employees who are under compulsory retirement in accordance with Subparagraph 2 of Paragraph 1 of Article 35, and their mental or physical disability or disability is caused by the performance of their job duties, then such employees shall be entitled to an additional 20% of payment in accordance with the Subparagraph 2 of Paragraph 1 of Article 55 of the Labor Standards Act.
- (c) For employees to which the pension system under the Labor Pension Act are applicable, the Company contributes 6% of the employees' wage to employees' personal retirement account on a monthly basis.

D. Pension payment:

The Company shall pay the pension to the employees, and the payment shall be made within 30 days from the date of retirement of the employees.

5. Occupational safety and health:

- (1) The consolidated company is committed to providing employees with a safe, healthy, and comfortable working environment. On December 02, 2018, the consolidated company was awarded the "ISO 45001 Occupational Safety and Health Management System" certification by the international certification organization SGS, and the first TAF certificate in the domestic construction industry. The system continues to be verified on a yearly basis and all certifications passed. The Company also stipulates that all departments need to be comprehensively inspected, reviewed, and revised for the ISO 45001 Occupational Health and Safety Management System procedures and standards before the third quarter of each year. By the end of October 2024, the Company has completed the annual inspection, review, and revision of the ISO 45001 Occupational Health and Safety Management System Procedures and Standards, which were announced and implemented after the revision. For the ISO 45001 Occupational Safety and Health Management System, the latest system verification valid period is from February 3, 2024 to February 2, 2027.

- (2) Further to the annual safety and health training, promotion, competitions, and drills, the Company has also established annual employee health promotion plans, labor health service plans, and subsidized health exams. The main outcomes are as follows:

A. Compliance with relevant laws and regulations and active participation in related organizations:

The Company complies with occupational safety and health related laws and regulations, implement adjustments and responses according to laws and regulations, and actively participates in relevant activities organized by the Occupational Safety and Health Administration, Ministry of Labor and regional labor inspection units, including "National Construction Industry Occupational Safety and Health Promotion Federation", "Construction Industry Occupational Safety and Health Promotion Federation". There were participation in regular meetings and safety and health observation tours of the "Construction Industry Occupational Safety and Health Promotion Association" of the location of each project.

- B. Formulation of occupational health and safety management plans:
Formulate an occupational safety and health management plan for each project, set up a dedicated unit and full-time occupational safety and health administrator for speculative implementation, set up facilities and equipment in compliance with laws and regulations, conduct regular testing and maintenance, improve the safety of site colleagues, and comprehensively review and improve personal protective equipment.
 - C. Regular occupational safety and health competitions:
The Company organizes occupational safety and health floor layout and environment competition, constructs a cultural corridor, and implements job site cleaning and remediation. The Company also invites Kedge employees to participate in the “Innovation Competition for Anti-fall Facilities during Formwork Period and Panel Openings”, in order to encourage creativity and reward the outstanding team.
 - D. Occupational health and safety training, promotion, competitions and drills are held from time to time:
Encourage employees to obtain occupational safety and health-related professional certifications, such as: occupational safety and health administrator, construction industry occupational safety and health supervisor, construction manager, hazardous operations manager, special operation (e.g. aerial work platform), first-aid personnel; established QR Code patrol to improve the self-management ability of the site; organize relevant education and training from time to time, such as: ISO 45001 internal auditor training, risk assessment training course, Taiwan Occupational Safety and Health Card, such as technology disaster prevention technology and disaster prevention occupational function training courses, high-risk operation hazards and hazardous workplace precaution courses.
- (3) Work environment and employee safety protection measures:
- A. Self-management: Occupational safety and health management plans are formulated for each project, and the established and reported occupational safety and health management unit (personnel) is responsible for formulating, planning, supervising, promoting and guiding various occupational safety and health regulations and activities, including controlling personnel, equipment and materials; regular self-inspection of various construction, machinery and equipment with detailed records; provide professional technicians with drawings and calculations for construction; request the operation supervisor of the contractors to supervise and direct the operation on the site.
 - B. Qualified and sufficient first-aid personnel are deployed for all construction projects to investigate the medical and first-aid units and systems around the site. The notification process and the roadmap for medical transportation are included in the emergency response plan.
 - C. Laws and regulations for safety control, access permits, inspection and maintenance of protective equipment, and emergency response measures shall be defined for operations in the construction site of the project relating to noise, elevated construction, hot electric/gas welding, dust, electronics, and constrained spaces.

- (4) Occupational safety incident review, improvement, and preventive measures for the consolidated company in 2024:

Year	2022	2023	2024
Number of fatalities due to occupational disasters	2	0	1
Number of accidents involving more than 3 victims	0	0	0
Number of disasters involving one or more people that required hospitalization	4	7	3

- A. There were 3 cases of more than 1 person fatalities and requiring hospitalization in 2024. After review, it was found to be mostly caused by “falling”, “falling over” and “traffic accident”. On-site improvements were also carried out after the review and the improvement outcomes have been approved by the labor inspection unit of the project area.
- B. Management countermeasures: formulate a clear zoning table for engineers on project sites to implement occupational safety management responsibilities; increase elevated work inspections, designate engineers and supervisors to supervise; promote occupational safety checkpoints and QR code patrols in construction areas; assist workers in access to occupational safety cards provide appropriate rewards to subcontractors and occupational safety personnel; strengthen the frequency of inspections based on the progress and risk level of each construction project; the Chairman and the President hold the Business Division Occupational Safety Committee Meeting monthly, in order to review occupational safety risks and countermeasures.
- (5) Under the “Act on Labor Occupational Accident Insurance and Protection Act” that came into effect on May 1, 2022, the consolidated company has required its contractors to purchase labor insurance for hired workers and provide group insurance for a minimum of NTD 5 million to ensure compliance with the law and enhance security.
- (6) Information on the consolidated company about occupational disasters in 2024:

Category	Number of Disabling Injuries	Total loss days	Total Elapsed Working Hours	Disabling injury frequency rate (FR)	Severe disabling injuries (SR)	Summation Injury Index (FSI)
Foundation employees	1	199	1,272,667	0.78	156	0.34
Foreign workers	1	51	817,096	1.22	62	0.27

Category	Number of Disabling Injuries	Total loss days	Total Elapsed Working Hours	Disabling injury frequency rate (FR)	Severe disabling injuries (SR)	Summation Injury Index (FSI)
Temporary employee	0	0	259,768	0.00	0	0.00
Contractor Labor	2	6,008	3,168,944	0.63	1895	1.09
Total	4	6,258	5,518,475	0.72	1134	0.90

- A. Kedge personnel suffered injuries from accident at work with loss of 199 days of work (2023/8/3 and 2024/1/10);
- B. Kedge's foreign personnel fell from height (2024/11/10) with loss of 51 days of work
- C. Contractors' personnel had occupational accidents (2024/10/6 and 12/23) with loss of 6,008 days of work
- D. Disabling Rate (FR) = Number of Disabling Injuries/Total Working Hours *1,000,000
- E. Disabling Severity Rate (SR) = Total Lost Days/Total Working Hours *1,000,000
- F. Total Injury Index (FSI) = (Disabling Rate (FR) x Disabling Severity Rate (SR)/1,000)^0.5

6. Workplace health promotion:

Comply with the requirements and optimize the “Worker Health Protection Rules” by providing employees with a health checkup once a year. Formulate a labor health service plan in accordance with the law, and plans to prevent diseases, ergonomic hazards, illegal infringement at work, and heat hazards due to abnormal workloads, and the Company has also implemented female employee health protection plan, and organized related labor health education courses, in order to improve health knowledge and promote workplace health.

In 2024, the Company continued to pay attention to the health and welfare of employees and actively promoted various health promotion measures. To ensure the safety and health of employees, the Company has not only maintained regular office environment disinfection, but also promoted numerous health promotion activities, including CPR+AED first aid education courses, health week, cancer screening, dengue fever, and influenza vaccination services. The Company also encourages employees to regularly conduct health examination and participate in preventive health activities, such that employees are able to work and live in a safe and healthy environment.

(II) Losses suffered by the Company due to labor disputes in the most recent year and up to the publication date of this annual report, and disclose the estimated losses that may occur currently and in the future and countermeasures:

1. Since the Company has always attached great importance to labor-management relations, there has been no loss due to labor-management disputes, so there is no estimated loss amount at present and in the future.
2. Estimates of possible current and future occurrences in response:
 - (1) Establishment of interactive communication and complaint channels to protect employees from physical or mental abuse in the course of performing their duties. The

Company has also established diverse complaint filing channels to handle such disputes and also encourages employees to utilize such internal complaint handling mechanism, and employees who require additional assistance will also be provided assistance to the best of the Company's ability.

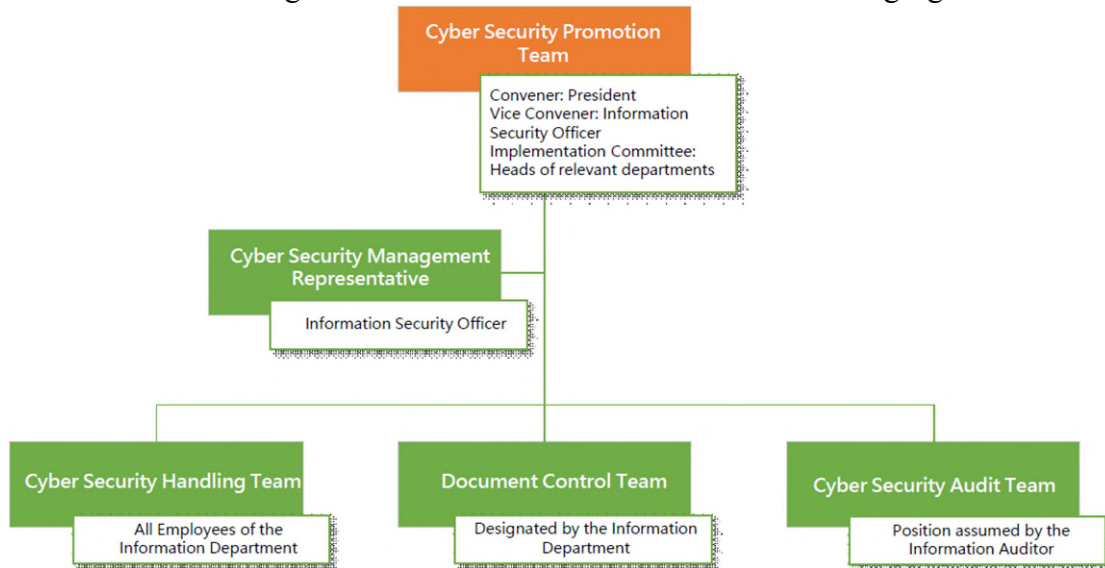
- (2) Comply with relevant labor laws and regulations and strengthen welfare measures. In response to the improvement of workers' well-being in recent years, the Company also abides by relevant labor laws and regulations in terms of internal regulations, and establishes a comprehensive mechanism to protect the body and mind of workers.

VI. Cyber Security Management:

- (I) Describe the cyber security risk management framework, cyber security policies, specific management plans, and resources invested in cyber security management:

1. Information security risk management framework

The Company's information security responsible unit is the Information Department, which is staffed with a dedicated information security officer and dedicated information security engineers. The Company's information security risk management is implemented in accordance with the "Information Security Operating Management Procedure" and the "Information Risk Assessment Operating Standards", in order to promote the Company's information security related policies, to implement information security practices and to audit requirements. The Company has further established an "Cyber Security Promotion Team" and the organizational structure as shown in the following figure:



The President of the Company is the convener of the Cyber Security Promotion Team. The Information Security Officer acts as the Cyber Security Management Representative. It is further established the subordinate teams of "Cyber Security Handling Team", "Document Control Team" and "Cyber Security Audit Team". Members of each team are designated by the convener, in order to handle the planning and execution of information security operations and information security policy promotion and implementation. Furthermore, the information security implementation status is also reported to the Board of Directors periodically on an annual basis.

The Company's cyber security incidents are managed in accordance with the "Cyber Security Incident and Accident Operation Standards", and the Chief Convener of the Cyber Security Management Promotion Team assigns personnel to form an "Emergency Response Team" based on missions, in order to handle operation continuity management affairs and information security major incidents. The Company classifies information security incidents according to the procedures in order to determine whether it is an information security incident, and then performs reporting timely and adopts appropriate and necessary handling or response measures according to procedures, in order to reduce possible damages caused by the incident and to prevent recurrence of similar incidents.

2. Cyber Security Policy

The Company's cyber security policy is clearly defined in the "Kedge Construction Cyber Security Policy". In response to the identified relevant risks and security regulations, the Company protects the information resource security, in order to ensure the security of the data, information systems, equipment and network of the Company and its subsidiaries as well as affiliates, thereby preventing the impact of information security incidents on the operation of the organization, ensuring the business and service continuity of the Company, and reducing operational risks while achieving the maximum return on investment. The policy content includes:

- (1) The Company has established a comprehensive cyber security management system based on internal and external issues that may affect cyber security and according to the cyber security requirements of the stakeholders.
- (2) The Company's cyber security management systems must comply with the applicable government laws and regulations (such as: Information Security Control Guidelines for TWSE/TPEx Listed Companies, Information Security Management Act, Personal Data Protection Act, etc.).
- (3) The Company shall establish information security objectives that comply with the strategies, risks, regulations, and contractual requirements, and shall also establish information security management performance indicators, in order to verify the effectiveness of the strategies and goal achievement.
- (4) In order to ensure the implementation of the information security management system, the Company shall provide relevant resources and allocate appropriate responsibilities.
- (5) All outsourced contractors of the Company shall comply with such policy and related procedures, and shall not use any information assets and systems of the Company arbitrarily without authorization.
- (6) All personnel of the Company bear the responsibility for maintaining the cyber security, and are required to comply with relevant cyber security management regulations of the Company.
- (7) The Information Department of each subsidiary shall establish cyber security security management procedures, regularly or irregularly review the company's cyber security policy and supervise the implementation of cyber security, and shall also regularly

report the cyber security implementation results to the Board of Directors annually.

- (8) The Company shall adjust the content of cyber security maintenance in a timely manner according to changes in laws and technologies, in order to prevent unauthorized access, use, control, leakage, damage, alternation, destruction or other infringement of the cyber security systems or information, in order to ensure compliance with the confidentiality, integrity, and availability requirements of information security.
- (9) The Company shall strengthen the resilience of its core cyber system, establish a operation continuity plan for cyber security, and conduct actual drills, in order to ensure the Company's business continuity.

3. Implementation plans for cyber management:

The Company's cyber security management plan is clearly defined in the "Cyber Security Security Management Procedure" and is executed through the four aspects of "information security protection," "information security response," "system specifications," and "personnel training" to strengthen cyber security protection capabilities. The details are as follows:

(1) Information security protection (Protection)

- A. The Company has implemented an internal access control mechanism permitting only the Company's legitimate computer assets to access the Company's internal network.
- B. The Company has set up mailboxes for email services, and performs content filtering and transmission protection for business correspondent mails.
- C. The Company has implemented sensitive data leakage protection (DLP) measures to prevent unauthorized disclosure of sensitive documents and personal data.
- D. Based on the multi-layer network architecture design, various types of information security protection hardware have been installed, in order to enhance the security of the overall information environment.
- E. To protect information resource from virus or other malware intrusion attack, all personal computers shall be installed with terminal protection and network level risk detection software, special authority account management system and prohibition on the use of USB portable drives and other measures.
- F. Multi-factor authentication mechanism is implemented comprehensively in order to reduce the risk of employee account disclosure.
- G. The Company retains external professional information security consultants to perform information vulnerability scan on the information equipment and infiltration test on important information services annually, and information security vulnerabilities are overcome and re-test verification are performed according to the test report.
- H. The Company has implemented information system access permission management. Any information system necessary for works and job duties must be applied for approval, and they can only be used after official approval is obtained. The responsible unit of the system shall regularly review the authority setting and cancel

the user's authority if it is outside the scope of business.

I. Other necessary protective measures.

(2) Information security response (Response)

- A. The Company has established an information equipment monitoring system and information security incident management system, in order to improve the Company's response speed and recovery ability in case of occurrence of information security incidents.
- B. All information systems, services, and databases have complete backup plans. Relevant backup data shall be stored on a credible cloud service platform simultaneously, in order to implement remote backup management properly.
- C. The Company monitors the status of information assets, prepares a list of information systems and updates the list regularly. The core system shall undergo the impact analysis. In case of system disruption, the Company shall evaluate the impact on the business process of the Company and the impact level, and shall define the information recovery time objective(RTO), recovery point objective (RPO), and maximum tolerable period of disruption (MTPD) standards. The Company shall establish a system backup drill plan for its core information system and shall carry out such plan timely, in order to ensure the recovery capability in case of occurrence of information security incidents.

(3) System specifications (governance)

- A. The Company has appointed a dedicated information security officer and personnel to be responsible for the planning and implementation of information security operations and the promotion and implementation of cyber policies, and reports the information security implementation status to the Board of Directors annually.
- B. The Information Division has established relevant cyber security management standards in accordance with the Company's cyber security policy, including core business and importance, cyber system inventory taking and risk assessment, cyber system development and security maintenance, cyber security protection and control measures, cyber system or cyber service outsourcing management measures, cyber security incident notification and response, cyber security incident reporting and information evaluation, and cyber security continuous improvement and performance management mechanism. In addition, they are implemented after approval by the Information Security Officer. The Company adopts the PDCA (Plan-Do-Check-Act) method to manage information security operations, in order to ensure consistency with the goals of the Cyber Security Policy and achieving and continuous improvement.
- C. If deficiencies or potential risks are found in the annual audit plan or during the audit, the inspected unit and the collaborative unit are requested to perform review and improvement accordingly.

(4) Personnel training (Education)

- A. Information security personnel are arranged to participate in various types of information security professional courses and legal training annually, in order to

ensure that personnel are able to follow the latest information security trends and to understand the latest cyber threats.

- B. The Company conducts social engineering drills on a regular basis annually, and strengthens information security training and education courses. These are mandatory courses for new employees and on-job employees who do not pass the drills. The Company continues to strengthen employees' information security and personal information protection awareness, in order to implement the Company's information security policy.

4. Resources invested in cyber security management:

The Company actively promotes information application and digital transformation, and also places great emphasis on cyber security and personal information protection. The Company has designated a dedicated information security officer and dedicated information security engineers to be responsible for the Company's information security planning, technology introduction and relevant audit matters, in order to maintain and continue to strengthen information security. The Company has also introduced the ISO 27001:2022 information security management system standard in 2024, and has obtained regular the third-party certification. Presently, the valid period of the current certificate is from November 24, 2024 to November 24, 2027.

To strengthen the information security technology and security protection of the Company, the Company has budgeted an amount of NT\$10.98 million (average of NT\$19 thousand per employee) in 2024 for the construction of hardware and software related to cyber security and the enhancement of information security services, including but not limited to the following items:

- (1) Anti-virus software and endpoint protection system (EDR)
 - (2) Introduce the privileged access management system of the user's computer
 - (3) Adopt sensitive data leakage prevention (DLP) software
 - (4) Comprehensive implementation of multi-factor authentication mechanism
 - (5) Email security protection system
 - (6) Firewall equipment for the head office and remote offices
 - (7) Computer software and hardware asset management system
 - (8) Implementation of social engineering drill quarterly
 - (9) Conduct information system vulnerability detection and penetration testing to external parties on a yearly basis
 - (10) Conduct annual disaster recovery drills for major information services
- (II) In the most recent year and up to the date of publication of the annual report, the losses suffered as a result of major information and communication security incidents, the possible impacts, and the responsive measures. If it cannot be reasonably estimated, the facts of cannot be reasonably estimated shall be stated:

In the most recent year and up to the publication date of the annual report, the Company has not experienced any major cyber security incidents that caused losses to the Company.

VII. Material contracts:

March 28, 2025

Nature of contract	Parties concerned	Start/end date of contract	Main Content	Restrictive clauses
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2025	New Construction of National Freeway in New Taipei City	None
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2025	Investment in land development at Xiulangqiao Station, New Taipei City Circular Line	None
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2025	Office building new construction project, Land No. 363-1, Land No. 4, Dunhua Section, Songshan District, Taipei City	None
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2026	New construction of stores, general offices, indoor swimming pool, and residential buildings in Songchang Store, Beitun District, Taichung City	None
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2028	New construction of Guande-Wanhua Zhixing Section	None
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2026	Land Development Office Building at Siwei Elementary School Station, Wurih-wen-Xin-Beitun Line, Taichung Metropolitan Area Rapid Transit Systems	None
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2025	Banqiao Fuzhong Section Dismantlement Project	None
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2029	9 land construction projects, including Lot No. 472, Fuzhong Section, Banqiao District, New Taipei City	None
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2029	New construction of residential buildings for the urban renewal project of the old site of the Northern	None

Nature of contract	Parties concerned	Start/end date of contract	Main Content	Restrictive clauses
			Storage and Transportation Center of Taipower (AR-1-2) in Nangang District, Taipei City	
Construction contract	Kindom Development Co., LTD.	Expected year of completion: 2029	New construction of office buildings for the urban renewal project of the old site of the Northern Storage and Transportation Center of Taipower (AR-1-2) in Nangang District, Taipei City	None
Construction contract	Central Region Engineering Office, Railway Bureau, MOTC	Expected year of completion: 2027	C212 Tainan Railway Station Underground Project	None
Construction contract	Northern Engineering Office, Railway Bureau, MOTC	Expected year of completion: 2027	C611 Chiayi Elevated Railway and Under-the Bridge Road Project	None
Construction contract	National Housing and Urban Renewal Center	Expected year of completion: 2026	Turnkey project of Zhongshan Section Social Housing (Phase I) in Taishan, New Taipei City and National Military Service Dormitory	None
Construction contract	Directorate General of Highways, Ministry of Transportation and Communications	Expected year of completion: 2026	Reconstruction Project of Houlong Guan-Hai Bridge and Xihu River Bridge on Provincial Highway No. 61	None
Construction contract	Central Region Engineering Office, Railway Bureau, MOTC	Expected year of completion: 2028	Elevated Railway Project in Chiayi City - C612 Jiabei and Chiayi Elevated Railway Stations and Tropic of Cancer Station Project	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2026	TSMC Zhunan Advanced Encapsulation and Testing Plant VI Phase II new construction project (FAB)	None
Construction contract	The Company won the tender from Taiwan	Expected year of completion: 2025	TSMC Tainan F18 Highway 25 earthworks transportation	None

Nature of contract	Parties concerned	Start/end date of contract	Main Content	Restrictive clauses
	Semiconductor Manufacturing Co., Ltd..		and disposal new construction project	
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2027	TSMC Zhunan Advanced Encapsulation and Testing Plant 6 Phase 2 new construction project (OFFICE)	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2025	TSMC Kaohsiung Plant 22 Phase 1 new construction project (SUPPORT)	None
Construction contract	GREAT WALL ENTERPRISE CO., LTD.	Expected year of completion: 2026	The new project of Dacheng Group's corporate headquarters	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2025	TSMC Advanced Sealing and Testing Plant Phase 2 expansion project (earthwork and retaining works)	None
Construction contract	YANKEY ENGINEERING CO., LTD.	Expected year of completion: 2026	New construction works of the Linkou Plant of the semiconductor equipment supplier	None
Construction contract	MediaTek Inc.	Expected year of completion: 2025	Tongluo Industrial Park Plant New Construction Project	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2025	TSMC Zhunan Advanced Encapsulation and Testing Plant 5 Phase 2 new construction project (CUP)	None
Construction contract	Central Region Engineering Office, Railway Bureau, MOTC	Expected year of completion: 2028	Elevated Railway Project in Chiayi City - C613 Tender Shuishang Train Base Construction Project	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2027	TSMC Chiayi Science Park Advanced Encapsulation and Testing Plant VII Phase I New Construction Project (FAB)	None

Nature of contract	Parties concerned	Start/end date of contract	Main Content	Restrictive clauses
Construction contract	CO-OPERATIVE ASSETS MANAGEMENT CO., LTD.	Expected year of completion: 2025	Early Stage Assumption Construction Project for 2 lands, including Lot No. 480 and 480-2, etc., Subsection 5, Ren'ai Section, Da'an District, Taipei City	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2026	TSMC Kaohsiung F22 P3 New Construction Project (CUP)	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2026	TSMC Chiayi Science Park Advanced Encapsulation and Testing Plant VII Phase I New Construction Project (Office Building)	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2026	TSMC Tainan Science Park Factory Logistics Center Construction Project	None
Construction contract	The Company won the tender from Taiwan Semiconductor Manufacturing Co., Ltd..	Expected year of completion: 2026	TSMC Chiayi Science Park Advanced Encapsulation and Testing Plant VII Phase II New Construction Project (FAB)	None

Five. Review and Analysis of Financial Status and Financial Performance and Risk Management

I. Financial position:

Comparative Analysis of Consolidated Financial Position

Unit: NT\$ thousand; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	12,177,260	11,819,601	357,659	3.03
Property, plant and equipment	143,549	158,824	(15,275)	(9.62)
Other assets	758,189	606,470	151,719	25.02
Total assets	13,078,998	12,584,895	494,103	3.93
Current liabilities	7,542,999	7,586,014	(43,015)	(0.57)
Non-current liabilities	195,471	192,984	2,487	1.29
Total liabilities	7,738,470	7,778,998	(40,528)	(0.52)
Equity attributable to owners of the parent company	5,340,289	4,805,673	534,616	11.12
Share capital	1,231,360	1,207,216	24,144	2.00
Capital reserve	518,809	518,634	175	0.03
Retained earnings	3,208,202	2,838,079	370,123	13.04
Other equity	381,918	241,744	140,174	57.98
Non-controlling interests	239	224	15	6.70
Total equity	5,340,528	4,805,897	534,631	11.12
Reasons for changes of more than 20%:				
1. Increase in other assets and other equities: mainly due to the increase in the market price of financial assets measured at fair value through other comprehensive income in 2024, resulting in the recognition of unrealized gains.				

II. Financial performance

(I) The main reasons for the material changes in operating revenues, net operating profits and net profits before tax in the most recent two years:

Unit: NT\$ thousand; %

Item \ Year	2024	2023	Increase (decrease) amount	Percentage of change (%)
Operating revenue	14,234,149	14,292,411	(58,262)	(0.41)
Operating cost	12,916,977	12,785,961	131,016	1.02
Gross operating profit	1,317,172	1,506,450	(189,278)	(12.56)
Operating expenses	339,740	336,504	3,236	0.96
Net operating profit	977,432	1,169,946	(192,514)	(16.45)
Non-operating income and expenses	126,057	84,935	41,122	48.42
Net income before tax from continuing operations	1,103,489	1,254,881	(151,392)	(12.06)
Less: Income tax expense	229,115	264,524	(35,409)	(13.39)
Net income for the period	874,374	990,357	(115,983)	(11.71)
Other comprehensive income (net amount after tax)	143,002	113,068	29,934	26.47
Total comprehensive income for the period	1,017,376	1,103,425	(86,049)	(7.80)
Reasons for changes of more than 20%:				
1. Increase in non-operating income and expenses: mainly due to the increase in interest income from the financial commodities undertaken in the current period and the increase in the market price of financial assets measured at fair value through profit or loss, resulting in an increase in the recognition of unrealized gains.				
2. Increase in other comprehensive income (net after tax): mainly due to the increase in the market price of financial assets measured at fair value through other comprehensive income in 2024, resulting in an increase in the recognition of unrealized gain.				

(II) Expected sales volume and basis, possible impact on the Company's future finance and business, and response plan: Not applicable.

III. Cash flow:

(I) Liquidity analysis for the most recent two years:

Item \ Year	2024	2023	Increase (decrease) ratio %
Cash flow ratio (%)	Note	16.02	Note
Cash flow adequacy ratio (%)	93.04	153.60	(39.43)
Cash reinvestment ratio (%)	Note	14.39	Note
Note: Operating activities refer to net cash outflow; therefore, relevant ratios are not calculated. Reasons for changes in the percentage of significant increase or decrease: Mainly due to the net cash flow from operating activities changed to cash outflow.			

(II) Analysis of changes in cash flow in the most recent year (2024):

Unit: NT\$ thousand

Cash balance at the beginning of period (1)	Net cash flow from operating activities for the year (2)	Net cash flow from investing and financing activities for the year (3)	Cash surplus (deficit) amount at the end of the period (1)+(2)+(3)	Remedies for Cash Shortage	
				Investment plan	Wealth management plan
5,262,388	(111,810)	(516,312)	4,634,266	-	-

1. Analysis of changes in cash flow for the year:

- (1) Operating activities: The cash outflow of NT\$111,810 thousand is mainly due to the partial receivables of construction projects and payments for subcontracts, and the difference in the time generated by the case closing construction projects and the agreed pricing ratio.
- (2) Investment and financing activities: The cash outflow of NT\$516,312 thousand is mainly due to the distribution of cash dividends and repayment of short-term loans.

2. Improvement plan for liquidity deficiency: None.

(III) Cash flow analysis for the coming year:

Unit: NT\$ thousand

Cash balance at the beginning of period (1)	Expected net cash flow from operating activities for the year (2)	Projected cash outflow for the year (3)	Expected cash surplus (deficit) (1)+(2)+(3)	Remedies for expected cash shortage	
				Investment plan	Wealth management plan
4,634,266	1,212,405	(267,917)	5,578,754	-	-

1. Analysis of cash flow changes in the coming year:

- (1) Operating activities: In 2025, mainly due to the consideration of the advance payment

for the construction collected from the proprietors for the projects in hand, the new contracts and the construction in progress, the recovery of the closing accounts and the investment in the new contracts and the construction in progress.

- (2) Cash outflow for the year: Mainly takes into account the impact of investing activities and financing activities, including the distribution of cash dividends and borrowings (repayments).

2. Expected improvement plan for insufficient liquidity: None.

IV. Impacts of major capital expenditures in the most recent year on financial operations:

(I) Utilization of material capital expenditures and sources of funds: None.

(II) Expected benefits: None.

V. The policy on investment in the most recent year, the main reason for profit or loss, improvement plans, and investment in the year ahead Plan:

At present, the Company's investment strategy is mainly to meet the needs for business expansion. In which, the market value of the financial assets held by Kuan Ching Electromechanical Co., Ltd. in 2024 recognized unrealized gains leading to the increase in overall profits and is recognized as investment gains amounting to NT\$35,956 thousand according to shareholding proportion. Moreover, the increase in market price of the financial assets held by Jiequn Investment Co., Ltd. in 2024 was recognized as unrealized gain, resulting in an increase in profits. Therefore, the Company recognized investment gains of NT\$37,689 thousand in accordance with its shareholding proportion. The Company has no major investment plan in the coming year.

VI. Risk matters, analysis and assessment in the most recent year and up to the publication date of this annual report:

- (I) Impacts of interest rate and exchange rate changes and inflation on the Company's profit and loss and future countermeasures:

1. Changes in interest rates: Impact on profit and loss and future countermeasures

The consolidated company's bank loan facility mainly comes from operating turnover, various guarantees required for contracted construction, and project financing. Under the influence of the factors of continued promotion of public construction, the expansion of high-tech industries, green construction, and the government's continued control of the real estate market, the interest rate will continue to be high for a period of time, but the increase in the non-operating interest expense of the consolidated company is limited. The consolidated company's interest expense in 2024 was NT\$3,448 thousand. In the future, the consolidated company will pay close attention to the domestic and foreign economic and financial conditions, and retain a flexible and safe cash position, and will adopt the strategy of combining costs and benefits by adjusting

the appropriate combination of fixed and floating interest rates in a timely manner, without causing significant interest rate changes resulting in having a significant impact on the profit or loss. In the future, the consolidated company will also continue to maintain good relationships with financial institutions, and in response to the sustainable development of ESG, the consolidated company will work with financial institutions to incorporate sustainable key performance indicators into linked credit conditions. If achieved, financial costs will be effectively reduced.

2. Changes in foreign exchange rates: Effect on profit or loss and future countermeasures

The consolidated company's main business is domestic demand industries, the contracted projects are mainly domestic public construction and private construction projects, and the raw materials, including steel materials, are mainly obtained from the domestic market, and exchange rate fluctuations have no significant impact on the consolidated company.

3. Inflation: Effect on profit and loss and countermeasures in the future

The consolidated company's construction contracting and procurement of raw materials are mainly based on the domestic market. Among them, the price index subsidy can apply for public construction contracts. The private construction of technology plants has lesser impact due to the short construction period, and other construction projects with a construction period of more than 3 years are vulnerable to the impact of fluctuations in the cost of international bulk raw materials.

The consolidated company will increase the risk reserve at the stage of evaluating the contracting of construction projects, lock in a fixed contracting price, and carefully evaluate the contract terms with the landlords, in order to mitigate the impact of fluctuations in construction costs caused by inflation and ensure the stability of the Company's profits.

(II) The policy of engaging in high-risk and high-leverage investment, loaning of funds to others, endorsements and guarantees, and derivative commodity transactions, the main reasons for profit or loss, and future countermeasures:

The consolidated company is committed to the development of the Company's business and is not engaged in high-risk, high-leverage investments, lending of funds to others, and derivatives trading. Endorsements/guarantees are mainly for the contracting of construction business and are provided in accordance with the "Endorsement and Guarantee Procedures" and relevant regulations of the competent authority. The subjects are mainly affiliated enterprises and companies with business dealings. Their operating and financial conditions are normal, and their contract performance and solvency are intact, and loss has not been incurred due to endorsements/guarantees.

(III) Future R&D plans and expected R&D expenses to be invested:

Kedge Construction is a comprehensive construction company, and our R&D efforts are mainly focused on shortening the construction period, improving the construction techniques, reducing pollution, and improving efficiency. The construction methods and production technology improvements are developed by the Technological Research and Development Division on their own or with the introduction of technology from vendors.

In recent years, on top of strengthening full computerization, the construction management system has also been introduced to improve management efficiency. At present, the system has been fully introduced for all construction sites. In 2025, it will continue to optimize and actively implement the following projects. The expected investment of manpower and resources is about NT\$14 million.

No.	Research plans in recent years
1	ERP System Innovation Plan
2	AR interactive film
3	Research and development of BIM + AI
4	Research and introduction of BIM visual program (Dynamo)
5	Research and implementation of the circular economy
6	Research on building automation

(IV)Impacts of domestic/foreign important policies and changes of laws on the financial business of the company and countermeasures:

The consolidated company usually keeps a high degree of attention to the domestic and foreign political and economic developments and legal changes, and conducts regular reviews to ensure compliance with relevant government laws and regulations, and adheres to the principle of steady operation to maintain sustainable development. Changes in important domestic and foreign policies and laws in recent years did not have a significant impact on the consolidated company's financial operations.

(V) Impacts of technological and industrial changes on the Company's financial operations, and countermeasures:

Responding to the changes in technology and industry, the consolidated company keeps abreast of market changes, actively obtains industry information through various methods, and selects the best ones according to their suitability to improve the competitiveness of the Company's engineering project management, thereby achieving the development of potential business and improving the service ability to proprietors. At present, the consolidated company has no significant impact on the financial business due to changes in technology or industry changes.

(VI)Impacts of changes in corporate image on corporate crisis management and countermeasures:

The consolidated company adheres to the business philosophy of "integrity, quality, service, innovation, and sustainability" and insists on providing high-quality construction projects to reassure property owners, customers, and employees, and fulfill corporate social responsibility by enhancing corporate value and creating quality corporate image. There was no occurrence of events that change our corporate image.

(VII)Expected benefits and possible risks of mergers and acquisitions, and countermeasures: None.

(VIII)Expected benefits and possible risks associated with any plant expansion, and mitigation

measures being or to be taken: None.

- (IX) Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken:

The main raw materials of the consolidated company are steel bars, concrete, cement, sand, red bricks and other bulk building materials. Except for some of the materials supplied by the proprietor, all of the materials can be purchased in the domestic market through negotiation, so there is no concentration of purchases. Furthermore, the consolidated company has established interaction with major suppliers for many years, and carefully evaluates the quality, technology, operating and financial status of each subcontractor and material supplier before trading, and diversifies specific work items according to the needs of construction, contracted supply from several subcontractors to ensure the smooth progress of the construction projects and to avoid the risk of concentration of contractors.

The consolidated company mainly contracts domestic public construction and private construction projects, and the main business scope includes constructions of public constructions, high-end residential buildings and technology factories, and there is no concentration of sales. Except for the public construction projects of the government agencies, the Company conducts credit investigation on the projects undertaken by the private owners before bidding, so the credit risk has been reduced to a minimum.

- (X) Impacts upon and risks to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

As of the publication date of the annual report, the consolidated company's directors, supervisors or major shareholders holding more than 10% of the shares have not undergone significant transfer or replacement of shares.

- (XI) Impacts and risks to the company due to change in management rights, and responsive measures: N/A.

- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.

1. Major litigation, non-litigation or administrative disputes still under review: None.
2. Major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person

with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks and countermeasures:

1. Risk management policies:

In the course of business operations, enterprises often encounter many uncertain factors that may threaten business operations. For the purpose of detecting and controlling risks as early as possible and reducing the losses caused by occurrence of risks, the Company has established a risk management execution working group to formulate risk management policies and regulations for the seven major types of risks, namely, strategy, operation, finance, industrial safety, legal compliance, information security, and others. The risk management execution working group discusses and effectively responds to various potential risks faced by the Company's management or construction procedures, and formulates corresponding effective strategies to ensure that most potential known risks can be effectively controlled.

2. Risk management structure:

- (1) Board of Directors: The highest decision-making body for the Company's risk management. It appoints and supervises the Company's management. It is responsible for approving risk management policies and important risk management systems, and supervising the implementation of risk management systems to ensure the effective operation of the risk management mechanism.
- (2) Risk Management Execution Team: The President directs the heads of each department and is responsible for formulating various risk management policies, reviewing the Company's risk management reports, strategies and improvement plans, and supervising the implementation and communication of risk control measures and improvement plans. Discuss risk management matters, and conduct review and assessment of the effectiveness of risk management measures. The Company convenes its review meetings once every six months, and submits regular reports to the Board of Directors every year, and reflects the implementation of risk management operations to the Board of Directors in a timely manner.
- (3) Construction and management department: including Engineering Department No. 1 (civil engineering and construction), Engineering Department No. 2 (plant and internal project), Accounting Department, Design and Research Department, Electrical and Mechanical Department, Information Department, Occupational Safety and Health Department, Environmental Sustainability Department, Quality Assurance Department, Funds Department, Sales Department, Procurement and Contracting Department, Legal Affairs Department, General Affairs Department,

Human Resources Department, Cost Management Department, Operation Management Department, Planning Department, etc. are the basic risk management and execution units, and are responsible for risk management in accordance with their business goals. Promote, identify, evaluate, and perform daily risk management in accordance with this Policy and relevant internal regulations; department heads shall supervise their colleagues to implement risk management tasks such as risk identification, evaluation, and control, and compile relevant information for reporting to senior managers. Determine the level of risk and propose the method of taking risks based on internal strategy changes, and coordinate cross-departmental risk management interactions and communications when necessary.

- (4) Audit Office: subordinate to the Board of Directors and assisting the Board of Directors and managers in examining and reviewing the deficiencies of the internal control system, as well as measuring the effectiveness and efficiency of operations. Each year, the Company formulates an annual audit plan based on the risk assessment results, and regularly reports the audit implementation results to the Audit Committee and the Board of Directors to ensure the continuous and effective implementation of the internal control system and serve as the basis for internal control system review.

3. Risk assessment

- (1) In 2024, through the practical and professional experience of the construction and management departments, the Company assessed the potential risks of the Company in terms of their respective scopes of responsibility and operational procedures, supplemented by the risk matrix assessment method for possible risk types, with a total of 145 identification results (risks related to strategy, operation, finance, legal compliance, information security and others). There are 87 acceptable risks for the risk levels of minor risk (Level 1), low risk (Level 2) and moderate risk (Level 3) under the existing management measures. Severity is classified as major or significant for the moderate risk (Level 3), high risk (Level 4) and major risk for a total of 58 risks. For these 58 risks, after the control measures for risk reduction are considered, the original risk levels are changed to 6 minor risks (Level 1), 47 low risks (Level 2), and 5 moderate risk (level 3). After control measures are implemented, all of the risk levels are reduced to become acceptable risks.
- (2) In 2024, the Company's environment and industrial safety indicators (Chiayi C612 Railway Station Project, MediaTek Tongluo Park Facility Project, Banqiao Fuzhong Section - Steel Structure Top-down Construction, Wanhua Zhixing Project - Steel Structure Bottom Up Construction, Great Wall Group Enterprise Headquarters Project) will be measured, for a total of 4038 risk items. Among them, there were 3833 acceptable risks and 205 unacceptable risks. For these 205 risk items, after considering the control measures adopted to reduce risks, all of the risks were reduced to become acceptable risks.

4. Conclusion of risk management

The domestic construction industry has been facing many challenges and risks.

Looking forward to the future, we need to take precautionary measures to ensure the steady development of business of the Company. First, the factors of global economic fluctuation, geopolitical conflict, changes in raw material market, carbon fee collection and climate change may bring uncertainties to the economy. The construction industry must closely monitor the fluctuation of raw material prices, oil price increase and severe climate change, in order to establish flexible business strategies. In addition, changes in government policies may have a direct impact on the construction industry; therefore, it is important to establish a solid cooperative relationship with the government and to adjust the business model according to corresponding laws and regulations. Meanwhile, the labor shortage and technology gap may become a bottleneck for project execution. In addition to focusing on talent training, the Company must also actively adopt new technologies and new work methods to improve production efficiency. In terms of strategy, the construction industry shall implement diverse development and participate in different types of construction projects, in order to mitigate market risks. At the same time, establish a comprehensive risk management system that includes monitoring market fluctuations and formulating reasonable contract terms, in order to reduce risks for operations. In terms of sustainable development, we must continue to implement energy conservation and carbon reduction to meet market demand. In conclusion, the Company will respond to the risks in various aspects of economy, policy, and technology, and will aim to seek diverse development and sustainable operation.

VII. Other important matters: None.

Six. Special Disclosure

I. Affiliated Enterprises Related Information:

The website for inquires is as follows:

https://doc.twse.com.tw/pdf/202404_2546_A20_20250319_103101.pdf

Affiliation Report:

https://doc.twse.com.tw/pdf/202404_2546_A21_20250319_103307.pdf

Independent Auditor's Review Opinion on Affiliation Report

We have reviewed the 2024 Affiliation Report of the Kedge Construction Co., Ltd. (referred to as the "Company"), which is in conformity with the Jin-Guan-Zheng-Shen-Zi No. 1130382569 Decree of the Financial Supervisory Commission dated June 26, 2024. This review is conducted to determine whether the 2024 Affiliation Report of the Company has been prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and whether there are any material discrepancies with the relevant information disclosed in the notes to the financial statements for the same period audited, and for which we then issue the review opinion.

Our review results do not find any violation of the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" nor any information disclosed in the aforementioned Affiliation Report indicating a material inconsistency with the relevant information disclosed in the notes to the financial statements for the same period.

Submitted to

Kedge Construction Co., Ltd.

KPMG

CPAs :

Approval reference number Jin-Guan-Zheng-Liu No. 1090332798
of the securities authority :

Jin-Guan-Zheng-Liu No. 0940129108

March 7, 2025

1. Relationship between Subordinate Company and Controlling Company:

Unit: shares; %

Name of controlling company	Reason for control	Shareholding and pledge of shares by the controlling company			Personnel appointed by the controlling company as directors, supervisors, or managers	
		Number of shares held	Shareholding ratio	Number of pledged shares	Job title	Name
Kindom Development Co., Ltd.	Acquisition of more than half of the seats in the Board of Directors of Kedge Construction Co., Ltd.	42,093,444	34.18%	-	Chairman Director Director Director Director and President Director and President	Ai-Wei Yuan Mike Ma Sui-Chang Liang Chen-Tan He Yi-Fang Huang Chun-Ming Chen

2. Purchase, Sale Transactions:

Unit: NT\$ thousand; %

Transactions with the controlling company				Terms of transactions with the controlling company		General terms and conditions		Accounts receivable (payable), notes		Overdue receivable			Remarks
Purchase (sale) goods	Amount	Percentage in total purchase (sales)	Accumulated gross (loss) profit from sales	Unit price	Credit period	Unit price	Credit period	Balance	Percentage of total accounts receivable (payable)	Amount	Treatment method	Allowance for bad debt	
Sales - construction contract	(3,155,716)	(21.99)%	194,048	-	Note	Equivalent	Slightly longer than general	794,562	18.56 %	-	-	-	

Note: Installment collection is generally longer according to the contract.

3. Property transactions: None.

4. Capital financing: None.

5. Asset leasing: In 2024, the Company's leases from related parties are as follows:

Unit: NT\$ thousand

Transaction type (rent or lease)	Subject matter		Lease period	Nature of lease (Note 1)	Basis for rent determination	Collection (payment) method	Comparison with general rent levels	Current total rent	Current period collection/payment	Other covenants (Note 2)
	Inscription Name	Location								
Rented out	Kindom Building	Portion of 6F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	2024.01.01 ~ 2024.12.31	Operating lease	Negotiated price	Monthly rent collection	Equivalent to average	1,131	All rent payments have been received	-
Rented out	Kindom Building	3F, No. 131, Sec. 7, Heping E. Rd., Taipei City	2024.01.01 ~ 2024.12.31	Operating lease	Negotiated price	Monthly rent collection	Equivalent to average	2,229	Received in full amount	-
Lease	Kindom Building	3F, No. 131, Sec. 3, Heping E. Rd., Taipei City, Taiwan	2024.01.01 ~ 2024.12.31	Operating lease	Negotiated price	Monthly payment	Equivalent to average	2,229	All payments have been made	-
Lease	Kindom Building	3F, No. 131, Sec. 2, Heping E. Rd., Taipei City	2024.01.01 ~ 2024.12.31	Operating lease	Negotiated price	Monthly payment	Equivalent to average	2,113	Paid in full	-
Lease	Kindom Building	3F, No. 131, Sec. 4, Heping E. Rd., Taipei City	2024.01.01 ~ 2024.12.31	Operating lease	Negotiated price	Monthly payment	Equivalent to average	2,229	Paid in full	-

Note 1: It should be stated whether the nature is a capital lease or an operating lease.

Note 2: If other rights are created, such as superficies, pledges, and easement, it shall be specified.

6. Other important transactions: None.

7. Endorsements and Guarantees:

Unit: NT\$ thousand; %

Party endorsed or guaranteed	The maximum balance of endorsements/guarantees by the Company for the controlling company	Closing balance		Reasons for endorsements and guarantees	Provider of collateral			The conditions or dates for releasing the guarantee obligation or recovering the collateral.	Amount of contingent loss recognized in the financial statements	Non-compliance with relevant operating regulations
		Amount	As a percentage of net worth as stated in the financial statements		Title	Number	Value			
Kindom	14,192	14,192	0.27%	Note 1	-	-	-	Depending on the contracted project	-	-

Note 1: The investment of the Company under the equity method. The Company signed the “Zhongnan Supermarket Administrative Contract” with the Taipei City Government, which required a joint guarantor. The Company was approved by the Board of Directors to act as the joint guarantor on November 11, 2015.

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

III. Additional information required to be disclosed: None.

Seven. For the most recent year and up to the printing date of the annual report, occurrence of events having material impact on shareholders’ rights and interests or securities prices according to Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act: None.