

Stock Code: 3266



Suntory Development Co., Ltd

2024 Regular Shareholder Meeting

Handbook

physical shareholders meeting

Date: May 31, 2024

Location: 11F., No.97, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City

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Sunty Development Co, Ltd.

Procedure for the 2024 Regular Shareholder Meeting

- I. Call the meeting to order
- II. Chair address
- III. Report items
- IV. Proposed resolutions
- V. Extraordinary motions
- VI. Adjournment

Sunty Development Co, Ltd.

Agenda for the 2024 Regular Shareholder Meeting

Time: 9:00 a.m., Fri., May 31, 2024

Location: 11F., No.97, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City

- I. Call the meeting to order
- II. Chair address
- III. Report items
 - Report no. 1: 2023 business overview
 - Report no. 2: Audit Committee's audit of 2023 final accounting reports
 - Report no. 3: 2023 distribution of remuneration for employees and directors
 - Report no. 4: Amendment of "Rules and Procedures for the Board Meeting"
- IV. Proposed resolutions
 - Proposal no. 1: Adoption of 2023 business report and final accounting reports
 - Proposal no. 2: Adoption of 2023 earnings distribution proposal
- V. Extraordinary motions
- VI. Adjournment

I. Report Items

Report no. 1

Subject: 2023 business overview.

Description: Please refer to Attachment 1 (pages 7–10) for the 2023 business report.

Report no. 2

Subject: Audit Committee's audit of 2023 final accounting reports.

Description: Please refer to Attachment 2 (page 11) for the Audit Committee's audit report.

Report no. 3

Subject: 2023 distribution of remuneration for employees and directors.

Description: 1. In accordance with the Company's Articles of Incorporation, NT\$19,214,000 (approximately 2.45%) were distributed as employee remuneration and NT\$7,686,000 (approximately 0.98%) as director remuneration for 2023.

2. Remuneration for employees and directors were paid in cash. There was no difference between the payment amount and the expense recognized in 2023.

Report no. 4

Subject: Amendment of "Rules and Procedures for the Board Meeting".

Description: 1. The revision is proposed in accordance with the amended Procedural Regulations Governing Board of Directors Meetings of Public Companies promulgated by the Financial Supervisory Commission.

2. Please refer to Attachment 3 (page 12–15) for Comparison of the amended Rules and Procedures for the Board Meeting.

II. Proposed Resolutions

Report no. 1

Subject: Please adopt the 2023 business report and final accounting reports.

(Proposed by the Board of Directors)

Description: 1. The proposal was approved by the 10th Board of Directors' 11th meeting held on March 11, 2024 and has been sent to the Audit Committee for review.

2. The Company's 2023 financial statements have been audited by Han Yilien, CPA and Tseng Kuo-Yang, CPA from KPMG.

3. Please refer to Attachment 1 (pages 7–10) for the 2023 business report and Attachment 4–5 (pages 16–33) for the CPA' audit report and financial statements.

Resolution:

Report no. 2

Subject: Please adopt the 2023 earnings distribution proposal.

(Proposed by the Board of Directors)

- Description: 1. The Company's 2023 profits after tax amounted to NT\$683,723,359, plus changes in actuarial gains and losses for the period of NT\$2,405,130, provision of legal reserve of NT\$68,612,849 and reversal of special reserve set aside with deductions from equity of NT\$43,698,622, plus unappropriated earnings of NT\$269,931,555 at the beginning of the period, resulting in accumulated distributable earnings of NT\$931,145,817. It is planned to distribute cash dividends totaling NT\$264,235,732 (NT\$0.75 per share), therefore, the unappropriated earnings at the end of 2023 amounted to NT\$666,910,085.
2. The Chairman is authorized to the method of calculating cash dividends of less than TWD 1 for this year and all cash dividends of less than TWD 1 to look for specified persons. It is proposed that the Chairman of the Company would be fully authorized to deal with matters in connection with the change (if any) to the cash dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.
3. Subject to approval of the shareholders' meeting, the chairman of the Company is authorized to determine the cash dividend record date.
4. Please refer to Attachment 6 (page 34) for the 2023 earnings distribution schedule.

Resolution:

III. Extraordinary Motions

IV. Adjournment

Sunty Development Co, Ltd.
2023
Business Report

I. 2023 Business Report

(I) Implementation results of business plan

The Company cultivates business in the Greater Taipei area with a good brand image, and expanded to the Taoyuan area in recent years and operates steadily with a strategy of maintaining profitability and preserving advantages. This year, the pre-sale project "Chu Sunty" in Taipei City's Zhongshan District has been completed and handed over. At the same time, the remaining houses have been sold, which meets the market demand for first-time buyers and self-occupation, and has been successfully sold out. The pre-sale project "Sunty Guo Yong - Regent" in Yonghe District, New Taipei City completed the handover at the beginning of the year. "Sunty Guo Yong - Rize" will be handed over one after another at the end of the year. The project excelled at the two key factors, location and brand, and were launched at a time when real estate was stabilizing, and the market responded well.

In 2023, with the sales and deliveries of "Chu Sunty", "Sunty Guo Yong" and "Sunty Li Fang", the construction revenues of the subsidiary, Hsin Tung Yang Construction Co., Ltd., the consolidated net operating revenue was NT\$4,242,350 thousand, an increase of NT\$1,333,979 thousand or 45.87% over 2022. Net profits after tax for the year was NT\$644,215 thousand, an increase of NT\$486,142 thousand or 307.54% from 2022, of which net profits attributable to shareholders of the parent company increased NT\$483,476 thousand from 2022 to NT\$683,723 thousand, mainly due to more transfer projects, resulting in the improve in net profits after tax.

Unit: NT\$ thousand

Item	2023	2022	Increase or decrease (%)
Net operating revenues	4,242,350	2,908,371	45.87%
Operating costs	3,002,296	2,339,461	28.33%
Operating profit margins	1,240,054	568,910	117.97%
Operating expenses	494,134	382,764	29.10%
Net operating profits	745,920	186,146	300.72%
Non-operating incomes and expenses	(20,694)	4,019	-614.90%
Net profits before tax	725,226	190,165	281.37%
Income tax expenses	81,011	32,092	152.43%
Net profits for the period	644,215	158,073	307.54%
Other comprehensive income	(9,094)	18,706	-148.62%
Total comprehensive income for the period	635,121	176,779	259.27%

(II) The implementation status of budget

The Company has not published its financial forecast for 2023 in accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies".

(III) Financial receipts and expenditures and profitability analysis

Item		Year	2023	2022
Capital structure	Debts to assets ratio (%)		54.08	59.11
	Long-term capital to property, plant, and equipment ratio		4647.50	4447.71
Liquidity	Current ratio (%)		174.61	159.87
	Quick ratio (%)		24.20	18.39
	Interests coverage (multiplier)		6.55	2.45
Profitability	Return on assets (%)		4.89	1.28
	Return on equity (%)		11.95	3.75
	As a percentage of paid-in capital (%)	Operating profits	21.17	5.28
		Net profits before tax	20.58	5.40
	Net profit margins (%)		15.19	5.44
	Basic earnings per share (NT\$) - after retrospective adjustments		1.94	0.57

(IV) R&D status

1. R&D team: committed to coming up with refined and high quality products.

The Company's management team has excellent vision and strong leadership abilities, and with more than 30 years of construction-related experience, they are not only familiar with construction regulations, but also have a unique perspective on market trends and dynamics. We have been building residential buildings with consistent dedication to the construction industry, we are constantly innovating technology to create refined and high quality products, and we are committed to human comfort, healthy living, and network technology in our product planning to meet customer needs. Our stable management philosophy has not only created a competitive advantage in the market, but has also established an unshakable reputation in the hearts of consumers.

2. Engineering team: three-link quality control, engineering quality control supervision and management

The Company appoints construction companies that meet the quality requirements and cost control of the Company to ensure the quality of construction. In addition, through the control of equity and long-term cooperation, we have established a good relationship with the construction companies, so that we can control the progress and quality of construction more precisely to meet the customer's needs in terms of delivery and quality. In addition to improving quality and reducing costs, we will continue to study the use of Sunty's high-performance construction methods to increase the competitiveness of our products.

3. Business team: Blue ocean strategy for product differentiation

We keep an eye on the political and economic situation and changes in the real estate boom and bust cycle to take hold of market information and use it as a basis for product positioning and marketing strategies. We conduct detailed and precise market research and analysis to launch products that meet market needs, and flexibly adopt sales before, during or after construction to reduce the risk of market fluctuations and carry out a product blue ocean strategy.

II. 2024 Business Plan Overview

(I) Business policy for the year

1. Considering the current capital size, human resources, investment return and capital turnover efficiency of the Company, we will continue to invest in the construction and sale of small and medium-sized projects in the Greater Taipei area in 2024.
2. We keep an eye on the political and economic situation and changes in the real estate boom and bust cycle to take hold of market information and use it as a basis for product positioning and marketing strategies.
3. Control the cost and quality of construction projects.
4. Offer customer service and product after-sales service.

(II) Expected sales volume

1. Projects launched with sales:

- (1)“Suntly Guo Yong-Rize” in Yonghe District, New Taipei City, near MRT Dingxi Station, has the characteristics of quiet alley housing near the MRT, and the Yonghe business district is well-developed and has complete functions. ,sold approximately NT\$2.1 billion in total, and almost fully sold. The completion and delivery was from end 2022 to Apr. 2024 , and A small number of remaining houses was put on sale in the second quarter of Q2 2024, and the project is 100% sold.
- (2)“Ju Suntly” is located in Zhongshan District, sold approximately NT\$1.8 billion in total, and the project is 100% sold.. The construction was commenced in Jan. 2020 The completion and delivery is expected in Q3 2024.
- (3)The “Suntly Yi Ju” is a self-built project in Taipei City’s Wanhua District ,sold approximately NT\$1.4 billion in total, and the project is 100% sold. The construction was commenced in Oct. 2021. The completion and delivery is expected in Q4 2024.

2. Projects to be launched in 2024:

- (1)The joint-construction project of the dangerous and old buildings at Shipai Rd., Beitou District, Taipei City, locates a the intersection of Shipai Rd., Sec. 2 and Xingyi Rd., with the quietness and relax of the Tianmu life circle. The residence of small and medium space for 14 levels on the ground is planned. The project will be built first and sold later, worth NT\$0.5 billion for sale. It is expected to be launched for sale after completion in the second half of 2024.

2. Projects to be launched after 2024:

- (1)The joint construction project at Kaifeng Street in Wanhua District, Taipei City locates near MRT Ximen Station, where the Bannan Line and Songshan Line intersect, and in the Ximen specialty business circle. A riverside park is within a walking distance, so it locates well. A dual-building residence of small and medium space is planned. The sales will be commenced after the construction, , worth NT\$0.5 billion for sale. which was started at the end of 2021, and it is expected to be launched for sale after completion in 2025.
- (2)The urban renewal project “Shuangxi Garden Villa” at Fulin Rd. in Shilin District, Taipei City, locates near Fuzhi Park, the area has a quiet atmosphere, green space, convenient transportation, and is close to high school and elementary school, making it suitable for living. A dual-building residence of small and medium space is planned, worth NT\$2.4 billion for sale. The construction was commenced in Q1 of 2024, and is expected to to kick off in 2027, and be launched for sale depending on the economic situation.
- (3) “Chongqing North Road Project” is a joint construction project in Shilin District, Taipei City, located near the Chongqing North Road interchange of the highway, facing the Keelung River with a distant view of the Taipei 101 and the the Grand Hotel Taipei, as well as a permanent view of the riverbank. Initially planned for small to medium sized houses, worth NT\$3 billion for sale. The construction was commenced in Q1 of 2024, It is estimated that the proposal will start the sales according to the economic situation.

(4)The urban renewal project of sea sand house “Liba Royal Community” at Yongji Road in Xinyi Dist. District, Taipei City, near TRA and MRT Songshan Station, MRT Yongchun Station, with excellent transportation access and complete living functions. The building with 24 stories above group and 35 to 82 ping apartments are in line with the market demand for first-time buyers and owner-occupiers. It is worth NT\$6.7 billion for sale. The building license was obtained in March 2024. It is estimated that the proposal will start the sales according to the economic situation.

3. Projects under development:

MRT System Sanxia Station Development Project and Dexing East Road Project, Guangming Movie Theater Project in Taipei City and Zhonghe Xiulang Rd Project in New Taipei City, for urban renewal or for unsafe and old buildings, are all undergoing planning and development.

(III) Important production and sales policies

Looking back at the performance of the real estate market in 2023, it is related to factors such as inflation, and construction costs remain high. Even if the policy strongly suppresses speculation and other non-self-use activities, the overall housing price has still reached a record high. The major policies for 2023 are the implementation of “The Equalization of Land Rights Act” and the licensing system for the purchase of residential properties by private entities. After the implementation, the transaction volume of the luxury housing market has shrunk. At the same time, the contract exchange transaction of pre-sale housing has been restricted, and speculation in the pre-sale housing market has been comprehensively curbed. In addition, the Executive Yuan has passed a preferential mortgage program geared toward young adults. have the effect of stabilizing rigid buying for self-use and affecting the housing market price.

Looking forward to the domestic real estate market in 2024, with the final election factors and the continued promotion of the new preferential mortgage program geared toward young adults, the market is slowly accepting the impact of various policies, even if there are uncertainties such as the introduction of carbon fees, non-self-use house tax 2.0 and global inflation, Under the relatively optimistic business outlook, the real estate market has entered a stage of regulation. In 2024, prices and volumes are expected to consolidate. Demand for owner-occupancy and long-term property purchase are still the main forces supporting the real estate market.

In recent years, in response to the impact of the real estate boom and bust cycle, the Company has adopted a proactive and stable business strategy to keep track of sales progress and recover capital quickly from existing sales projects. In the future, we will actively develop high-quality land with good locations and high sales potential when the housing market is down. We will also keep track of the quality, cost and progress of the construction in progress to ensure the profitability of projects. On the financial side, we will address the conservative practice of banks in lending for construction financing, strive for higher-than-budgeted construction financing facilities for new projects, and explore other financing options. In terms of re-investment, the construction business will expand its underwriting capacity and evaluate the feasibility of revitalizing other investment assets in the hope of increasing profitability through a proactive and diversified model.

III. The future development strategy of the Company and the impact of the external competitive environment, the regulatory environment and the overall business environment

Real estate is still an important investment tool for the public. The current market atmosphere is wait-and-see, but it is expected to gradually return to the rational stage and move towards stable development. For the assessment of the future real estate boom, the company holds a prudent attitude. In addition to reviewing the strategy and the selection of investment types for case development, actively develop high-quality cases, research and develop product positioning for cases, review and study construction methods, and grasp the time for evaluation and proposals, in order to launch projects with Products with market competitiveness, while ensuring normal working capital and improving operating efficiency. At the same time, we continue to operate with the philosophy of “honest and pragmatism, initiative and innovation, and insistence on quality” to fulfill our corporate social responsibility in the construction field, so as to gain the trust of customers and enhance brand recognition and create maximum profitability for the Company.

Audit Committee's Audit Report

The Board of Directors has prepared the Company's business report, financial statements and earnings proposal for the year ended December 31, 2023, where the financial statements have been audited by Han Yilien CPA and Tseng Kuo-Yang CPA from KPMG, who have issued the audit report. The above-mentioned business report, financial statements and earnings distribution proposal have been examined by the Audit Committee and are found to be in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Suntly Development Co, Ltd.

Audit Committee Convener: Yu Chun-Ming

March 22, 2024

Suntly Development Co, Ltd.
Comparison of the amended Rules and Procedures for the Board Meeting

	Proposed amendments	Current articles	Reason for amendments
Article 3	(Convening and notice of board meetings) The company's board of directors meeting are divided into regular meetings and special meetings. The regular board of directors meetings shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. All matters set forth under Article 11, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.	(Convening and notice of board meetings) The company's board of directors meeting are divided into regular meetings and special meetings. The regular board of directors meetings shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. All matters set forth under Article 11, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. <u>None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</u> The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.	In line with the amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".
Article 6	Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, <u>the vice chairperson shall do so in place of the chairperson, the vice chairperson also is on leave or for any reason is unable to act</u> , by a director designated by the chairperson, or, if the chairperson does not make such a designation, by a director elected by and from among themselves.	Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, by a director designated by the chairperson, or, if the chairperson does not make such a designation, by a director elected by and from among themselves.	The company has elected a vice chairman.
Article 9	When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed <u>on the same day</u> , provided that no more than two postponements are made. If the quorum is still not met after two	When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may	In line with the amendments to the "Regulations Governing Procedure for Board of

	Proposed amendments	Current articles	Reason for amendments
	<p>postponements, the chair may re-convene the meeting following the procedures provided in Article 3, paragraph 2.</p> <p>The term "all board directors " as used in the preceding paragraph shall be calculated as the number of directors then in office.</p>	<p>re-convene the meeting following the procedures provided in Article 3, paragraph 2. The term "all board directors " as used in the preceding paragraph shall be calculated as the number of directors then in office.</p>	Directors Meetings of Public Companies".
Article 10	<p>A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. After close of the said meeting, directors shall not elect another chairman to hold another meeting at the same place or at any other place.</p> <p>If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis.</p> <p><u>During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 6, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</u></p>	<p>A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. After close of the said meeting, directors shall not elect another chairman to hold another meeting at the same place or at any other place.</p> <p>If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis.</p>	In line with the amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".
Article 11	<p>A company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. Corporate business plan. 2. Annual and <u>semi-annual</u> financial reports, which are signed or sealed by the chairperson, managerial officer, and accounting officer, <u>with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).</u> 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u> 7. The appointment or discharge of a financial, accounting, or internal audit officer. 8. A donation to a related party or a major 	<p>A company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. Corporate business plan. 2. Annual financial reports and <u>second quarter financial reports that must be audited and attested by a CPA</u>, which are signed or sealed by the chairperson, managerial officer, and accounting officer. 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. 	In line with the amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".

	Proposed amendments	Current articles	Reason for amendments
	<p>donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>9. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.</p> <p>(Omitted)</p>	<p>8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.</p> <p>(Omitted)</p>	
Article 15	<p>Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:</p> <ol style="list-style-type: none"> 1. Session (or year), time, and place of meeting. 2. Name of the meeting chair. 3. Attendance of directors at the meeting, specifying the names <u>and number</u> of members present, excused, and absent. 4. Names and titles of those attending the meeting as nonvoting participants. 5. Name of minutes taker. 6. Matters reported on. 7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the 	<p>Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:</p> <ol style="list-style-type: none"> 1. Session (or year), time, and place of meeting. 2. Name of the meeting chair. 3. Attendance of directors at the meeting, specifying the names of members present, excused, and absent. 4. Names and titles of those attending the meeting as nonvoting participants. 5. Name of minutes taker. 6. Matters reported on. 7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the 	In line with the amendments to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".

	Proposed amendments	Current articles	Reason for amendments
	<p>preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, paragraph 5.</p> <p>8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.</p> <p>9. Other matters required to be recorded.</p> <p><u>Any of the following matters</u> in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:</p> <p>1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.</p> <p>2. <u>If the company has an audit committee, any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.</u></p> <p>The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.</p> <p>The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records during the existence of the company.</p> <p>The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.</p>	<p>preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, paragraph 5.</p> <p>8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.</p> <p>9. Other matters required to be recorded.</p> <p>In relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:</p> <p>Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.</p> <p>The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.</p> <p>The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records during the existence of the company.</p> <p>The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.</p>	



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Sunty Development Co., Ltd.:

Opinion

We have audited the financial statements of Sunty Development Co., Ltd. ("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Appropriateness of Recognition Timing of Building and Land Sales Revenue

Please refer to notes 4(p) and 6(t) of the notes to parent company only financial statements for the accounting policy on revenue recognition and the description of revenue.

Description of key audit matter:

Since the Company operates in the real estate industry, in which its sales revenue is recognized upon the transfer of ownership of its real estate and the actual delivery of its housing unit to a large number of clients, the confirmation on the validity of the timing of the sales revenue recognition is crucial. Hence, the Company needs to thoroughly examine the transfer of its ownership and the data on the delivery of its housing units for its entire transactions to recognize the sales revenue, which usually involves tremendous amount of manual efforts. Therefore, sales revenue recognition has been recognized as one of our key audit matters. Therefore, the recognition timing of sales revenue is considered as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understanding the design of the Company's internal controls over the recognition of revenue and the accrual of receivables.
- Performing substantive tests on randomly selected samples of sales contracts, and real estate ownership transfer documents; as well as checking the sales data and general ledger to ensure consistency.
- Testing on sales transactions taking place before and after the balance sheet date as well as confirming relevant transaction records and documentations to ensure that revenue was fairly presented in the appropriate period.

2. Valuation of Inventory

Please refer to Note 4(g) for the accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimations and assumptions for inventory valuation, and Note 6(c) for details of inventory valuation.

Description of key audit matter:

Inventories, which play a significant role in the Company's business operation, account for 76% of the Company's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

How the matter was addressed in our audit:

- Understanding the Company's internal procedures and accounting processes over inventory valuation; obtaining the valuation information on the net realizable value of inventory on the date of the reporting; inspecting and performing sample testing on the comparable market data such as sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Company's developments or Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of inventory is fairly presented.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance including the Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2024

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(o), (t) and 7)	\$ 3,790,393	100	2,479,996	100
5000	Operating costs (notes 6(c) and 7)	2,581,844	68	1,853,056	75
	Gross profit from operations	1,208,549	32	626,940	25
	Operating expenses (note 7):				
6100	Selling expenses (note 6(i))	175,867	5	136,291	6
6200	Administrative expenses	230,128	6	157,031	6
6300	Research and development expenses	2,182	-	2,505	-
		408,177	11	295,827	12
	Net operating income	800,372	21	331,113	13
	Non-operating income and expenses:				
7100	Interest income (notes 6(v) and 7)	3,842	-	1,441	-
7020	Other gains and losses, net (note 6(v))	(21,802)	(1)	2,674	-
7050	Finance costs, net (notes 6(c) and (v))	(31,891)	(1)	(22,994)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using the equity method, net	5,025	-	(73,152)	(3)
		(44,826)	(2)	(92,031)	(4)
7900	Profit before income tax	755,546	19	239,082	9
7950	Less: Income tax expenses (note 6(q))	71,823	1	38,835	1
	Profit	683,723	18	200,247	8
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	2,405	-	2,858	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	2,405	-	2,858	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements (note 6(r))	(7,135)	-	8,456	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,427	-	(1,691)	-
	Components of other comprehensive income that will be reclassified to profit or loss	(5,708)	-	6,765	-
8300	Other comprehensive income	(3,303)	-	9,623	-
	Total comprehensive income	\$ 680,420	18	209,870	8
	Basic earnings per share (NT dollar) (note 6(s))				
	Basic earnings per share	\$ 1.94		0.57	
	Diluted earnings per share	\$ 1.93		0.57	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Exchange differences on translation of foreign financial statements	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
Balance on January 1, 2022	\$ 3,523,143	802,701	642,889	52,912	263,087	958,888	5,234,016
Profit for the period	-	-	-	-	200,247	200,247	200,247
Other comprehensive income, net of tax	-	-	-	-	2,858	2,858	9,623
Total comprehensive income	-	-	-	-	203,105	203,105	209,870
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	8,753	-	(8,753)	-	-
Reversal of special reserve	-	-	-	(2,196)	2,196	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(26)	-	-	-	-	(26)
Balance on December 31, 2022	3,523,143	802,675	651,642	50,716	459,635	1,161,993	5,443,860
Profit for the period	-	-	-	-	683,723	683,723	683,723
Other comprehensive income, net of tax	-	-	-	-	2,405	2,405	(3,303)
Total comprehensive income	-	-	-	-	686,128	686,128	680,420
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	20,311	-	(20,311)	-	-
Cash dividends of ordinary share	-	-	-	-	(176,157)	(176,157)	(176,157)
Reversal of special reserve	-	-	-	(6,765)	6,765	-	-
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	-	-	49,407
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(5)	-	-	-	-	(5)
Balance on December 31, 2023	\$ 3,523,143	802,670	671,953	43,951	956,060	1,671,964	5,997,525

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD.**Statements of Cash Flows****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 755,546	239,082
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	25,968	25,974
Amortization expense	64	277
Interest expense	31,891	22,994
Interest income	(3,842)	(1,441)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	(5,025)	73,152
Losses on disposal of investments	14,848	-
Gains on lease modification	-	(3)
Total adjustments to reconcile profit (loss)	<u>63,904</u>	<u>120,953</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in accounts receivable (including related parties)	(4,369)	(15,470)
Decrease in other receivables	16,925	848
Decrease (increase) in inventories	654,620	(1,350,069)
Increase in prepayments	(8,114)	(37,740)
Decrease in other financial assets (current and non-current)	388,596	382,880
(Increase) decrease in other current assets	(1,347)	666
Decrease in incremental costs of obtaining a contract	<u>150,760</u>	<u>34,411</u>
Total changes in operating assets	<u>1,197,071</u>	<u>(984,474)</u>
Changes in operating liabilities:		
(Decrease) increase in contract liabilities	(455,657)	41,268
(Decrease) increase in notes receivable	(9,937)	9,865
Increase in accounts payable (including related parties)	23,158	27,275
Increase (decrease) in other payable	43,076	(21,580)
(Decrease) increase in provisions	(284)	907
Decrease in other current liabilities	<u>(1,082)</u>	<u>(11,596)</u>
Total changes in operating liabilities	<u>(400,726)</u>	<u>46,139</u>
Total changes in operating assets and liabilities	<u>796,345</u>	<u>(938,335)</u>
Total adjustments	<u>860,249</u>	<u>(817,382)</u>
Cash inflow (outflow) generated from operations	1,615,795	(578,300)
Interest received	3,501	1,346
Interest paid	(114,591)	(84,398)
Income taxes paid	<u>(43,518)</u>	<u>(28,057)</u>
Net cash flows from (used in) operating activities	<u>1,461,187</u>	<u>(689,409)</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD.**Statements of Cash Flows (CONT'D)****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31	
	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(2,451)	(285)
Proceeds from disposal of investments accounted for using equity method	481,317	-
Acquisition of property, plant and equipment	(156)	(1,798)
Decrease in refundable deposits	2,011	600
Dividends received	4,293	9,749
Net cash flows from investing activities	485,014	8,266
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,010,000	1,933,170
Repayments of short-term loans	(1,871,000)	(1,077,000)
Increase in short-term notes and bills payables	59,838	789,250
Decrease in short-term notes and bills payables	(89,757)	(939,238)
Repayments of long-term loans	(30,000)	(30,000)
Increase (decrease) in guarantee deposits received	1,429	539
Increase (payment) of lease liabilities	733	(160)
Cash dividends paid	(176,157)	-
Net cash flows from (used in) financing activities	(1,094,914)	676,561
Net increase (decrease) in cash and cash equivalents	851,287	(4,582)
Cash and cash equivalents at beginning of period	180,568	185,150
Cash and cash equivalents at end of period	\$ 1,031,855	180,568

See accompanying notes to parent company only financial statements.



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Sunty Development Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Sunty Development Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Appropriateness of Recognition Timing of Building and Land Sales Revenue

Please refer to notes 4(p) and 6(v) of the notes to consolidated financial statements for the accounting policy on revenue recognition and the description of revenue.

Description of key audit matter:

Since the Group operates in the real estate industry, in which its sales revenue is recognized upon the transfer of ownership of its real estate and the actual delivery of its housing unit to a large number of clients, the confirmation on the validity of the timing of the sales revenue recognition is crucial. Hence, the Group needs to thoroughly examine the transfer of its ownership and the data on the delivery of its housing units for its entire transactions to recognize the sales revenue, which usually involves tremendous amount of manual efforts. Therefore, sales revenue recognition has been recognized as one of our key audit matters. Therefore, the recognition timing of sales revenue is considered as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Understanding the design of the Group's internal controls over the recognition of revenue and the accrual of receivables.
- Performing substantive tests on randomly selected samples of sales contracts, and real estate ownership transfer documents; as well as checking the sales data and general ledger to ensure consistency.
- Testing on sales transactions taking place before and after the balance sheet date as well as confirming relevant transaction records and documentations to ensure that revenue was fairly presented in the appropriate period.

2. Valuation of Inventory

Please refer to Note 4(h) for the accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimations and assumptions for inventory valuation, and Note 6(d) for details of inventory valuation.

Description of key audit matter:

Inventories, which play a significant role in the Group's business operation, account for 73% of the Group's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

How the matter was addressed in our audit:

- Understanding the Group's internal procedures and accounting processes over inventory valuation; obtaining the valuation information on the net realizable value of inventory on the date of the reporting; inspecting and performing sample testing on the comparable market data such as sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Group's developments or Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of inventory is fairly presented.

Other Matter

Sunty Development Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)

March 22, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 1,089,358	8	510,903	4
1110 Current financial assets at fair value through profit or loss (notes 6(b) and (y))	198,978	2	267,185	2
1140 Current contract assets (note 6(v))	26,448	-	36,010	-
1150 Notes receivable, net (notes 6(c) and (y))	-	-	4,186	-
1170 Accounts receivable, net (notes 6(c) and (y))	99,885	1	45,783	-
1180 Accounts receivable – related parties, net (notes 6(c), (y) and 7)	613	-	-	-
1200 Other receivables, net (notes 6(x) and 7)	484	-	17,598	-
1220 Current income tax assets	555	-	13,516	-
1320 Inventory (for construction) (notes 6(d), 7 and 8)	9,641,873	73	10,738,974	75
1410 Prepayments	186,149	1	182,428	1
1476 Other current financial assets (notes 6(k), 8 and 9)	217,256	2	587,109	4
1479 Other current assets, others	2,469	-	946	-
1480 Current incremental costs to obtain a contract (note 6(k))	339,627	3	490,387	4
	<u>11,803,695</u>	<u>90</u>	<u>12,895,025</u>	<u>90</u>
Non-current assets:				
1551 Investments accounted for using equity method (note 6(e))	30,425	-	-	-
1600 Property, plant and equipment (notes 6(h) and 8)	137,309	1	139,596	1
1755 Right-of-use assets (note 6(i))	130,976	1	141,992	1
1760 Investment property, net (notes 6(j) and 8)	945,223	7	969,608	7
1780 Intangible assets	-	-	194	-
1840 Deferred tax assets (note 6(s))	24,988	-	41,565	-
1975 Non-current net defined benefit asset (note 6(r))	12,012	-	8,584	-
1980 Other non-current financial assets (notes 6(k), 8 and 9)	56,793	1	78,143	1
	<u>1,337,726</u>	<u>10</u>	<u>1,379,682</u>	<u>10</u>
Total assets	<u>\$ 13,141,421</u>	<u>100</u>	<u>14,274,707</u>	<u>100</u>
Liabilities and Equity				
Current liabilities:				
2100 Short-term borrowings (note 6(l))	\$ 3,785,000	29	4,646,000	33
2110 Short-term notes and bills payable (note 6(m))	-	-	29,919	-
2130 Current lease liabilities (notes 6(v) and 9)	2,244,220	17	2,682,453	19
2150 Notes payable (note 6(y))	4,714	-	10,733	-
2170 Accounts payable (notes 6(y) and 7)	440,310	4	435,663	3
2180 Accounts payable to related parties (notes 6(y) and 7)	22,113	-	15,805	-
2200 Other payables (notes 6(r), (y) and 7)	173,881	1	166,453	1
2230 Current tax liabilities	40,035	-	19,323	-
2250 Current provisions (note 6(p))	5,722	-	14,515	-
2280 Current lease liabilities (note 6(o))	3,847	-	3,826	-
2322 Long-term borrowings, current portion (note 6(n))	30,000	-	30,000	-
2399 Other current liabilities-others (note 7)	10,147	-	11,196	-
	<u>6,759,989</u>	<u>51</u>	<u>8,065,886</u>	<u>56</u>
Non-Current liabilities:				
2540 Long-term borrowings (note 6(n))	221,500	2	251,500	2
2550 Non-current provisions (note 6(p))	47,424	-	42,117	-
2573 Deferred tax liabilities-others (note 6(s))	-	-	61	-
2580 Non-current lease liabilities (note 6(o))	74,695	1	74,663	1
2645 Guarantee deposits (note 6(y))	2,950	-	3,350	-
	<u>346,569</u>	<u>3</u>	<u>371,691</u>	<u>3</u>
Total liabilities	<u>7,106,558</u>	<u>54</u>	<u>8,437,577</u>	<u>59</u>
Equity attributable to owners of the Company (note 6(t)):				
Share capital	3,523,143	27	3,523,143	25
Capital surplus	802,670	6	802,675	5
Retained earnings	1,671,964	13	1,161,993	8
Other equity interest	(252)	-	(43,951)	-
Total equity attributable to owners of the Company:	<u>5,997,525</u>	<u>46</u>	<u>5,443,860</u>	<u>38</u>
Non-controlling interests	37,338	-	393,270	3
Total equity	<u>6,034,863</u>	<u>46</u>	<u>5,837,130</u>	<u>41</u>
Total liabilities and equity	<u>\$ 13,141,421</u>	<u>100</u>	<u>14,274,707</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2023 and 2022****(In Thousands of New Taiwan Dollars)**

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (notes 6(q), (v) and 7)	\$ 4,242,350	100	2,908,371	100
5000	Operating costs (notes 6(d) and 7)	<u>3,002,296</u>	<u>71</u>	<u>2,339,461</u>	<u>81</u>
5900	Gross profit from operations	<u>1,240,054</u>	<u>29</u>	<u>568,910</u>	<u>19</u>
	Operating expenses (note 7):				
6100	Selling expenses (note 6(k))	204,357	5	163,414	6
6200	Administrative expenses	287,595	7	216,845	7
6300	Research and development expenses	<u>2,182</u>	<u>-</u>	<u>2,505</u>	<u>-</u>
		<u>494,134</u>	<u>12</u>	<u>382,764</u>	<u>13</u>
6900	Net operating income	<u>745,920</u>	<u>17</u>	<u>186,146</u>	<u>6</u>
	Non-operating income and expenses:				
7100	Interest income (notes 6(x) and 7)	20,218	-	6,660	-
7020	Other gains and losses (notes 6(f), (i) and (x))	(4,472)	-	20,965	1
7050	Finance costs (notes 6(d) and (x))	(32,622)	-	(23,606)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (note 6(e))	<u>(3,818)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(20,694)</u>	<u>-</u>	<u>4,019</u>	<u>-</u>
7900	Profit before income tax	<u>725,226</u>	<u>17</u>	<u>190,165</u>	<u>6</u>
7950	Less: Income tax expenses (note 6(s))	<u>81,011</u>	<u>2</u>	<u>32,092</u>	<u>1</u>
	Profit for the period	<u>644,215</u>	<u>15</u>	<u>158,073</u>	<u>5</u>
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(r))	3,166	-	3,816	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income that will not be reclassified to profit or loss	<u>3,166</u>	<u>-</u>	<u>3,816</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements (note 6(t))	(13,687)	-	16,581	1
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>1,427</u>	<u>-</u>	<u>(1,691)</u>	<u>-</u>
	Items that may be reclassified to profit or loss	<u>(12,260)</u>	<u>-</u>	<u>14,890</u>	<u>1</u>
8300	Other comprehensive income (net of tax)	<u>(9,094)</u>	<u>-</u>	<u>18,706</u>	<u>1</u>
	Total comprehensive income	<u>\$ 635,121</u>	<u>15</u>	<u>176,779</u>	<u>6</u>
	Profit (loss), attributable to:				
8610	Owners of parent	\$ 683,723	16	200,247	7
8620	Non-controlling interests	<u>(39,508)</u>	<u>(1)</u>	<u>(42,174)</u>	<u>(2)</u>
		<u>\$ 644,215</u>	<u>15</u>	<u>158,073</u>	<u>5</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 680,420	16	209,870	7
8720	Non-controlling interests	<u>(45,299)</u>	<u>(1)</u>	<u>(33,091)</u>	<u>(1)</u>
		<u>\$ 635,121</u>	<u>15</u>	<u>176,779</u>	<u>6</u>
	Basic earnings per share (NT dollar) (note 6(u))				
9750	Basic earnings per share	<u>\$ 1.94</u>		<u>0.57</u>	
9850	Diluted earnings per share	<u>\$ 1.93</u>		<u>0.57</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest			
	Retained earnings									
	Share capital									
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2022	\$ 3,523,143	802,701	642,889	52,912	263,087	958,888	(50,716)	5,234,016	429,909	5,663,925
Profit for the period	-	-	-	-	200,247	200,247	-	200,247	(42,174)	158,073
Other comprehensive income, net of tax	-	-	-	-	2,858	2,858	6,765	9,623	9,083	18,706
Total comprehensive income	-	-	-	-	203,105	203,105	6,765	209,870	(33,091)	176,779
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	8,753	-	(8,753)	-	-	-	-	-
Reversal of special reserve	-	-	-	(2,196)	2,196	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(26)	-	-	-	-	-	(26)	-	(26)
Non-controlling interests (net of tax)										
Balance on December 31, 2022	3,523,143	802,675	651,642	50,716	459,635	1,161,993	(43,951)	5,443,860	393,270	5,837,130
Profit for the period	-	-	-	-	683,723	683,723	-	683,723	(39,508)	644,215
Other comprehensive income, net of tax	-	-	-	-	2,405	2,405	(5,708)	(3,303)	(5,791)	(9,094)
Total comprehensive income	-	-	-	-	686,128	686,128	(5,708)	680,420	(45,299)	635,121
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	20,311	-	(20,311)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(176,157)	(176,157)	-	(176,157)	-	(176,157)
Reversal of special reserve	-	-	-	(6,765)	6,765	-	-	-	-	-
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	-	-	49,407	49,407	(306,829)	(257,422)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(5)	-	-	-	-	-	(5)	-	(5)
Non-controlling interests (net of tax)										
Balance on December 31, 2023	\$ 3,523,143	802,670	671,953	43,951	956,060	1,671,964	(252)	5,997,525	37,338	6,034,863

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 725,226	190,165
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	31,794	33,045
Amortization expense	257	763
Net profit on financial assets or liabilities at fair value through profit or loss	(13,917)	2,599
Interest expense	32,622	23,606
Interest income	(20,218)	(6,660)
Dividend income	(593)	(1,886)
Share of loss of associates and joint ventures accounted for using equity method	3,818	-
Gain on disposal of property, plant and equipment	(944)	(20)
Losses on disposal of investments	14,848	-
Impairment loss	6,900	730
Gain on lease modification	-	(3)
Total adjustments to reconcile profit (loss)	54,567	52,174
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value through profit or loss	73,230	(101,658)
Decrease in contract assets	9,562	19,243
Decrease in notes receivables	4,186	5,270
(Increase) decrease in account receivables	(54,715)	22,229
Decrease in other receivables	16,158	854
Decrease (increase) in inventories	830,427	(1,044,620)
Increase in prepayments	(7,681)	(37,903)
Decrease in other financial assets (current and non-current)	390,965	380,458
(Increase) decrease in other current assets	(1,523)	1,110
Decrease in current incremental costs of obtaining a contract	150,760	34,411
Increase in net defined benefit liabilities	(262)	(389)
Total changes in operating assets	1,411,107	(720,995)
(Decrease) increase in contract liabilities	(382,407)	19,910
(Decrease) increase in notes payables	(6,019)	8,594
Increase (decrease) in accounts payables	10,955	(70,368)
Increase (decrease) in other payables	62,289	(17,878)
Decrease in provisions	(3,486)	(293)
Decrease in other current liabilities	(805)	(11,507)
Total changes in operating liabilities	(319,473)	(71,542)
Total changes in operating assets and liabilities	1,091,634	(792,537)
Total adjustments	1,146,201	(740,363)
Cash inflow (outflow) generated from operations	1,871,427	(550,198)
Interest received	20,397	6,302
Interest paid	(115,322)	(85,010)
Income taxes paid	(37,529)	(30,822)
Net cash flows from (used in) operating activities	1,738,973	(659,728)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows (CONT'D)****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31	
	2023	2022
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	(51,693)	-
Acquisition of property, plant and equipment	(375)	(1,798)
Proceeds from disposal of property, plant and equipment	2,169	190
Dividends received	593	1,886
Net cash flows from (used in) investing activities	(49,306)	278
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,010,000	1,933,170
Repayments of short-term loans	(1,871,000)	(1,077,000)
Increase in short-term notes and bills payables	59,838	789,250
Decrease in short-term notes and bills payables	(89,757)	(939,238)
Repayments of long-term loans	(30,000)	(30,000)
Increase in guarantee deposits received	538	74
Payment of lease liabilities	(1,871)	(4,023)
Cash dividends paid	(176,157)	-
Change in non-controlling interests	(3,809)	(3,574)
Net cash flows from (used in) financing activities	(1,102,218)	668,659
Effect of exchange rate changes on cash and cash equivalents	(8,994)	6,477
Net increase in cash and cash equivalents	578,455	15,686
Cash and cash equivalents at beginning of period	510,903	495,217
Cash and cash equivalents at end of period	\$ 1,089,358	510,903

See accompanying notes to consolidated financial statements.

Sunty Development Co, Ltd.
Earnings Distribution Schedule
2023

Unit: NT\$

Item	Amount
Source:	
Unappropriated earnings at the beginning of the period	269,931,555
Add: Profits after tax for the year	683,723,359
Add: Changes in actuarial gains and losses for the period	2,405,130
Net profits after tax for the period plus the amount included in unappropriated earnings for the year other than net profits after tax for the period	686,128,489
Less: 10% set aside as legal reserve	(68,612,849)
Add: Reversal of special reserve set aside with deductions from equity	43,698,622
Accumulated distributable earnings	931,145,817
Distribution items:	
Dividends to shareholders(352,314,309shares*0.75 per share)	264,235,732
Unappropriated earnings at the end of the year	666,910,085

Suntly Development Co, Ltd. Articles of Incorporation

Chapter 1 General Principles

- Article 1: The Company is organized in accordance with the provisions of the Company Act and is named Suntly Development Co, Ltd.
- Article 2: The Company's scope of business is as follows:
01. F401010 International Trade
 02. H701010 Housing and Building Development and Rental
 03. H701020 Industrial Factory Development and Rental
 04. H701040 Specific Area Development
 05. H701050 Investment, Development and Construction in Public Construction
 06. H701060 New Towns, New Community Development
 07. H701070 Process Zone Expropriation and Urban Land Readjustment Agency
 08. H701080 Urban Renewal Reconstruction
 09. H701090 Urban Renewal Renovation or Maintenance
 10. H703090 Real Estate Business
 11. H703100 Real Real Estate Leasing
 12. H703110 Senior Citizen Residence
 13. I102010 Investment Consulting
 14. J901020 Regular Hotel
 15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company has its head office in Taipei City and may establish branch offices in or outside of Taiwan if necessary by resolution of the Board of Directors.
- Article 3-1: The Company may make external guarantees only for business purposes.
- Article 4: The total reinvestment of the Company is not subject to the restriction that it may not exceed 40% of the Company's paid-in capital as stipulated in Article 13 of the Company Act, and the Board of Directors is authorized to execute the same.

Chapter 2 Shares

- Article 5: The authorized total capital of the Company is NT\$5,000,000,000 divided into 500,000,000 shares of NT\$10 each, of which the unissued shares are authorized to be issued by the Board of Directors in installments. Of these shares, 15 million shares are reserved for stock option certificates, preferred shares with warrants or corporate bonds with warrants.
- Article 6: (Deleted)
- Article 7: The shares of the Company are issued with the signature or seal of the directors representing the Company, and after obtaining a certification from a bank permitted by law for issuance and certification of shares. The shares of the Company may be issued without the printing of share certificates or in combination with the printing of share certificates for the total number of shares issued. In the case of shares issued under the preceding paragraph, the custody of the combined printed share certificates or the registration of shares without printed share certificates shall be handled in accordance with the centralized securities depository institution, and the combined large-denomination securities may be exchanged at the request of the centralized securities depository institution.
- Article 8: The transfer of shares shall cease within 60 days prior to the date of each regular shareholder' meeting, within 30 days prior to the date of special shareholder meeting, or within five days prior to the base date of the Company's distribution of dividends and bonuses or other benefits.
- Article 8-1: The Company's stock affairs shall be handled in accordance with the "Regulations

Governing the Administration of Shareholder Services of Public Companies” issued by the competent authorities and relevant laws and regulations.

Chapter 3 Shareholder Meeting

- Article 9: There are two types of shareholder meeting: regular and special. The regular meeting is held once a year and shall be convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. A special meeting can be convened according to the law when necessary.
- Article 10: When a shareholder is unable to attend the shareholder meeting for some reason, the proxy form issued by the Company shall be provided, specifying the scope of authorization, and a proxy shall be appointed to attend in accordance with Article 177 of the Company Act.
Shareholders who exercise their voting rights electronically are considered to be present in person and their related matters are governed by the law.
- Article 11: The shareholders of the Company have one voting right per share. However, there will be no voting right when the Company has any occurrence of a situation stipulated in Article 179 of the Company Act and other laws and regulations.
- Article 12: Unless otherwise required by the Company Act, a resolution in a shareholder meeting should be made with the presence of shareholders representing a majority of the total number of outstanding shares and with the consent of a majority of the voting rights of the shareholders present.
- Article 12-1: The company may hold the shareholder's meeting by video conference or other methods announced by the Ministry of Economic Affairs, R.O.C.
- Article 13: If the Company's only shareholder is a corporate shareholder, the duties and authorities of the Company's shareholder meeting shall be exercised by the Board of Directors, and the provisions of the Articles of Incorporation regarding the shareholder meeting shall not apply.
- Article 13-1: If a shareholder meeting is convened by the Board of Directors, the chairperson of the board shall chair the meeting; in the absence of the chairperson, the chairperson shall designate one of the directors to act as the surrogate, or in the absence of such designation, one of the directors shall nominate one of the directors as the surrogate; if the meeting is convened by someone with the convening right but other than the Board of Directors, the chair of the meeting shall be the person with the convening right, and if there are more than two such persons, one of them shall be elected as the chair of the meeting.
- Article 13-2: The resolution of the shareholder meeting shall be recorded in minutes, signed or sealed by the chair of the shareholder meeting, and distributed to the shareholders within 20 days after the meeting, which shall be kept permanently during the existence of the Company. The distribution of the minutes may be made by public announcement.

Chapter 4 Directors

- Article 14: The Company shall have five to nine directors for a term of three years, who shall be elected by the shareholder meeting from among persons capable of conduct and shall be eligible for re-election. Among the above-mentioned number of directors, independent directors shall not be less than three, and shall not be less than one-fifth of the number of directors.
The total shareholdings of all directors of the Company shall be in accordance with the regulations of the competent securities authorities.
- Article 14-1: When the term of office of a director expires before re-election, his or her authorities and duties shall be extended until the re-elected director takes office.
- Article 14-2: The election of directors is based on the candidate nomination system by shareholders from the list of director candidates in accordance with the Company Act and the

regulations of the competent securities authorities.

Independent directors and non-independent directors shall be elected together, but their respective elected seats shall be calculated separately.

The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors and shall be responsible for carrying out the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 15: The Board of Directors is composed of directors and the chairperson of the board shall be elected to represent the Company externally from among the directors by a majority vote at a meeting attended by more than two-thirds of the directors.

And one person can be promoted as the vice chairman of the board in the same way.

Article 15-1: If the vacancy of directors reaches one-third of the number of seats or all independent directors are dismissed, the Board of Directors shall convene a special shareholder meeting within 60 days to hold a by-election, and the term of office of the succeeding director shall be limited to the original term of office.

Article 16: If the chairperson asks for leave or is unable to exercise the powers of office for some reason, their proxy shall handle affairs in accordance with Article 208 of the Company Act.

Article 16-1: Unless otherwise provided in the Company Act, a resolution of the Board of Directors shall be made with the presence of a majority of the directors and the consent of a majority of the directors present.

Article 16-2: If a director of the Company is concurrently appointed as an advisor or holds other positions in the Company, the remuneration for his or her duties as an advisor or other roles of the Company shall be paid in accordance with the Company's internal management measures.

Article 16-3: The Board of Directors is authorized to set the standard of payment for directors' travel expenses.

Article 16-4: Directors should attend board meetings in person or, if they are unable to attend in person for any reason, they may entrust another director as proxy. When a director entrusts another director to attend the board meeting as a proxy, they shall provide a proxy form every time and specify the scope of authorization. A proxy can only be entrusted by one person. Directors residing abroad may entrust other domestic shareholders in writing to attend the board meetings as proxies. The proxies should apply to the competent authority for registration, and the same applies to amendments.

Article 16-5: The reason should be stated when convening the board meeting, and the directors should be notified seven days in advance. However, in case of emergency, the board meeting may be convened at any time. Notice for the convening of the board meetings can be made in writing, email or fax.

Article 17: The remuneration for all directors shall be based on the value of their participation in and contribution to the operations of the Company, regardless of the operating profits or losses, and shall be determined by the Board of Directors in accordance with the usual standards of the industry.

Article 17-1: (Deleted)

Article 17-2: The Company shall purchase liability insurance for the directors during their term of office for the scope of business performed by the directors.

Chapter 5 Managerial Officer

Article 18: The Company shall have a number of managerial officers whose appointment, dismissal and remuneration are governed by Article 29 of the Company Act.

Chapter 6 Accounting

Article 19: At the end of each fiscal year, the Board of Directors shall prepare the following reports, submit them to the Audit Committee for review before 30 days of the Regular Shareholder Meeting, and present them to the shareholder meeting for ratification:

(I) Business report (II) Financial statements (III) Earnings distribution or losses make-up proposal.

Article 20: The Company shall set aside not less than 2% and not more than 10% of its annual net profits as remuneration for employees, and not more than 3% as remuneration for directors. However, when the Company still has accumulated losses, it should reserve the make-up amount in advance.

Article 20-1: The company adopts a residual dividend policy to continuously strengthen the financial structure and improve profitability while maintaining adequate self-owned capital. It distributes stock dividends to retain the required funds, and the remaining surplus is distributed in cash dividends.

If there are any current net profits in the annual final accounts of the Company, the Company shall first pay taxes, make up for losses, and if there is any remaining balance, 10% shall be set aside as legal reserve, and special reserve shall be set aside in accordance with the regulations of the competent authorities; the remaining balance shall be added to the accumulated unappropriated earnings of the previous year and the adjustment of the current year's unappropriated earnings to get the accumulated distributable earnings, and the Board of Directors shall set aside the appropriate amount, prepare an earnings distribution proposal, and submit it to the shareholder meeting for resolution. The company may determine the most appropriate dividend policy based on its operating strategy and future capital planning, and distribute cash dividends and/or stock dividends. Of this, cash dividends shall not be less than 10% of the total dividends to shareholders.

Chapter 7 Supplementary Provisions

Article 21: Matters not covered in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 22: The Articles of Incorporation was established on December 22, 1992

The first amendment was made on November 6, 2000

The second amendment was made on December 6, 2000

The third amendment was made on March 28, 2002

The fourth amendment was made on June 3, 2002

The fifth amendment was made on March 31, 2003

The sixth amendment was made on June 30, 2004

The seventh amendment was made on May 31, 2005

The eighth amendment was made on June 28, 2006

The ninth amendment was made on June 15, 2007

The tenth amendment was made on June 16, 2009

The eleventh amendment was made on June 15, 2010

The twelfth amendment was made on June 15, 2011

The thirteenth amendment was made on June 15, 2012

The fourteenth amendment was made on November 9, 2012

The fifteenth amendment was made on June 25, 2013

The sixteenth amendment was made on June 11, 2014

The seventeenth amendment was made on June 15, 2016

The eighteenth amendment was made on February 11, 2019

The nineteenth amendment was made on June 21, 2019

The twentieth amendment was made on Aug. 23, 2021

The thirteenth amendment was made on June 7, 2023

Suntly Development Co, Ltd.

Rules of Procedure for Shareholder Meeting

Amendments approved at the shareholder meeting on June 10, 2020

- Article 1: In order to establish a good governance system for the Company's shareholder meeting, improve the supervisory function and strengthen the management function, the Company has set forth the rules in accordance with Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" for the purpose of compliance.
- Article 2: The Company's procedure for shareholder meeting should be governed by the rules unless otherwise required by laws and regulations.
- Article 3: (Convening and notice of shareholder meeting)
 The Company's shareholder meeting shall be convened by the Board of Directors unless otherwise required by laws and regulations.
 The shareholders shall be notified 30 days in advance of the convening of the regular shareholder meeting, and for shareholders holding less than 1,000 registered shares, the meeting shall be announced by means of a public post on the Market Observation Post System 30 days in advance; the shareholders shall be notified 15 days in advance of the convening of the special shareholder meeting, and for shareholders holding less than 1,000 registered shares, the meeting shall be announced by means of a public post on the Market Observation Post System 15 days in advance.
 The notice and announcement should specify the causes for convening the meeting; with the consent of the corresponding party, the meeting notice may be given in an electronic form.
 The election or dismissal of directors, change of the Articles of Incorporation, reduction of capital, application for suspension of public offering, permission for directors to compete for business, transfer of earnings to capital, transfer of reserves to capital, dissolution, merger, demerger, or the matters set forth in Paragraph 1 of Article 185 of the Company Act, should be listed and explained in the cause for convening and must not be proposed as extraordinary motions; the main contents thereof should be stated, and shall not be proposed by extraordinary motions; the main contents thereof shall be stated on the website designated by the competent securities authority or the Company, and the website address should be included in the notice.
 Where re-election of all directors and the date of their assumption of offices are stated in the causes for convening the shareholder meeting, after the completion of the re-election in the meeting, such date of their assumption of offices may not be altered by any extraordinary motion or other means in the same meeting.
- Article 4: (Preparation and announcement of shareholder meeting handbook)
 The Company shall prepare a handbook for shareholder meetings and send the handbook and supplementary materials to the Market Observation Post System electronically no later than 21 days prior to a regular shareholder meeting or 15 days prior to a special shareholder meeting. The meeting handbook and supplementary materials should be made available to shareholders at any time 15 days before the shareholder meeting, and are exhibited on the premises of the Company and the professional stock affairs agency appointed by the Company, and are distributed on-site at the shareholder meeting.
- Article 5: (Handling of proposals before shareholder meetings)
 Shareholders holding more than 1% of the total number of issued shares may submit a proposal to the Company for a regular shareholder meeting. However, the number of items in the proposal is limited to one, proposals containing more than one item will not be included in the meeting agenda. However, if the shareholder's proposal is to urge the Company to promote public interests or fulfill its social responsibilities, the Board of Directors may include it in the meeting agenda. In addition, when any of the circumstances of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the meeting agenda.
 Prior to the date for suspension of stock transfer before a regular shareholder meeting is held, the Company should publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals must not be less than 10 days.
 A shareholder proposal is limited to 300 words. If it exceeds 300 words, the proposal shall not be included in the meeting agenda; the proposing shareholder should attend the shareholder meeting in person or entrust others to attend and participate in the discussion of the proposal.
 Prior to the date for issuance of the shareholder meeting notice, the Company should inform the proposing shareholder of the proposal screening results, and shall list the proposals that conform to the provisions of this regulation in the meeting notice. For shareholder proposals that are not included in the meeting agenda, the Board of Directors should explain the reasons for their not being included in the shareholder meeting.
- Article 6: (Attendance by proxy at shareholder meetings and authorization)

A shareholder may appoint a proxy to attend a shareholder meeting at each shareholder meeting by presenting a proxy form issued by the Company, stating the scope of authorization.

A shareholder shall issue only one proxy form and appoint only one proxy, and should deliver the proxy form to the Company five days before the shareholder meeting, and in the event of duplicate proxies, the one received earliest shall prevail. However, this does not apply to the situation where a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation should be submitted to the Company two days before the meeting. If the cancellation notice is submitted after that time, the exercise of voting right by the proxy in the meeting shall prevail.

Article 7: (Principles governing the location and time of shareholder meetings)

The location for a shareholder meeting should be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholder meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The location and time of the meeting shall take into full consideration the opinions of the independent directors.

Article 8: (Preparation of signature books and other documents)

The Company should specify in its shareholder meeting notice the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, should be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted should be clearly marked and a sufficient number of suitable personnel should be assigned to handle the registrations.

Shareholders or their proxies (hereinafter referred to as the shareholders) should present attendance cards, sign-in cards, or other attendance certificates to attend a shareholder meeting. The Company must not arbitrarily add requirements for other documents from the shareholders in support of their eligibility to attend. Solicitors seeking proxy forms should also bring identification documents for verification.

The Company should furnish a signature book for attending shareholders, or the attending shareholders may hand in a sign-in card instead.

The Company should provide attending shareholders with the meeting handbook, annual report, attendance card, speaker slips, voting ballots, and other meeting materials. Where there is an election of directors, election ballots should also be furnished.

When a shareholder is a government or a juristic person, the number of representatives to attend the shareholder meeting is not limited to one. When a juristic person is entrusted to attend a shareholder meeting, only one representative can be appointed to attend.

Article 9: (Chair of the shareholder meeting, and other attendees)

If a shareholder meeting is convened by the Board of Directors, the chairperson of the board shall chair the meeting. When the chairperson is on leave or for any reason unable to exercise the powers of office, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic-person director that serves as chair.

For the shareholder meeting convened by the Board of Directors, the chairperson of the board should preside in person, and a majority of the directors (including at least one independent director), the Audit Committee Convener and at least one representative of various functional committees should attend, and the attendance should be recorded in the shareholder meeting minutes.

If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the convening person shall chair the meeting and if there are more than two such persons, one of them shall be elected as the chair of the meeting.

The Company may appoint lawyers, CPA, or related personnel to attend the shareholder meeting.

Article 10: (Audio or video recordings of shareholder meetings as evidence)

The Company, beginning from the time it accepts shareholder attendance registrations, should make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholder meeting, and the voting and vote counting processes. The recorded materials should be kept for at least one year. However, if any shareholder files a lawsuit in accordance with Article 189 of the Company Act, they shall be kept until the end of the lawsuit.

Article 11: (Calculation of the number of shares present at the shareholder meeting)

Attendance in a shareholder meeting should be calculated based on numbers of shares. The number of shares in attendance shall be calculated based on the shares indicated by the signature book or sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair should call the meeting to order at the scheduled meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement. No more than two such postponements, for a combined total of no more than one hour, may be made. When there are still insufficient attending shareholders to represent more than one-third of the total issued shares after two postponements, the chair shall announce the meeting to be aborted.

When there are still insufficient attending shareholders to represent more than one-third of the total issued shares after two postponements, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act and all shareholders shall be notified of the tentative resolution and another shareholder meeting shall be convened within one month.

Before the conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the chair may submit a tentative resolution for voting by the shareholder meeting in accordance with Article 174 of the Company Act.

Article 12: (Discussion of proposals)

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals of that meeting). The meeting should proceed in the order set by the agenda, which may not be changed without a resolution of the shareholder meeting.

If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

The chair must not declare the meeting adjourned before conclusion of the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholder meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors should promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to voting, the chair may announce the discussion closed, call for voting, and schedule sufficient time for voting.

Article 13: (Shareholders speeches)

Before speaking, an attending shareholder must specify the subject of the speech on a speaker slip , their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

An attending shareholder who has submitted a speaker slip but does not actually speak shall be deemed to have not spoken.

When the content of the speech does not correspond to the subject given on the speaker slip, the spoken content shall prevail.

Shareholders attending the meeting shall not be allowed to inquire about the report items on the agenda until all the report items on the agenda have been read out or addressed by the chair or the chair's designee. Except with the consent of the chair, a shareholder may not speak more than twice, and a single speech may not exceed five minutes.

The preceding provisions about the time and number of speeches of the shareholders attending the meeting shall apply to each of the proposed proposals and discussion items listed on the agenda, as well as to each of the motions proposed at the extraordinary motions.

The time and number of questions and answers by shareholders not listed on the original agenda at the extraordinary motions shall be governed by the provisions of paragraph 3.

If the shareholder's speech violates the rules or exceeds the scope of the topic, the chair may terminate the speech. If the shareholder does not stop speaking, or if there is any other obstruction of the proceedings, the chair may direct the proctors or security personnel to do what is necessary to maintain order or to make the meeting run smoothly.

When an attending shareholder is speaking, other shareholders must not speak or interrupt unless they have sought and obtained the consent of the chair and the speaking shareholder; the chair should stop any violation and the foregoing provisions shall be applied as necessary.

When a government or corporate shareholder appoints two or more representatives to attend a shareholder meeting, only one person may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14: (Calculation of voting shares and recusal system)

Voting in a shareholder meeting should be calculated based on numbers of shares.

With respect to resolutions of a shareholder meeting, the number of shares held by a shareholder with no voting right shall not be calculated as part of the total number of issued shares.

When a shareholder has a personal interest in relation to an agenda item that would compromise the interests of the Company, that shareholder must not vote on that item, and must not exercise voting right as proxy for any other shareholder.

The number of shares for which voting rights are not allowed to be exercised in the preceding paragraph shall not be calculated as part of the votes represented by attending shareholders.

Except for a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights of that proxy must not exceed 3% of the voting rights of the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 15: (Voting on proposals)

A shareholder shall have one voting right per share, except when the shares are restricted shares or have no voting rights under Article 179, Paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall allow exercise of voting rights by electronic means or by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise should be specified in the shareholder meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person. However, their rights shall be considered abstained with respect to the extraordinary motions and amendments to original proposals of that meeting; therefore, the Company should avoid submitting extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph should deliver a written declaration of intent to the Company two days before the shareholder meeting. In the event of duplicate declarations of intent, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, if the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph should be made to the Company, by the same means by which the voting rights were exercised, two days before the shareholder meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights by correspondence or electronic means and also appointed a proxy to attend the shareholder meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise required by the Company Act and by the Company's Articles of Incorporation, the approval of a proposal shall require an affirmative vote of a majority of the voting rights of the attending shareholders. If no objection is raised as the chair consulting all shareholders present, the proposal shall be deemed to be passed and shall have the same effect as a voting. At the time of voting, the chair or the person designated by the chair should first announce the total number of voting rights of the attending shareholders for each proposal, then the shareholders shall vote on each proposal. On the same day after the meeting, the results of shareholders' approvals, disapprovals and abstentions, shall be entered into the Market Observation Post System.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to voting. When any one among them is approved, the other proposals will then be deemed rejected, and no further voting shall be required.

The chair shall determine the order of discussion and voting on the motions proposed by the shareholders at the extraordinary motions; the chairman may combine the motions of the same type.

Article 16: (Vote monitoring, counting and preservation of ballots)

Monitoring and counting personnel for voting on a proposal shall be appointed by the chair, but all monitoring personnel should be shareholders.

Vote counting for shareholder meeting proposals or elections should be conducted in a public place in the shareholder meeting. Immediately after vote counting has been completed, the results of the voting, including the statistics of the votes, shall be announced on the spot in the meeting, and recorded.

- Article 17: (Election matters)
- In the event of an election of directors at a shareholder meeting, the election results, including the list of elected directors and the number of their elected votes, should be announced on the spot in accordance with the “Procedures for Election of Directors” established by the Company.
- The ballots for the election mentioned in the preceding paragraph should be properly kept for at least one year. However, if any shareholder files a lawsuit in accordance with Article 189 of the Company Act, they shall be kept until the end of the lawsuit.
- Article 18: (Minutes and signatures)
- Resolutions of a shareholder meeting should be recorded in the meeting minutes, which shall be signed or sealed by the chair and distributed to each shareholder within 20 days after the meeting. The meeting minutes shall be produced and distributed in electronic form.
- The Company shall distribute the meeting minutes of the preceding paragraph by a public announcement through the Market Observation Post System.
- The meeting minutes should accurately record the year, month, day, and place of the meeting, the chair’s name, the methods of ratification, and a summary of the discussions and voting results (including statistics of the votes), and disclose the number of votes won by each candidate in the event of an election of directors. The meeting minutes should be kept for the duration of the existence of the Company.
- Article 19: (Public announcements)
- On the day of a shareholder meeting, the Company should compile in the prescribed format a statistical statement of the number of shares obtained by solicitors and the number of shares represented by proxies, and make an express disclosure in the shareholder meeting.
- If a resolution in a shareholder meeting constitutes material information as determined by relevant laws or regulations or by Taiwan Stock Exchange, the Company should transmit the content of such resolution to the Market Observation Post System within the prescribed time period.
- Article 20: (Maintenance of the order of the meeting)
- The personnel administering the shareholder meeting should wear identification cards or armbands.
- The chair may direct proctors or security personnel to help maintain order in the meeting place. Proctors or security officers, when helping maintain order at the scene, should wear armbands or identification cards with the word “Proctor”.
- If the meeting place is equipped with sound amplifying equipment, the chair may stop any shareholders from speaking unless they are using the equipment set up by the Company.
- When a shareholder violates the rules of procedure, disobeys the chair’s correction, or obstructs the proceedings and refuses to follow the call to stop, the chair may direct proctors or security personnel to escort the shareholder out of the meeting.
- Article 21: (Meeting break, resumption)
- When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- If the meeting place cannot be further used and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholder meeting may ratify a resolution to resume the meeting at another place.
- The shareholder meeting may, in accordance with the provisions of Article 182 of the Company Act, be resolved to be postponed or resumed within five days.
- Article 22: (Supplementary provisions)
- Except as provided in the Company Act or the Company’s Articles of Incorporation, all matters not provided for in the Rules shall be governed by the chair’s ruling. If a shareholder still has a dispute, they should follow the applicable procedures and should not use it to obstruct or interfere with the meeting proceedings.
- Article 23: (Implementation)
- The rules will be implemented after approval by a shareholder meeting, and the same applies to amendments.

Sunty Development Co, Ltd.
Shareholding of directors

(As of the date for suspension of share transfer for the shareholder meeting: April 2, 2024)

Title	Name	Number of shares held on the base date	
		Number of shares	Shareholding percentage
Chairperson	Mai Kuan-Cheng	5,037,363	1.43%
Vice Chairperson	Dingyang Investment Co., Ltd. Representative: Mai Hsiu-Wei	40,738,478	11.56%
Director	Dingyang Investment Co., Ltd. Representative: Wei Tai-Lin	40,738,478	11.56%
Independent director	Huang Chi-Kuang	44,681	0.01%
Independent director	Yu Chun-Ming	0	-
Independent director	Chuang Meng-Han	0	-
Shareholding of directors		45,820,522	13.00%

Note:

- I. The shareholding percentage in this table is based on the total number of 352,314,309 shares issued by the Company as of the date for suspension of share transfer for the shareholder meeting.
- II. In accordance with Article 26 of the “Securities and Exchange Act” and Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the minimum number of shares to be held by all directors of the Company is 14,092,573 shares.