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Suntly Development Co., Ltd

2024 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Printed on March 31, 2025

I. Name, title, telephone number and e-mail address of the spokesperson and acting spokesperson

Spokesperson: Tai-Lin Wei	Acting spokesperson: Kuang-Wen Hsieh
Title: General manager	Title: Deputy General manager
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II. Address and telephone number of the Company:

Address: 12th Floor, No. 289, Section 4, Zhongxiao East Road, Da'an District, Taipei City
TEL: (02)2777-1355

III. Name, address, website and telephone number of the stock transfer agency:

Name: Fubon Securities Co., Ltd., Stock affairs agency
Address: 2th Floor, No. 17, Xuchang St., Zhongshan District, Taipei City
Website: <http://www.jihsun.com.tw>
TEL: (02)2361-1300

IV. Name, firm, address, website and telephone number of the CPA attesting the most recent annual financial statements.

CPA name: Yilian Han, Tim Tzang
CPA firm: KPMG International
Address: 68th Floor, No. 7, Section 5, Xinyi Road, Xinyi District, Taipei City
Website: <http://www.kpmg.com.tw>
TEL: (02)8101-6666

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

VI. Company website: [https : //www.suntty.com.tw](https://www.suntty.com.tw)

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Suntly Development Co, Ltd.
2024
Business Report

I. 2024 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 "Suntly Yi-Ju" in Taipei City's Wanhua District and Taoyuan City's first government-led urban renewal project "Li Suntly" have been completed and handed over. At the same time, the remaining houses have been sold of project "Suntly Guo Yong - Regent" and "Chu Suntly", which meets the market demand for first-time buyers and self-occupation, and has been successfully sold out. 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 2014, with the delivery of pre-sale projects "Suntly Yi-Ju" and "Li Suntly" and completed projects "Suntly Guo Yong", as well as the construction project income of subsidiary Hsin Tung Yang Construction Co., Ltd., the consolidated net operating income was NT\$4,679,558,000, an increase of NT\$437,208,000 from 2013, a growth of 10.31%. The net profit after tax for the year was NT\$686,543,000, an increase of NT\$42,328,000 from 2013, a growth of 6.57%.

Unit: NT\$ thousand

Item	2024	2023	Increase or decrease (%)
Net operating revenues	4,679,558	4,242,350	10.31%
Operating costs	3,208,241	3,002,296	6.86%
Operating profit margins	1,471,317	1,240,054	18.65%
Operating expenses	549,430	494,134	11.19%
Net operating profits	921,887	745,920	23.59%
Non-operating incomes and expenses	-10,748	-20,694	-48.06%
Net profits before tax	911,139	725,226	25.64%
Income tax expenses	224,596	81,011	177.24%
Net profits for the period	686,543	644,215	6.57%
Other comprehensive income	2,952	(9,094)	-132.46%
Total comprehensive income for the period	689,495	635,121	8.56%

(II) The implementation status of budget

The Company has not published its financial forecast for 2024 in accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies".

(IV) Financial receipts and expenditures and profitability analysis

Item		Year	2024	2023
Capital structure	Debts to assets ratio (%)		48.61	54.08
	Long-term capital to property, plant, and equipment ratio		7355.78	4647.50
Liquidity	Current ratio (%)		197.07	174.61
	Quick ratio (%)		39.90	24.20
	Interests coverage (multiplier)		9.63	6.55
Profitability	Return on assets (%)		5.36	4.89
	Return on equity (%)		10.95	11.95
	As a percentage of paid-in capital (%)	Operating profits	26.17	21.17
		Net profits before tax	25.86	20.58
	Net profit margins (%)		14.67	15.19
	Basic earnings per share (NT\$)		1.93	1.94

(V) 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.

III. 2025 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 2025.
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 to be launched in 2025:

- (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. Completed homes launched for sale in mid-March 2025.
- (2) The urban renewal project "Syang Fulin" of sea sand house is located on Fulin Road, Shilin District, Taipei City, near Fuzhi Park. It connects to Yangde Avenue and is located at the junction of Zhishan and Waishuangxi. The atmosphere is quiet, and the green space and regional business district add to its livability. 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 The project is being sold while under construction and is expected to be launched in the third quarter of 2025.
- (3) The joint construction project "Syang Chengguang" on Kaifeng Street in Wanhua District, Taipei City is located in the Ximen specialty business district, close to the Beimen Station of the MRT Songshan Line and the Ximen Station that intersects with the Bannan Line. It is within walking distance of the Riverside Park and has a prime location. The plan is to build small and medium-sized properties, with a build-first-then-sell approach, with total sales of approximately NT \$1.1 billion. It is expected to be launched for sale after completion in the third quarter of 2025
- (4)The Jiangzicui section urban renewal project in Banqiao District, New Taipei City is adjacent to Banqiao Music Park and just across a bridge from downtown Taipei. It has good living functions, a large green space and a music park with recreational facilities, connected to the waterfront green belt, providing a quiet living environment in the bustling city. It is planned to build small and medium-sized houses with a total sales volume of approximately NT\$3.5 billion. It is expected to be launched for pre-sale in the fourth quarter of 2025 depending on the economic conditions.

2. Projects to be launched after 2025:

- (1) The Jingfu Section Urban Renewal Project in Zhonghe District, New Taipei City is located on Section 3 of Xiulang Road, close to the Xiulang Bridge Station of the MRT Circular Line, and within walking distance to the Riverside Park on the banks of the Xindian River, where living functions are formed. The plan is to build small and medium-sized houses with a total sales volume of approximately NT\$2.6 billion, and pre-sales will be launched depending on the economic conditions.
- (2) "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.
- (3)The urban renewal project on Dexing East Road in Shilin District, Taipei City, is near Zhishan Elementary School and is located in the prime area of Tianmu. It has international schools, parks and green spaces, department stores, and a first-class medical system, and its functions are mature and complete. It is planned to build two medium-sized residential buildings with a total sales

volume of approximately NT\$4.5 billion. Construction is expected to start in mid-2025 and sales will be launched depending on the economic conditions.

- (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 ground 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. At present, the handover of the original residents has been completed and the demolition process of the old house has begun.. 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 Guangming Movie Theater Project in 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 housing market in 2024, in the first half of the year, the housing market sentiment heated up and both prices and volumes rose due to the Taiwan stock market hitting new highs, the continued fermentation of investment issues driven by the technology industry, the new Qingan mortgage policy and inflation expectations; in the second half of the year, the central bank's credit control tightened, the new Qingan was strictly reviewed, and the housing price increase was already high. In the fourth quarter, buying sentiment dropped sharply and transaction volume decreased, resulting in a high-to-low housing market trend in 2024. However, the housing market still showed rising prices and volumes throughout the year, and the market performance was hot. Continuing the trend in 2024, looking ahead to the housing market in 2025, it is unlikely that the government will relax its regulatory policies in the short term, and it may take time to liquidate the new supply in the housing market. In addition, due to the uncertainties in the political and economic situation brought about by Trump 2.0, although prices are expected to remain stable and volumes to shrink in the short term, the long-term trend of the housing market remains to be seen due to the rapid weakening of buying momentum.

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.

IV. 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.

Suntly Development Co., Ltd.

Chairman Kuan-Chen Mai

II. Company Profile

I. Information on directors, general managers, deputy general managers, senior managers, and officers of departments and branches

(I) Information on directors

1. Schedule of information on directors

Unit: Shares; March 31, 2025

Title	Nationality or place of registration	Name	Gender age	Date elected	Term of office	Date first elected	Shareholding when Elected		Shareholding now		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remarks
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relation	
Chairman	R.O.C.	Kuan-Chen Mai	Male 71~80	2022. 6.9	3 years	2007. 12.27	5,037,363	2.92%	5,037,363	1.43%	2,406,461	0.68%	0	-	Chairman, Suntory Development Co., Ltd. Chairman, HSIN TUNG YANG Co., Ltd. Director, E.SUN FINANCIAL HOLDING Co., Ltd.	Chairman, HSIN TUNG YANG Co., Ltd. Director, Hsin Tung Yang Construction Co., Ltd. Chairman, Hsin Tung Yang Hosing Agency Co., Ltd. Chairman, Cheng Yang Investment Co., Ltd. Chairman, Shang Yang Investment Co., Ltd. Chairman, Ding Yang Investment Co., Ltd. Chairman, Xing Yang Investment Co., Ltd. Chairman, Yuan Shang Co., Ltd. Director, Hwa Yang International Distribution Co., Ltd. Director and corporate representative, E.SUN Financier Holding Co., Ltd. Managing director and corporate representative, E.SUN Commercial Bank, Co., Ltd. Director and corporate representative, Tao Garden Hotel	Corporate Director Representative	Hsiu-Wei Mai	Father and son	None
Director	R.O.C.	Ding Yang Investment Co., Ltd. Representative Hsiu-Wei Mai	Male 51~60	2022. 6.9	3 years	2013. 6.25	Corporate shareholder 36,244,198	11.99%	40,738,478	11.56%	0	-	0	-	Graduated from the HPU Institute of Business Administration, Hawaii Pacific University Director, Suntory Development Co., Ltd.	Senior manager of the Company Director, Hsin Tung Yang Construction Co., Ltd. Director and corporate representative, Suntory Land Development Co., Ltd. Director and corporate representative, Suntory International Land Development Co., Ltd. Director and corporate representative, Hsin Tung Yang Construction Co., Ltd. Management and Maintenance Co., Ltd. Supervisor, Syang Security Co., Ltd. Director, Cheng Yang Investment Co., Ltd. Director, Shang Yang Investment Co., Ltd. Director, Ding Yang Investment Co., Ltd. Director, Xing Yang Investment Co., Ltd. Director, Yuan Shang Co., Ltd. Chairman, Great Harbor Limited	Director	Kuan-Chen Mai	Father and son	None
	R.O.C.			2022. 6.9			Representative 4,637,918	1.32%	6,837,918	1.94%										

Title	Nationality or place of registration	Name	Gender age	Date elected	Term of office	Date first elected	Shareholding when Elected		Shareholding now		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remarks
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relation	
Director	R.O.C.	Ding Yang Investment Co., Ltd. Representative Tai-Lin Wei	Male 61~70	2022.6.9	3 years	2013.6.25	Corporate shareholder 40,738,478	11.99%	40,738,478	11.56%	0	-	0	-	Graduated from National Chengchi University, Master of Business Administration Graduated from the Institute of Architecture, National Cheng Kung University Architect Graduated from the Department of Architecture, Tamkang University R&D division senior manager, Sunty Development Co., Ltd. Haoqun Architects	General manager of the Company Director and corporate representative, Hsin Tung Yang Construction Co., Ltd. Chairman and corporate representative, Sunty Land Co., Ltd. Chairman and corporate representative, Sunty International Land Co., Ltd.	-	-	-	None
	R.O.C.			2023.1.1			Representative 418,401	0.12%	418,401	0.12%										
Independent director	R.O.C.	Chun-Ming Yu	Male 61~70	2022.6.9	3 years	2007.12.27	0	-	0	-	0	-	0	-	Graduated from the Institute of Land Administration, National Chengchi University, passed the Senior Qualification Examination Secretary General of the Federation of Real Estate Development Associations of the Republic of China Secretary General of the Federation of Real Estate Development Associations of Taipei City	Secretary General of the Federation of Real Estate Development Associations of the Republic of China Secretary General of the Federation of Real Estate Development Associations of Taipei City Independent director, HUNG SHENG Construction Co., Ltd.	-	-	-	None

Title	Nationality or place of registration	Name	Gender age	Date elected	Term of office	Date first elected	Shareholding when Elected		Shareholding now		Shareholding of spouse and minor children now		Shareholding in the name of others		Major educations and experiences	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remarks
							Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relation	
Independent director	R.O.C.	Chi-kuang Huang	Male 71~80	2022. 6.9	3 years	2011. 6.15	44,681	0.01%	44,681	0.01%	0	-	0	-	Bachelor of Business Administration from Eastern Michigan University, Honorary Doctor of Commerce from Eastern Michigan University, Honorary Doctor of Social Sciences from IIS University, India, Honorary Doctor of Management from National Taipei University of Technology General Manager of Rotary International, Chairman of Taiwan Shin Kong Security Co., Ltd., Chairman of Xinshou Apartment Building Management and Maintenance Co., Ltd., Consultant of Bank Of Panshin. Consultant, WahLee Industrial Corp.	Chairman, Bingcheng Insurance Agent Co., Ltd. Director, Huang Bing-xin Insurance Scholarship Foundation Director, Ankang Health Enterprise Co., Ltd. Consultant, Hean Insurance Agency Co., Ltd.	-	-	-	None
Independent director	R.O.C.	Meng-Han Chuang	Male 71~80	2022. 6.9	3 years	2019. 6.21	0	-	0	-	0	-	0	-	Master of Economics Institute of Chinese Culture University Associate Professor, Department of Industrial Economics, School of Business and Management, Tamkang University	Visiting Professor of Deming University of Finance and Technology Vice General Manager of Money Weekly Arbitrator of Chinese Real Estate Arbitration Association Independent director, HUAKU Development Co., Ltd.	-	-	-	None

Note: The Company has an audit committee and no longer has supervisors, and the audit committee consists of all independent directors.

2. Major shareholders of corporate shareholders

March 31, 2025

Corporate director name	Major shareholders of corporate shareholders	
	Name	Shareholding percentage (%)
Ding Yang Investment Co., Ltd.	Mai Xiu-ren	45.92
	Mai Kuan-Chen	31.69
	Shi Yang Construction Co., Ltd.	19.70
	Xing Yang Investment Co., Ltd.	2.69

3. Where the major shareholders of a corporate shareholder are juristic persons, the major shareholders

March 31, 2025

Corporation name	Major shareholders of corporation	
	Name	Shareholding percentage (%)
Shi Yang Construction Co., Ltd.	Hsin Tung Yang Real Estate Agent Co., Ltd.	100.00
Xing Yang Investment Co., Ltd.	Mai Xiu-ren	52.67
	Mai Kuan-Chen	20.15
	Hsin Tung Yang Real Estate Agent Co., Ltd.	18.00
	Ding Yang Investment Co., Ltd.	9.18

4. The professional knowledge and independence of the directors

A. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

March 31, 2025

Criteria Name	With at least five years of work experience and the following professional qualifications	Meet the independence criteria (Note)	Concurrently employed by other public company
Kuan-Chen Mai	Have expertise in corporate management, Falling beyond the scope of particulars inscribed in Article 30 of the Company Act.	NA	0
Representative, Ding Yang Investment Co., Ltd. Hsiu-Wei Mai	Graduated from the HPU Institute of Business Administration, Hawaii Pacific University, have expertise in corporate management. Falling beyond the scope of particulars inscribed in Article 30 of the Company Act.	NA	0
Representative, Ding Yang Investment Co., Ltd. Tai-Lin Wei	Graduated from National Chengchi University, Master of Business Administration, the Institute of Architecture, National Cheng Kung University, Architect, have expertise in	NA	0

Criteria Name	With at least five years of work experience and the following professional qualifications	Meet the independence criteria (Note)				Concurrently employed by other public company
	corporate management. Falling beyond the scope of particulars inscribed in Article 30 of the Company Act.					
Chun-Ming Yu	Graduated from the Institute of Land Administration, National Chengchi University, passed the Senior Qualification Examination, have expertise in real estate ° Falling beyond the scope of particulars inscribed in Article 30 of the Company Act.	Meet the independence criteria(note)				1
		(1)	(2)	(3)	(4)	
		NO	0	NO	0	
Chi-kuang Huang	make recommendations to the Board of Directors, determine the legality of real estate development, perform supervisory functions, have expertise in corporate management, corporate governance and real estate. Falling beyond the scope of particulars inscribed in Article 30 of the Company Act.	NO	44,681 shares , 0.01%	NO	0	0
Meng-Han Chuang	holds a master's degree from the Institute of Economics of the Chinese Culture University. He has financial expertise and is now an industrial economic expert. His main experience is a professor at the Department of Industrial Economics of Tamkang University and Deming University of Finance and Economics. His research fields include real estate investment and management and management. Marketing, accumulated rich practical experience in real estate. Falling beyond the scope of particulars inscribed in Article 30 of the Company Act.	NO	0	NO	0	1

note : Meet the independence criteria :

- (1)the person, spouse, relative within second degree of relationship, serve as directors, supervisors or employees of the company or its affiliated companies.
- (2)the person, spouse, relative within second degree of relationship(or in the name of a third party),shareholding and ratio.
- (3)As directors, supervisors or employees of particular company.
- (4)providing audit service for the Bank or its affiliates, or who have received remunerations fee in accumulation over the last 2 years.

B. Diversity and Independence of Board

Diversity of Board

According to Article 14-2 of the Company's Articles of Incorporation, directors shall be elected through a candidate nomination system, whereby shareholders elect directors from a list of nominated candidates. In addition, pursuant to Article 20 of the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall be considered with a focus on diversity. Specifically, no more than one-third of the board seats shall be held by directors who concurrently serve as managerial officers of the Company. Furthermore, taking into account the Company's operational mode, business model, and development needs, an appropriate diversity policy shall be established. This policy should include, but not be limited to, the following two key dimensions:

- 1.Basic Attributes and Values – such as gender, age, nationality, and cultural background.
- 2.Professional Knowledge and Skills – including professional backgrounds (e.g., in law, accounting, industry, finance, marketing, or technology), relevant expertise, and industry experience.

Members of the Board of Directors shall generally possess the necessary knowledge, skills, and character

required to perform their duties. To achieve the objectives of sound corporate governance, the board as a whole should possess the following competencies:

1. Operational judgment
2. Accounting and financial analysis
3. Business management
4. Crisis management
5. Industry knowledge
6. International market perspective
7. Leadership
8. Decision-making ability

The composition of the Company's Board of Directors is aligned with its long-term business strategy and developed with consideration for diversity standards. Directors are selected based on integrity, leadership ability, and their capacity to drive sustained excellence. The Board comprises members from the construction industry, various industrial sectors, and academia, forming a diverse and professionally competent governance body. This is further supported by independent directors with diverse professional backgrounds. All directors possess the necessary knowledge, skills, and personal qualities required to perform their duties, as well as collective competencies in industry decision-making, risk management, and executive oversight. This ensures that Board decisions are forward-looking, objective, and comprehensive. Ongoing professional development through diverse training programs is arranged to enhance directors' expertise, enabling them to faithfully perform their duties and uphold the fiduciary responsibilities of a prudent manager, thereby maximizing the Board's leadership, oversight, and strategic decision-making functions.

In the 2022 Annual General Meeting, the Company held a full re-election of the 11th Board of Directors, comprising a total of six seats. Directors who are also Company employees accounted for 33.33% of the board, while independent directors represented 50%. The average age of all board members was 69 years. During their term, directors engaged in in-depth discussions and communications regarding the Company's operations and strategic direction. They jointly planned key decisions affecting organizational growth, performance enhancement, business development, risk management, and corporate governance, fully leveraging their respective areas of expertise to guide executive management and oversee Board performance.

Each individual director possesses a diverse set of qualifications, as demonstrated by their educational background, professional expertise, and relevant experience, as outlined below:

Background, Professional Expertise, and Relevant Experience, as Summed Below:														
Diversity Core Program Name	Basic component								Industry experience		Professional ability			
	Nationality or place of registration	Gender	Part-time employee of the company	Age				Seniority		construction industry	Generally enterprise	business management	construction industry practice	financial economy
				41~50	51~60	61~70	71~80	<6 years	>9 years					
Kuan-Chen Mai	ROC	Male					V			V	V	V	V	
Representative, Ding Yang Investment Co., Ltd.	ROC	Male	V				V			V		V	V	V
Tai-Lin Wei														
Representative, Ding Yang Investment Co., Ltd.	ROC	Male	V		V					V	V	V	V	V
Hsiu-Wei Mai														
Chun-Ming Yu	ROC	Male					V		V Note				V	
Chi-kuang Huang	ROC	Male					V		V Note		V	V		V
Meng-Han Chuang	ROC	Male					V	V					V	V

Note: Both have served for consecutive three terms, but the Company's independent directors should be configured in accordance with the development of future business strategies and taking into account their professionalism. The two independent directors have expertise in corporate management, corporate governance and real estate, and during their terms of office, they make recommendations to the Board of Directors, determine the legality of real estate development, perform supervisory functions, and assist the

Company in establishing and implementing corporate governance, and have the necessary knowledge, skills and overall expertise to perform their business, while conforming to the independence requirement before the election and during the office. It is expected that they are qualified as the independent directors. Independent director Zhuang Meng-han holds a master's degree from the Institute of Economics of the Chinese Culture University. He has financial expertise and is now an industrial economic expert. His main experience is a professor at the Department of Industrial Economics of Tamkang University and Deming University of Finance and Economics. His research fields include real estate investment and management and management. Marketing, accumulated rich practical experience in real estate.

Explanation of Gender Diversity in the Board of Directors and Measures for Improvement

The 11th Board of Directors of the Company consists of six members, with no female directors. The proportion of either gender on the Board does not yet meet the one-third gender representation requirement. The current status and future plans regarding gender diversity on the Board are as follows:

(A) Explanation of the Current Gender Diversity Proportion

The Company operates in the construction industry, where the nature of the business and the talent pool has historically been male-dominated, resulting in a relatively low level of female participation. As a result, during previous director nominations, there were limited female candidates, which has led to the current Board composition not meeting the one-third gender representation requirement.

(B) Measures to Improve Gender Diversity on the Board in the Future

To align with corporate governance trends and promote gender equality, the Company has incorporated gender diversity as one of the factors in the director nomination process and has planned the following specific measures:

1. Nomination of a Female Director in 2025

The Company plans to nominate at least one female director in the 2025 shareholder meeting's board election. With this initial plan, the new Board will have one female member, representing one-sixth of the total board members, moving closer to the goal of achieving one-third gender representation.

2. Continuous Talent Search and Development for Women

The Company will continue to identify and nurture female talents with professional backgrounds and industry experience, incorporating them into the list of future director candidates to expand opportunities for female participation in corporate governance.

3. Review and Revision of Director Nomination Policies and Standards

The Company will review and revise the director nomination policies and standards to strengthen the principle of diversity, including gender, age, professional background, and industry experience, in order to enhance the overall effectiveness of the Board's operations.

The Company will continue to assess and make adjustments to the composition of the Board, with the goal of improving diversity and decision-making quality, thereby strengthening corporate governance and sustainable development.

Independence of Board

March 31, 2025

Name	Criteria	Meet the independence criteria (Note)												Concurrently employed by other public company
		1	2	3	4	5	6	7	8	9	10	11	12	
Kuan-Chen Mai		✓						✓	✓	✓		✓	✓	0
Representative, Ding Yang Investment Co., Ltd. Hsiu-Wei Mai								✓	✓	✓		✓		0
Representative, Ding Yang Investment Co., Ltd. Tai-Lin Wei				✓	✓	✓		✓	✓	✓	✓	✓		0
Chun-Ming Yu		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Chi-kuang Huang		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Meng-Han Chuang		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note : If any of the following is applicable to the Directors 2 years prior to their assumption of office and within their term of office, put a “V” sign in the appropriate box below.

- (1) Not an employee of the Company or its affiliate.
- (2) Not a Director, Supervisor of the Company or its affiliate (except holding the positions of Independent Directors of the Bank who also act as Independent Directors its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (3) Not a natural person who holds more than 1% of the outstanding shares issued by the Company by the person, spouse, underage children or in the name of a third party, or among the top 10 shareholders.
- (4) Not the spouse, kindred within the 2nd tier or next of kin within the 3rd tier of the managers as stated in (1), or persons stated in (2) and (3).
- (5) Not a Director, Supervisor or employee of the institutional shareholder who directly holds more than 5% of the outstanding shares issued by the Bank, among the top 5 shareholders, or appoints representatives to assume positions as Directors of Supervisors of the Bank under Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (except holding the positions of Independent Directors of the Company who also act as Independent Directors of its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (6) Not a Director, Supervisor or employee of a third party company held by the same person who also holds the seats of Directors of the Company or more than half of the voting shares. (except holding the positions of Independent Directors of the Company who also act as Independent Directors of its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (7) Not a Director, Supervisor, or employee of a third party company or institution or the spouse of Director, Supervisor, or employee of a third party company or institution who also holds the position of Chairman, General Manager, or similar position.(except holding the positions of Independent Directors of the Bank who also act as Independent Directors of its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (8) Not a Director, Supervisor, Manager or shareholder holding more than 5% of the shares of particular company or institution having financial and business transactions with the Company (except such particular company or institution which holds more than 20% but less than 50% of the shares issued by the Bank, and holds the position as Independent Directors of the Company who also act as Independent Directors of its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (9) Not an owner, partner, Director, Supervisor, Manager or spouse to the owner, partner, Director, Supervisor, Manager of a professional, sole proprietor, partnership, company or institution providing audit service for the Bank or its affiliates, or who have received remunerations of less than NT\$500,000 in accumulation over the last 2 years.except the member of the remuneration committee, public acquisition review committee, or merger and acquisition special committee performing their assigned duties under the Securities and Exchange Act or the Corporate Mergers and Acquisition Act and other applicable laws.
- (10) Not the spouse or kindred within the 2nd tier under the Civil Code to another Director.
- (11) Falling beyond the scope of particulars inscribed in Article 30 of the Company Act.
- (12) Not elected to office as the representative of the government, institutions, or their representative as specified in Article 27 of the Company Act.

Note 1: The Company has an audit committee and no longer has supervisors, and the audit committee consists of all independent directors.

(II) Directors, general managers, senior managers, and officers of departments and branches

Unit: Shares; March 31, 2025

Title	Nationality	Name	Gender	Elected Date	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Major educations and experiences	Concurrent positions in other companies now	Managerial officers with spouses or relatives with second degree of kinship			Remarks
					Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage			Title	Name	Relation	
General Manager	R.O.C.	Tai-Lin Wei	Male	2023.1.1	418,401	0.12%	0	-	0	-	Graduated from National Chengchi University, Master of Business Administration Graduated from the Institute of Architecture, National Cheng Kung University Architect Graduated from the Department of Architecture, Tamkang University R&D division senior manager, Sunty Development Co, Ltd. Haoqun Architects	Director and corporate representative, Tongfu Development and Construction Co, Ltd.	None	-	-	None
Deputy General Manager	R.O.C.	Kuang-Wen Hsieh	Male	2024.3.15	0	0%	8,000	-	0	-	St. John's & St. Mary's Institute of Technology, Department of Electrical Engineering Special assistant, Sunty Development Co, Ltd.	Director and corporate representative, Hsin Tung Yang Construction Co, Ltd.	None	-	-	None
Senior manager	R.O.C.	Hsiu-Wei Mai	Male	2013.3.21	6,837,918	1.94%	0	-	0	-	Graduated from the HPU Institute of Business Administration, Hawaii Pacific University Director, Sunty Development Co, Ltd.	(Please refer to page 9 of this annual report)	None	-	-	None
Senior manager Note 1	R.O.C.	Shi-Jun Li	Male	2021.12.1	121,000	0.03%	31,952	0.01%	0	-	Graduated from the Department of Architecture, Feng Chia University Senior manager, Sunty Development Co, Ltd.	None	None	-	-	None
Director, finance Division	R.O.C.	Yu-Juan Yeh	Female	2014.3.10	0	0%	0	-	0	-	Assistant senior manager, Sunty Development Co, Ltd. Special Assistant to the Chairman of Hongyuan Biotechnology Co, Ltd. Chief of Finance Section, Chief of Finance Section	Supervisor, Hsin Tung Yang Construction Co, Ltd. Supervisor, Great Harbor Limited Supervisor, Cheng Du Sheng Yang Real Estate Development Limited Company	None	-	-	None

Note: The Company has no branch offices. There is no case in which the Chairman of the Board and the general manager or the equivalent are the same person, spouses or relatives of each other.

Note 1 : The deputy general manager of the company Kuang-Wen Hsieh was promoted on March 15, 2024.

III. Remuneration for directors, supervisors, general managers and deputy general managers for the most recent year (2024)

(I) Remuneration for regular and independent directors

Unit: NT\$ thousand; December 31, 2024

Title	Name	Remuneration for directors								A, B, C and D as a % of the net profit after tax		Remuneration for employees with concurrent positions in the Company and other companies								A, B, C, D, E, F and G as a % of the net profit after tax		Remuneration from investors outside subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration for directors (C) ^(Note)		Business execution expenses (D)				Remuneration, bonus, allowance (E)		Severance and pension (F) ^(Note)		Remuneration to employees (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash bonus	Stock bonus	Cash bonus	Stock bonus			
Director	Kuan-Chen Mai	240	840	0	0	2,203	2,203	8	8	2,451 0.3607%	3,171 0.4668%	16,724	16,724	0	0	0	0	0	0	19,175 2.8219%	19,896 2.9280%	none
	Ding Yang Investment Co., Ltd.	0	0	0	0	2,638	2,638	0	0	2,638 0.3883%	2,638 0.3883%	0	0	0	0	0	0	0	0	2,638 0.3883%	2,638 0.3883%	none
	Hsiu-Wei Mai Representative, Ding Yang Investment Co., Ltd.	240	360	0	0	0	0	8	8	248 0.0365%	489 0.0719%	5,474	5,474	73	73	1,250	0	1,250	0	7,045 1.0368%	7,286 1.0722%	none
	Tai-Lin Wei Representative, Ding Yang Investment Co., Ltd.	240	360	0	0	0	0	8	8	248 0.0365%	368 0.0542%	12,289	12,289	180	180	1,500	0	1,500	0	14,217 2.0923%	14,337 2.1099%	none
Independent director	Chun-Ming Yu	240	240	0	0	1,754	1,754	78	78	2,072 0.3050%	2,072 0.3050%	0	0	0	0	0	0	0	0	2,072 0.3050%	2,072 0.3050%	none
	Chi-kuang Huang	240	240	0	0	1,319	1,319	66	66	1,625 0.2392%	1,625 0.2392%	0	0	0	0	0	0	0	0	1,625 0.2392%	1,625 0.2392%	none
	Meng-Han Chuang	240	240	0	0	1,319	1,319	78	78	1,637 0.2409%	1,637 0.2409%	0	0	0	0	0	0	0	0	1,637 0.2409%	1,637 0.2409%	none
<div>1. The policy, system, criteria and structure for the remuneration for independent directors, and the correlation to the amount of remuneration in terms of their responsibilities, risks, time spent and other factors: In addition to the fixed monthly remuneration, the Company's independent directors are evaluated in accordance with the "Regulations Governing the Evaluation of Directors' and Managerial Officers' Performance", and their remuneration is paid based on the Company's operating results and personal performance.</div> <div>2. The remuneration for the directors of the Company for providing services to all companies in the financial statements (such as serving as a non-employee consultant, etc.) in the most recent year: none.</div>																						

Note 1: The remuneration distribution to directors for the most recent year (2024) was approved by the Board of Directors (2025.3.11).

Note 2: Severance and pension includes the amount of accrued expense for them and the actual amount of severance and pension paid in the current year.

Table of remuneration ranges

Remuneration ranges for the directors of the Company	Director's name			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements I	The Company	All companies in the financial statements
Less than \$1,000,000	Hsiu-Wei Mai, Tai-Lin Wei	Hsiu-Wei Mai, Tai-Lin Wei	-	-
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	Chi-kuang Huang, Meng-Han Chuang	Chi-kuang Huang, Meng-Han Chuang	Chi-kuang Huang, Meng-Han Chuang	Chi-kuang Huang, Meng-Han Chuang
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)	Kuan-Chen Mai, Ding Yang Investment Co., Ltd., Chun-Ming Yu	Kuan-Chen Mai, Ding Yang Investment Co., Ltd., Chun-Ming Yu	Ding Yang Investment Co., Ltd., Chun-Ming Yu	Ding Yang Investment Co., Ltd., Chun-Ming Yu
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)	-	-	-	-
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	-	-	Hsiu-Wei Mai	Hsiu-Wei Mai
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	-	-	Tai-Lin Wei	Tai-Lin Wei
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)	-	-	Kuan-Chen Mai	Kuan-Chen Mai
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)	-	-	-	-
More than \$100,000,000	-	-	-	-
Total	Kuan-Chen Mai, Ding Yang Investment Co., Ltd., Tai-Lin Wei, Hsiu-Wei Mai Chun-Ming Yu, Chi-kuang Huang, Meng-Han Chuang	Kuan-Chen Mai, Ding Yang Investment Co., Ltd., Tai-Lin Wei, Hsiu-Wei Mai Chun-Ming Yu, Chi-kuang Huang, Meng-Han Chuang	Kuan-Chen Mai, Ding Yang Investment Co., Ltd., Tai-Lin Wei, Hsiu-Wei Mai Chun-Ming Yu, Chi-kuang Huang, Meng-Han Chuang	Kuan-Chen Mai, Ding Yang Investment Co., Ltd., Tai-Lin Wei, Hsiu-Wei Mai Chun-Ming Yu, Chi-kuang Huang, Meng-Han Chuang

(II) Remuneration for General Manager and Deputy General Manager

Unit: NT\$ thousand; December 31, 2024

Title	Name	Salary (A)		Severance and pension (B) (Note 1)		Bonus and allowance (C)		Remuneration to employees (D) ^(Note 2)				A, B, C and D as a % of the net profits after tax		Remuneration from investees outside subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash bonus amount	Stock bonus amount	Cash bonus amount	Stock bonus amount			
General Manager	Tai-Lin Wei	1,862	1,862	180	180	10,427	10,427	1,500	0	1,500	0	13,969 2.0558%	13,969 2.0558%	none
Deputy General Manager	Kuang-Wen Hsieh	1,289	1,289	73	73	6,228	6,228	1,250	0	1,250	0	8,840 1.3010%	8,840 1.3010%	none

Note : No deputy general manager for the year.

Note 1: Severance and pension include the accrued amounts for them. No severance and pension were paid to the general manager and deputy general manager for the year.

Note 2: For the most recent year (2024), the Board of Directors (2025.3.10) resolved to distribute total employee remuneration of NT\$23,086,000.

Table of remuneration ranges

Remuneration ranges for the general managers of the Company	Name of General Manager and Deputy General Manager	
	The Company	All companies in the financial statements E
Less than \$1,000,000	-	-
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	-	-
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)	-	-
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)	-	-
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	Kuang-Wen Hsieh	Kuang-Wen Hsieh
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	Tai-Lin Wei	Tai-Lin Wei
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)	-	-
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)	-	-
More than \$100,000,000	-	-
Total	Tai-Lin Wei, Kuang-Wen Hsieh	Tai-Lin Wei, Kuang-Wen Hsieh

4. The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution

Unit: NT\$ thousand; December 31, 2024

	Title	Name	Stock amount (Note)	Cash amount (Note)	Total	Total amount as a % of the net profits after tax (%)
Managerial officer	General Manager	Tai-Lin Wei	0	6,118	6,118	0.9004%
	Deputy General Manager	Kuang-Wen Hsieh				
	Senior manager	Xiu-wei Mai				
	Senior manager	Yu-Juan Yeh				
	Senior manager	Shi-Jun Li				

Note: For the most recent year (2024), the Board of Directors (2025.3.10) resolved to distribute total employee remuneration of NT\$23,086,000.

Title	Name	Salary (A)		Severance and pension (B) ^(Note1)		Bonus and allowance (C)		Remuneration to employees (D) ^(Note2)				A, B, C and D as a % of the net profits after tax		Remuneration from investees outside subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash bonus amount	Stock bonus amount	Cash bonus amount	Stock bonus amount			
General Manager	Tai-Lin Wei	1,862	1,862	180	180	10,427	10,427	1,500	0	1,500	0	13,969 2.0558%	13,969 2.0558%	None
Deputy General Manager	Kuang-Wen Hsieh	1,289	1,289	73	73	6,228	6,228	1,250	0	1,250	0	8,840 1.3010%	8,840 1.3010%	None
Senior manager	Xiu-wei Mai	1,200	1,200	73	73	4,274	4,274	1,250	0	1,250	0	6,797 1.0003%	6,797 1.0003%	None
Senior manager	Yu-Juan Yeh	1,373	1,373	83	83	3,550	3,550	1,160	0	1,160	0	6,166 0.9074%	6,166 0.9074%	None
Senior manager	Shi-Jun Li	1,344	1,344	83	83	2,931	2,931	958	0	958	0	5,316 0.7823%	5,316 0.7823%	None

(III) Analysis of the proportion of total remuneration paid to the Company's directors, general manager and deputy general manager to the net profits after tax of the Company and all consolidated companies in the last two years of the stand-alone financial statements.

Unit: NT\$ thousand; December 31, 2024

	2024 (Stand-alone)		2023 (Stand-alone)		Difference	
	Total remuneration	As a percentage of net profits after tax	Total remuneration	As a percentage of net profits after tax	Total remuneration	Increase or decrease in the percentage of net profits after tax
The Company	57,250	8.4253%	43,766	6.4011%	+13,484	+1.98%
All companies in consolidated statements	58,332	8.5844%	44,631	6.5277%	+13,701	+2.01

The Company's pre-tax profit increased this year compared to last year, but the substantial increase in income tax resulted in a slight decrease in net profit after tax this year compared to last year. Since the remuneration and bonuses of directors and employees are allocated and paid out based on pre-tax profits, the proportion of overall remuneration to net profit after tax has increased slightly, which is still reasonable.

The policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks as follows:

- (1). The remuneration of the directors of the Company shall be in accordance with Article 17 of the Company's Articles of Incorporation: 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. Currently, a fixed remuneration and travel expense are included. In accordance with Article 20 of the Company's Articles of Incorporation, if the Company makes a profit for the current period, the Company shall set aside not more than 3% as remuneration to directors. The procedure for setting compensation is based on the Company's "Directors' Performance Evaluation Measure". In addition to considering the overall operating performance of the Company, the Board affairs administration unit shall evaluate the effectiveness of the Board of Directors and its members using the Board of Directors' performance evaluation form and the Board of Directors' members' evaluation form, etc. In addition, the value of individual directors' participation in and contribution to the Company's operations shall be taken into consideration. If the average total score of the directors reaches the standard, the directors' remuneration shall be distributed according to the percentage in accordance with the Company's Articles of Incorporation. The self-evaluation form of the Board members shall be used as a reference for the Remuneration Committee to evaluate the individual remuneration.

The remuneration of the general manager, including salary, bonus, and employee remuneration, is determined by the Company based on the position held, the responsibilities assumed, and the operating performance of the general manager, with reference to the industry standard for similar positions. The procedure for determining the remuneration of the general manager is based on the managerial performance evaluation form, combined with the scores of the strategic indicators of each department, and then allocated according to the employee bonus amount in the managerial remuneration plan; if the target is not met, the Remuneration Committee will submit it to the Board of Directors for discussion and then adjust it according to the percentage.

Based on the above evaluation items, the directors' remuneration increased compared with last year, mainly due to the growth of operating income and pre-tax net profit, and better operating performance. In addition, due to better operating performance, in order to share the operating results with employees, the relevant bonuses given to employees also increased compared with last year. Therefore, the remuneration of directors and general managers who serve as employees has increased, with an overall increase of NT\$13,484,000. The average salary of full-time employees who are not supervisory positions has also increased.

- (3). The review of the company's remuneration policy and related payment standards and systems is based on the company's overall operating conditions. The payment standards are determined based on performance achievement rate and contribution, in order to improve the overall organizational team efficiency of the board of directors and management departments. We also refer to the industry salary standards to ensure that the remuneration of the company's management is competitive in the industry so as to retain outstanding management talents. Managers' remuneration is paid based on the value of their contribution to the company and their operating performance in order to reduce the relevance of future risks. The performance targets of our managers are combined with risk control to ensure that possible risks within the scope of their duties are managed and prevented. The results of the evaluation are based on actual performance and are linked to relevant human resources and related salary and remuneration policies. The important decisions of the company's management are made after balancing various risk factors. The performance of the relevant decisions is reflected in the company's profit situation, and the remuneration of the management is related to the risk control performance.

III. The Company's implementation of corporate governance

(I) The operation of the Board of Directors

The Board of Directors met 4 times in the most recent year (2024), and the attendance of the directors during their respective terms of office was as follows:

Title	Name	Number of attendance in person	Number of attendance by proxy	Ratio of attendance in person (%)	Remarks
Chairman	Kuan-Chen Mai	4	0	100%	Previously elected
Director	Ding Yang Investment Co., Ltd. Representative: Hsiu-Wei Mai	4	0	100%	
Director	Ding Yang Investment Co., Ltd. Representative: Tai-Lin Wei	4	0	100%	

Title	Name	Number of attendance in person	Number of attendance by proxy	Ratio of attendance in person (%)	Remarks
Independent director	Chun-Ming Yu	4	0	100%	
Independent director	Chi-kuang Huang	3	1	75%	
Independent director	Meng-Han Chuang	4	0	100%	
Note: The Company has an audit committee and no longer has supervisors, and the audit committee consists of all independent directors. Attendance of independent directors at each Board meeting in person: 100%					
Other matters to be recorded:					
I. If the operation of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors’ opinions and the Company’s handling of their opinions should be described:					
(I) Matters listed in Article 14-3 of the Securities and Exchange Act: (Please refer to page 48 of this annual report)					
(II) In addition to the previous matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: No such situation.					
II. The implementation of a director’s recusal for being an interested party in a proposal: Please refer to page 19 of this annual report					
III. Evaluation of the Board of Directors: Please refer to page 20 of this annual report					
IV. Objectives to enhance the functions of the Board of Directors for the current and most recent year and implementation: Please refer to page 21 of this annual report					

The implementation of a director's recusal for being an interested party in a proposal :

meeting time	name	Motion content	reasons for avoidance of interests	Participation in voting
2024.03.11 10th meeting of the 11th session	split discussion Chi-kuang Huang Chun-Ming Yu Meng-Han Chuang Kuan-Chen Mai Tai-Lin Wei Hsiu-Wei Mai	2023 director remuneration distribution plan, reviewing the rationality of director remuneration and director performance evaluation standards at the same time	This case was discussed in stages, and those who involved the interests of the directors themselves did not participate in the discussions and votes: 1.General directors discuss the remuneration distribution of independent directors, independent directors do not participate in the discussion and vote. 2.The independent directors discussed the remuneration distribution of general directors, and the chairman appointed Yu Junming, an independent director, as the acting chairman, and the general directors did not participate in the discussion and voting.	After the chairman / acting chairman consulted all the independent directors present, it was passed without objection.
2024.11.11 13th meeting of the 11th session	Kuan-Chen Mai Hsiu-Wei Mai	Signed the "Xindian 14-Project Business Entrustment Contract" with Shiyang Construction Co., Ltd.	This case involves the personal interests of the current directors Kuan-Chen Mai and Hsiu-Wei Mai, who did not participate in the discussion and voting. The chairman designated Director Wei as acting chairman.	After the acting chairman consulted all the independent directors present, it was passed without objection.

Evaluation of the Board of Directors :

1. The Company amended the "Board of Directors' Performance Evaluation Measures" on 2020.11.5, and its evaluation procedures are as follows:

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
The evaluation of the previous year will be carried out once a year in the first quarter.	On 2025/2/20, the evaluation of the performance of the Board of Directors, functional committees and individual directors for the period from January 1, 2024 to December 31, 2024 was conducted.	Board of Directors, Individual Board Members and Functional Committees	<p>1. Evaluation of the Board of Directors</p> <p>2. Evaluation of the functional committees</p> <p>3. Self evaluation of Board members</p>	<p>1. The Board of Directors' performance is evaluated in five major areas (45 indicators): participation in the Company's operations, improvement of the quality of Board decisions, Board composition and structure, selection and continuing education of directors, and internal control.</p> <p>2. The functional committees' performance is evaluated in five major areas (22 or 19 indicators): participation in the Company's operations, awareness of functional committee responsibilities, improvement of the quality of functional committee decisions, composition and selection of functional committee members, and internal control.</p> <p>3. The self-evaluation of directors' performance consists of six major areas (23 indicators): mastery of corporate goals and tasks, awareness of directors' responsibilities, participation in corporate operations, internal relationship management and communication, directors' professionalism and continuing education, and internal control.</p>

2. The Company's Board of Directors' meeting on November 5, 2020 approved an amendment to the "Board of Directors' Performance Evaluation Measures", which provides for a quantitative evaluation of performance in five levels, including "excellent," "good," "moderate," "poor," and "very poor," for the period from January 1 to December 31 of the year under evaluation, to be completed by the first quarter of the year following the year under evaluation.

The Company elected six directors for the 11th term at the shareholders' meeting on June 9, 2022, and held 4 times Board meetings in 2024, with a 95.8% attendance rate of the directors in person, thus seriously fulfilling their duties. With 100% of the Board members having at least 6 hours of training, and an average of 8 hours of training per person, it is clear that the Board members continue to enrich their knowledge and actively maintain their core values and professional strengths.

On Feb 20, 2025, the Company completed the 2024 Board and functional committee performance evaluations, all of which exceeded the standards, as described below, and expects to present the results of the Board performance evaluations to the Board and/or functional committees in the near future

- (1) The entire Board of Directors actively participated in the Company's operations, and fulfilled its responsibilities in directing and supervising the Company's strategies, major operations and risk management, and established a proper internal control system. 40 items were evaluated as "excellent" and 4 items were evaluated as "good", with an average achievement rate of 98.22%, which exceeded the standard.

- (2) The overall operation of the functional committees is sound and in line with corporate governance, with each committee fulfilling its responsibilities and effectively enhancing the functions of the Board of Directors.
- The Audit Committee was rated "Excellent" in 22 items, with an average achievement rate of 100%, and the results were rated as exceeding the standard.
 - The Remuneration Committee was rated "Excellent" in 19 items, with an average achievement rate of 99.13%, and the results were rated as exceeding the standard.
- (3) The evaluation result of individual directors is "excellent" in 22 items, and the 7th and 14th item is "good" or "moderate" because director had authorized other directors to attend the board meetings and some directors are also directors and supervisors of several companies concurrently, and the average achievement rate is 99.13%, which is above standard. The results of this evaluation should be used as an important reference for the future election of directors.

Objectives to enhance the functions of the Board of Directors for the current and most recent year and implementation :

- The Vice Chairman has taken office on January 1, 2024, which will help strengthen the leadership structure and decision-making efficiency of the Board..
- In order to implement the corporate governance system and strengthen the powers of the Board of Directors, the Company, after referring to the provisions of relevant laws and regulations of the competent authorities, revised the Company's "Board of Directors' Rules of Procedure" and "Corporate Governance Best Practices" in March 2024, and revised the Company's "Audit Committee Organizational Rules" in March 2025. The Company continues to review the "Board of Directors' Rules of Procedure" and "Independent Directors' Responsibilities Scope Rules" and other systems to implement and give full play to the functions of the Board of Directors and establish a good independent director system.
- We continued to implement the establishment of a board performance evaluation system, director training and further education, and the strengthening of meeting operations and transparent communication, and all goals were achieved. Evaluate and promote the third-party evaluation mechanism for board performance evaluation, expand the functions of professional committees, etc.

(II) The operation of the Audit Committee

- The Audit Committee met four times in the most recent year (2024), and the attendance of independent directors was as follows.

Title	Name	Number of attendance in person	Number of attendance by proxy	Ratio of attendance in person (%)	Remarks
Independent director	Chun-Ming Yu	4	0	100%	Previously elected
	Chi-kuang Huang	3	1	75%	
	Meng-Han Chuang	4	0	100%	
Other matters to be recorded:					
I. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal content, resolution of the Committee and the Company’s handling of the Committee’s opinions should be described: (I) Matters listed in Article 14-5 of the Securities and Exchange Act.: Please refer to page 22 of this annual report (II) Except for the preceding matters, other matters not approved by the Audit Committee and approved by two-thirds or more of all Board directors: No such situation.					
II. The implementation of an independent director’s recusal for being an interested party in a proposal: No such situation.					
III. Communication between the independent directors and the internal audit officer and CPA: Please refer to page 24 of this annual report					

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

Date	Term	Proposal	Opinions, Reservations, or Major Suggestions from Independent Directors	Resolution and Company's Response to the Audit Committee's Opinions
Date: 2024. 03.11	Term: 2nd Meeting: 9th	<p>1. 2023 Annual Business Report and Year-End Financial Statements</p> <p>2. To enhance corporate governance, it is proposed to follow the "Procedures for Acquisition or Disposal of Assets" regarding the construction contract for the "Shengyang Chongqing North Road Residential Project" with Jin-Zang Construction Co., Ltd.</p> <p>3. 2023 Internal Control System Statement</p>	<p>Directors Chuang and Yu requested a presentation on climate change and a valuation document regarding superficialities. Director Chuang also inquired about trends in loan interest rates and loan-to-value ratios.</p> <p>Directors Yu and Chuang made the following suggestions:(1) Whether additional parking spaces will be installed with excavation reaching B5, and to pay special attention to public safety during deep excavation;(2) During the construction phase up to completion of the first-floor slab (excavation complete), the proportion of expenditures affects the change of guarantee mechanism;(3) Given that the sales strategy has yet to be finalized, this project contract is set to expire upon delivery, while the Fulin project ends upon construction completion—differences in these definitions affect warranty terms. Clarification is needed for unsold units, landowner units, and common areas to avoid disputes. It would be favorable to Party A if the warranty period is extended. A report linking all warranties and contract timelines, as well as the contractor's withdrawal schedule, should be provided to the Audit Committee for reference.</p> <p>Directors Chuang and Yu raised questions and suggestions on the following: Reason why after-sales service is classified as medium risk, Cases of Fair Trade Commission penalties related to housing sales, Reasons for the discrepancy between the company's self-assessment score (96.31%) and the full score (100%), Suggestion to reduce risks from lack of awareness of building code changes via training in cooperation with industry associations (e.g., recent issues on false floor space, housing hoarding tax, and urban renewal incentives for disaster prevention), Requested a review of the company's operations against recent public cases of internal control deficiencies shared by CPAs.</p>	<p>Assistant Manager Yeh and CPA Han responded to the inquiries. With no objections raised by the attending committee members, the motion was approved as proposed and submitted to the Board of Directors for discussion.</p> <p>With no objections raised, the motion was approved and submitted to the Board for discussion.</p> <p>Auditor Su Chun-Yen and Assistant Manager Yeh provided responses. The motion was approved unanimously and submitted to the Board.</p>
Date: 2024. 05.08	Term: 2nd Meeting: 10th	1. Q1 2024 Consolidated Financial Report	Directors Chuang and Yu pointed out that following the recent earthquake, consumers are increasingly focused on structural safety and would prefer to buy from reputable developers. They also discussed recent stock performance, the joint development near MRT Sanxia Station, and whether to explore MRT project tenders from the New Taipei Metro Bureau. They noted that Taipei-based developers are expanding into Hsinchu and Kaohsiung, and the company could	Deputy General Manager of R&D, Mr. Hsieh, responded. With no objections, the motion was approved and submitted to the Board.

Date	Term	Proposal	Opinions, Reservations, or Major Suggestions from Independent Directors	Resolution and Company's Response to the Audit Committee's Opinions
		<p>2. Urban Renewal Project of Jiangzicui Section, Banqiao District, New Taipei City</p> <p>3. Urban Renewal Project of Huaxing Section, Wenshan District, Taipei City</p>	<p>consider similar outreach.</p> <p>Directors Yu and Chuang raised the following issues: Whether the submission includes “combined right and development” procedures, Whether all parking spaces meet legal standards (including accessible ones), Site advantages and how to resolve illegal constructions occupying state-owned land, Importance of product positioning, construction cost and pricing strategy amid increasing housing demand in urban centers, Cost breakdown, incorporation of trends such as solar panels, EV charging stations, and individual floor exhaust systems, RC vs SRC structure advantages and differences compared with SC, Relationship between unit allocation ratio and IRR, Government-owned land requirements, Setback planning and resistance to mechanical parking in small plots, Rising construction costs, Whether Article 59-1 applies (allowing centralized parking space planning across adjacent lots), Whether 1-to-1 parking allocation is achievable, excavation depth (to B2), risks of future parking violations, and construction aesthetics given proximity to a park, Whether the company has sufficient technical staff given the number of ongoing projects.</p> <p>Directors Chuang and Yu asked about: How to calculate the total area for the submission which includes both joint development and land rights transformation, Whether land transformation is necessary regardless of public land area, as this also affects taxation, Which method—joint development or land rights transformation—is more favorable, Review of private property (including Shengyang-owned and joint development portions), Potential to acquire national land (3.6%), Incorporating adjacent lands for better scale, Setback design and whether cost assessment is overly conservative, Whether the project can qualify for timeline incentives and floor area transfers, Estimated saleable floor area ratio and project timeline.</p>	<p>Deputy GM Hsieh addressed the issues. The motion was passed without objection and submitted to the Board.</p> <p>Deputy GM Hsieh responded. The motion passed with unanimous consent and was submitted to the Board.</p>
Date: 2024.08.12	Term: 2nd Meeting: 11th	<p>1. Q2 2024 Consolidated Financial Report</p> <p>2. Proposed Procedures for Sustainability Report Preparation and Assurance</p>	<p>Director Chuang inquired about the company's remaining inventory of unsold housing.</p> <p>Directors Chuang, Huang, and Yu suggested that the Sustainability Report should emphasize consumer concerns such as construction quality, discrepancies between presale models and delivered units, ventilation and lighting in small apartments, and the use of laminated or double-glazed windows—highlighting the company's strengths.</p>	<p>Assistant Manager Yeh responded. The motion passed unanimously and was submitted to the Board.</p> <p>With no objections, the motion was approved and submitted to the Board.</p>

Date	Term	Proposal	Opinions, Reservations, or Major Suggestions from Independent Directors	Resolution and Company's Response to the Audit Committee's Opinions
Date: 2024.11.11	Term: 2nd Meeting: 12th	3. Proposed 2025 Internal Audit Plan	Directors Huang, Chuang, and Yu raised questions about: Procurement and acceptance processes, Recent changes in construction material prices and labor shortages; Risk of unsold housing inventory, Differences in cybersecurity control compared to last year, Policy risks affecting mortgage approval at delivery of presale homes, Whether buyers are requesting terms related to Article 18 of the standardized presale contract concerning mortgage agreements.	General Manager Wei and Auditor Su Chun-Yen responded. The motion was approved without objections and submitted to the Board.

Communication between the independent directors and the internal audit officer and CPA. :

Date	Method	Communication counterparty	Major Communication	Result
2024.03.11	Communication meeting with CPA	CPA of the Company	Report on the audit status of 2023 financial statements	Explain and exchange opinions on the issues raised by directors.
2024.03.11	Audit communication meeting	Audit officer of the Company	Report on the results of the 2023 internal control self-assessment and internal control effectiveness assessment	
2024.05.06	Audit communication meeting	Audit officer of the Company	Communication of internal audit-related matters and evaluation of corporate governance results	
2024.08.12	Audit communication meeting	Audit officer of the Company	Communication of internal audit-related matters	
2024.11.11	Audit communication meeting	Audit officer of the Company	Communication of internal audit-related matters and 2025 audit plan risk assessment	

- Note: 1. The Company's audit officer holds regular quarterly audit communication meetings with independent directors to explain the audit operations and audit results to independent directors and their tracking status.
2. The Company has regular quarterly board meetings. The audit officer shall sit in at the board meeting.
3. The attesting CPA shall attend the Audit Committee at least once a year when auditing the annual financial statements to explain the manner and scope of financial statement audits and updates of relevant regulations, and to discuss fully with the independent directors.
4. The Company's internal audit officer, CPA and independent directors are able to communicate directly with each other at any time as necessary, and communication channels are smooth.

IV. Audit Committee Annual Work Highlights

(I) The Audit Committee of the Company shall operate for the primary purpose of overseeing:

1. Fair presentation of the Company's financial statements.
2. The appointment (dismissal) and independence of attesting CPA
3. Effective implementation of the Company's internal control.
4. The Company's compliance with the relevant laws and regulations.
5. Control of the existing or potential risks of the company.

(II) The matters examined by the Audit Committee in 2020 mainly included:

1. Audit of financial statements
2. Internal control system and related policies and procedures.
3. Policies and procedures for the acquisition of significant assets.
4. Annual audit plan.
5. Qualifications and independence of the attesting CPA
6. The appointment, dismissal or compensation of the attesting CPA

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.

Item	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The "Corporate Governance Best Practice Principles" was approved by the Board of Directors with reference to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and was disclosed on the Company's website and the Market Observation Post System.	No major difference
II. The Company's equity structure and shareholder equity	✓		The Company has established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	No major difference
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	✓		The Company has a list of major shareholders and ultimate controllers of major shareholders based on the shareholder roster provided by the stock affairs agency.	No major difference
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	✓		The Company's board of directors has approved the "Rules Governing Financial and Business Matters Between Affiliated Enterprises" and "Operating Measures for Intercompany Transactions with Specified Companies and Group Enterprises" to regulate intercompany transactions with affiliated companies.	No major difference
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	✓		The Company's Board of Directors has approved the establishment of the "Procedures for Ethical Management and Guidelines for Conduct", which prohibits insiders from trading marketable securities using non-public information in the market.	No major difference
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	✓			
III. Composition and responsibilities of the Board of Directors	✓		Article 20 of the Company's "Corporate Governance Best Practice Principles" and Article 3 of the "Procedure for Election of Directors" stipulate that the composition of the Board of Directors shall be made by taking into account diversity, and an appropriate diversity policy shall be	No major difference
(I) Has the Board of Directors formulated and implemented a diversity policy on membership?				

Item	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
<p>(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?</p> <p>(III) Has the Company established measures for evaluating the performance of the Board of Directors and its evaluation method, and conducts performance evaluation annually and regularly, and submits the results of performance evaluation to the Board of Directors for reference of individual director's salary, remuneration and nomination for reappointment?</p> <p>(IV) Does the Company regularly evaluate the independence of the attesting CPA?</p>		<p>✓</p> <p>✓</p> <p>✓</p>	<p>formulated with respect to its operation, business model and development needs, which shall include, but not be limited to, the following two major criteria:</p> <p>I. Basic criteria and values: gender, age, nationality and culture, etc.</p> <p>II. Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.</p> <p>Diversity Policy Implementation</p> <p>The Company currently has six directors with professional backgrounds (industry, law, finance, marketing, etc.) and industry experience, in line with the diversity of professional knowledge and skills. In the future, depending on the Company's operation, business model and development needs, the Company will move toward a diversity of basic conditions and values to better implement the diversity policy of the board of directors.</p> <p>The Company does not currently have a need to establish other functional committees.</p> <p>The Company has established the "Board of Directors' Performance Evaluation Measures" through the Board of Directors' Meeting, and the Board of Directors' performance evaluation is conducted regularly every year. Please refer to page 20 of this annual report.</p> <p>The Company's Board of Directors periodically evaluates the independence of the attesting CPA. Please refer to page 29 of this annual report.</p>	<p>The Company has not yet established any nomination committee or other functional committees.</p> <p>No major difference</p> <p>No major difference</p>
<p>IV. Does the Company as a listed company have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?</p>	✓		<p>The Company designates the Finance Division as a part-time unit responsible for corporate governance matters, and the Board of Directors (2021.5.5) was approved that Yu-Juan Yeh Senior manager is the most senior executive for corporate governance matters.</p> <p>Corporate governance affairs described in the second paragraph of the preceding article shall cover, at a minimum, the following:</p> <p>1. Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law;</p>	No major difference

Item	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
			2. Preparation of minutes of the board of directors meetings and shareholders meetings; 3. Assistance in onboarding and continuing education of the directors and supervisors; 4. Provision of information required for performance of duties by the directors and supervisors; 5. Assistance in the directors' and supervisors' compliance of law; and 6. Reporting to the board of directors of its examination results as to whether the qualifications of independent directors upon their nomination and election and during their tenure conform to applicable laws and regulations; 7. Addressing matter pertaining of changes of directors; 8. Other matters described or established in the articles of incorporation or under contract.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	✓		The Company has established a communication channel with stakeholders as a way of communication with them. The Company has designated a stakeholder area on its website to appropriately respond to important ESG issues of concern to stakeholders.	No major difference
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?	✓		The Company appointed Fubon Securities Co., Ltd., Stock affairs agency., to handle the shareholders' meeting affairs.	No major difference
VII. Information Disclosure				
(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	✓		Company has set up a website to disclose finance and business matters and corporate governance information.	No major difference
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	✓		The Company has dedicated personnel in the Finance Division to be responsible for the collection and disclosure of corporate information and the implementation of the spokesperson system, and if an earning call or corporate briefing is held, the proceedings of the call will be posted on the Company's website.	No major difference
(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		✓	The Company announces and reports its annual financial statements in accordance with the deadline stipulated by the Securities and Exchange Act.	Improvements are made in a gradual manner.
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors,	✓		Please refer to page 28 of this annual report.	No major difference

Item	The state of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Summary description	
Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?				
<p>IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved:</p> <p>The corporate governance evaluation is divided into five major components, including 1. protecting shareholders' rights and treating shareholders equally, 2. strengthening the structure and operation of the board of directors, 3. enhancing information transparency and 4. promoting sustainable development. According to the results of the 2023 annual corporate governance evaluation released on April 30, 2024, the Company's evaluation results were 66% to 80% of the listed companies, which was the same as the previous year. The analysis results show that the company has achieved good results in protecting shareholders' rights and treating shareholders equally, strengthening the structure and operation of the board of directors, and improving enhancing information transparency and promoting sustainable development.</p> <p>The Company intends to include as necessary improvement items for the following year those indicators that have been implemented but not listed in the annual report or on the Company's website, which have not been scored in the corporate governance evaluation. For the rest, the Company will take into consideration the current operating conditions and strive to improve shareholders' equity. Therefore, the achievement of each evaluation indicator is based on its appropriateness, necessity and cost, and the Company should make every effort to improve.</p>				

Other important information that is helpful to understand its implementation of corporate governance

(I) Continuing education of directors

All directors of the Company have attended 6 hours of continuing education courses in 2020 and will continue to attend relevant courses every year to enhance and implement corporate governance and understand legal regulations.

Title	Name	Date elected	Course organizer	Course organizer	Course name	Training hours	Whether or not the training meets the requirements
Chairman	Kuan-Chen Mai	2022.6.9	2024.08.21	Taiwan Academy of Banking and Finance	Corporate Governance Forum – Trends and Developments in AML Supervision	3	Yes
			2024.08.26	Taiwan Academy of Banking and Finance	Corporate Governance Forum – AI and Fair Customer Treatment	3	
			2024.10.29	Taiwan Academy of Banking and Finance	Corporate Governance Forum – Tech Governance and Sustainable Development	3	
			2024.11.28	Chinese Corporate Governance Association	Driving Corporate Growth with Performance Management	3	
Corporate Director Representative	Hsiu-Wei Mai	2022.6.9	2024.10.18	Taiwan Stock Exchange	2024 Seminar on Insider Trading Prevention	3	Yes
			2024.11.28	Chinese Corporate Governance Association	Driving Corporate Growth with Performance Management	3	
Corporate Director Representative	Tai-Lin Wei	2023..1	2024.10.18	Taiwan Stock Exchange	2024 Seminar on Insider Trading Prevention	3	Yes
			2024.11.28	Chinese Corporate Governance Association	Driving Corporate Growth with Performance Management	3	

Title	Name	Date elected	Course organizer	Course organizer	Course name	Training hours	Whether or not the training meets the requirements
Independent director	Yu-Juan Yeh	2022.6.9	2024.10.18	Taiwan Stock Exchange	2024 Seminar on Insider Trading Prevention	3	Yes
			2024.11.28	Chinese Corporate Governance Association	Driving Corporate Growth with Performance Management	3	
Independent director	Chi-kuang Huang	2022.6.9	2024.10.18	Taiwan Stock Exchange	2024 Seminar on Insider Trading Prevention	3	Yes
			2024.10.25	Chinese Corporate Governance Association	Trends in AML and Counter-Terrorism Financing Management in the Financial Sector		
			2024.11.28	Chinese Corporate Governance Association	Driving Corporate Growth with Performance Management	3	
Independent director	Meng-Han Chuang	2022.6.9	2024.06.19	Chinese Corporate Governance Association	Risks and Opportunities for Business Operations from Climate Change and Energy Policy Trends	3	Yes
			2024.11.20	Chinese Financial and Economic Development Association	Domestic and International Economic Trends and Business Outlook	3	

(II) The directors of the Company uphold the principle of high self-discipline and may present their opinions and answer questions on the motions listed in the board of directors' meeting if they have their own interests or the interests of the corporations they represent, which may be detrimental to the Company's interests, but shall not join in the discussion or vote, and shall recuse themselves from the discussion or vote and shall not exercise their voting rights on behalf of other directors, please refer to page 19 of this annual report.

(III) The Company's purchase of liability insurance for directors

Insured persons	Insurance company	Insurance amount	Insurance period (from and to)
All directors	CATHAY CENTURY INSURANCE CO., LTD.	NT\$15 million	From: November 1, 2023 To: November 1, 2024
All directors	Chung Kuo INSURANCE CO., LTD.	NT\$15 million	From: November 1, 2024 To: November 1, 2025

(IV) The Company's procedures for regularly evaluating the independence of the attesting CPA.

Evaluation date	14th meeting of the 11th Board on March 10, 2025
Evaluation period	Attesting CPA for financial statements from the 4 quarter of 2024

	Independence Evaluation Items	Meet the independence criteria	
		Yi-lian Han	Tim Tzang
1	Not an employee of the Company or its affiliates.	✓	✓
2	Not a director or supervisor of the Company or its affiliates. However, this restriction does not apply to independent directors of the Company, its parent or subsidiary elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country.	✓	✓
3	Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others.	✓	✓
4	Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship under the previous 3 paragraphs.	✓	✓

	Independence Evaluation Items	Meet the independence criteria	
		Yi-lian Han	Tim Tzang
5	Not a director, supervisor, or employee of a corporate shareholder directly holding 5% or more of the total number of issued shares of the Company, or among the top 5 in shareholdings.	✓	✓
6	Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company.	✓	✓
7	Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with commercial, legal, financial, accounting or related services or consulting.	✓	✓
8	Not a person with any of the circumstances under Article 30 of the Company Act.	✓	✓
9	Whether a declaration of independence from CPA was obtained?	✓	✓

- ☒ Obtain a statement of independence from CPA.
☒ Obtain AQIs Information from CPA
☒ Has not changed the accountant for seven consecutive years or has been punished or damaged and independent.

Evaluation result: The CPA was assessed to be independent and was reappointed.

Evaluation date	10th meeting of the 11th Board on March 11, 2024
Evaluation period	Attesting CPA for financial statements from the 4 quarter of 2023

	Independence Evaluation Items	Meet the independence criteria	
		Yi-lian Han	Tim Tzang
1	Not an employee of the Company or its affiliates.	✓	✓
2	Not a director or supervisor of the Company or its affiliates. However, this restriction does not apply to independent directors of the Company, its parent or subsidiary elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country.	✓	✓
3	Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others.	✓	✓
4	Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship under the previous 3 paragraphs.	✓	✓
5	Not a director, supervisor, or employee of a corporate shareholder directly holding 5% or more of the total number of issued shares of the Company, or among the top 5 in shareholdings.	✓	✓
6	Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company.	✓	✓
7	Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with commercial, legal, financial, accounting or related services or consulting.	✓	✓
8	Not a person with any of the circumstances under Article 30 of the Company Act.	✓	✓
9	Whether a declaration of independence from CPA was obtained?	✓	✓

- ☒ Obtain a statement of independence from CPA.
☒ Obtain AQIs Information from CPA
☒ Has not changed the accountant for seven consecutive years or has been punished or damaged and independent.

Evaluation result: The CPA was assessed to be independent and was reappointed.

(V) Education and training of managerial officers on corporate governance in the most recent year (2024) or during the current year up to the date of publication of the annual report:

March 31, 2025

Title	Name	Course organizer	Course name	Training hours
General Manager	Tai-Lin Wei	Taiwan Corporate Governance Association	Leading enterprise growth with enterprise performance management	3
Deputy General Manager	Kuang-Wen Hsieh			
Senior manager	Xiu-wei Mai			
Senior manager	Shi-Jun Li			
Senior manager	Yu-Juan Yeh (corporate governance officer)	Industrial Technology Research Institute	Real Estate Sustainability ESG Lecture	2.5
		Securities and Futures Institute	2024 Seminar on Insider Trading Prevention	3
		The Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2024 Taishin Net Zero Summit Forum	3
		Accounting Research and Development Foundation in Taiwan	Legal Liabilities for Corporate Financial Fraud and Real-World Investigation & Evidence Collection Cases by Judicial Authorities	3
		Accounting Research and Development Foundation in Taiwan	Analysis of the latest securities and financial taxation laws and professional standards issues	1
		Taiwan Corporate Governance Association	Leading enterprise growth with enterprise performance management	3

(IV) Composition and operation of the Remuneration Committee

1. Information on the members of the Remuneration Committee

Position	Criteria	With at least five years of work experience and the following professional qualifications	Meet the independence criteria (Note)										Number of other public companies in which the individual is concurrently serving as a remuneration committee
	Name		1	2	3	4	5	6	7	8	9	10	
Independent director	Chun-Ming Yu	Please refer to page 9 of this annual report.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Independent director	Chi-kuang Huang		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent director	Meng-Han Chuang		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note : If the members meet the following conditions in the period of 2 years before the assumption of office or within the term of office, put a “✓” in the appropriate boxes.

- (1) Not an employee of the Company or its affiliate.
- (2) Not a Director, Supervisor of the Company or its affiliate (except holding the positions of Independent Directors of the Bank who also act as Independent Directors its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (3) Not a natural person who holds more than 1% of the outstanding shares issued by the Company by the person, spouse, underage children or in the name of a third party, or among the top 10 shareholders.
- (4) Not the spouse, kindred within the 2nd tier or next of kin within the 3rd tier of the managers as stated in (1), or persons stated in (2) and (3).
- (5) Not a Director, Supervisor or employee of the institutional shareholder who directly holds more than 5% of the outstanding shares issued by the Bank, among the top 5 shareholders, or appoints representatives to assume positions as Directors of Supervisors of the Bank under Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (except holding the positions of Independent Directors of the Company who also act as Independent Directors of its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (6) Not a Director, Supervisor of employee of a third party company held by the same person who also holds the seats of Directors of the Company or more than half of the voting shares. (except holding the positions of Independent Directors of the Company who also act as

Independent Directors of its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).

- (7) Not a Director, Supervisor, or employee of a third party company or institution or the spouse of Director, Supervisor, or employee of a third party company or institution who also holds the position of Chairman, General Manager, or similar position. (except holding the positions of Independent Directors of the Bank who also act as Independent Directors of its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (8) Not a Director, Supervisor, Manager or shareholder holding more than 5% of the shares of particular company or institution having financial and business transactions with the Company (except such particular company or institution which holds more than 20% but less than 50% of the shares issued by the Bank, and holds the position as Independent Directors of the Company who also act as Independent Directors of its parent company, subsidiary, or group company under the same parent company under the Securities and Exchange Act or applicable law of the host country).
- (9) Not an owner, partner, Director, Supervisor, Manager or spouse to the owner, partner, Director, Supervisor, Manager of a professional, sole proprietor, partnership, company or institution providing audit service for the Bank or its affiliates, or who have received remunerations of less than NT\$500,000 in accumulation over the last 2 years, except the member of the remuneration committee, public acquisition review committee, or merger and acquisition special committee performing their assigned duties under the Securities and Exchange Act or the Corporate Mergers and Acquisition Act and other applicable laws.
- (10) The particulars inscribed in Article 30 of the Company Act are not applicable.

2. Information on the operation of the Remuneration Committee

(1). There are three members of the Remuneration Committee of the Company.

(2). The term of office of the current members: June 9, 2022 to June 9, 2025, the most recent year (2024) and 5 meetings (A) of the Remuneration Committee in the most recent year and in the current year up to the date of publication of the annual report; the qualifications and attendance of the members are as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Ratio of attendance in person (%) (B/A)	Remarks
Convener	Chun-Ming Yu	5	0	100%	Previously elected
Member	Chi-kuang Huang	5	0	100%	Previously elected
Member	Meng-Han Chuang	5	0	100%	Previously elected
Other matters to be recorded:					
I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated): No such situation.					
II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: No such situation.					

(3). Contents and results of resolutions for the most recent year (2024) and up to the date of publication of the annual report.

Date	Term	Proposal content	Resolution
2024.01.23	5th term - 5rd meeting	1. Performance evaluation of managerial officers and year-end bonus, performance bonus distribution principles, and salary and remuneration policy review.	After the chair consulted all the members present, relevant motions were passed without objection.
2024.03.11	5th term - 6th meeting	1. The Committee's 2023 Annual Performance Evaluation Report. 2. 2023 distribution of remuneration for employees and directors. 3. Manager promotion and salary remuneration case 4. 2023 Evaluation of Board of Directors' Performance and Distribution of Directors' Remuneration.	
2024.08.12	5th term - 7th meeting	1. The company's managers 2022 annual employee remuneration distribution case	

Date	Term	Proposal content	Resolution
2025.01.17	5th term - 8rd meeting	1. Performance evaluation of managerial officers and year-end bonus, performance bonus distribution principles, and salary and remuneration policy review.	
2025.03.10	5th term - 9th meeting	1. The Committee's 2024 Annual Performance Evaluation Report. 2. 2024 distribution of remuneration for employees and directors. 3. 2024 Evaluation of Board of Directors' Performance and Distribution of Directors' Remuneration.	

3. Remuneration Committee Annual Work Highlights

- (1). The Remuneration Committee of the Company performs its duties and responsibilities faithfully with the attention of a good administrator and submits its recommendations to the Board of Directors of the Company to which it belongs for discussion.
- (2). The Remuneration Committee of the Company shall review annually the policies, systems, standards and structures of salary, performance evaluation and remuneration of directors and officers of the Company. The remuneration of directors and officers should be reasonable and does not deviate significantly from the Company's financial performance, and the remuneration of directors and officers should not be higher than the previous year if there is a significant decline in profits or a long-term loss. The Committee reviews the performance evaluation criteria of directors in the first quarter of each year and calculates the remuneration distribution with reference to the results of individual directors' performance evaluation and submits them to the Board of Directors for approval, and pays the directors based on the performance evaluation results.

4. The Company does not have a nomination committee.

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Does the Company conduct risk evaluations on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 3)	✓		<p>The Board of Directors has approved the "Corporate Social Responsibility Best Practice Principles" and the "Risk Management and Crisis Management Principles", which are followed by the Company.</p> <p>The Board of Directors supervises sustainable development in accordance with the following principles</p> <p>1. Implement corporate governance:</p> <p>Care for employees:</p> <p>The company abides by relevant labor laws and regulations, protects the legitimate rights and interests of employees, and provides employees with a safe and healthy working environment, gender equality and equal rights, and a working environment free from discrimination and harassment.</p> <p>Care for customers:</p> <p>The company takes the overall needs of customers as the starting point, and has set up the "Suntly Cultural Center" to simulate research on high-performance housing and open it to the industry and academia to visit. All construction</p>	No major difference

Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>projects are strictly controlled by engineering quality control; the company continues to use high-performance housing construction methods and energy-saving , environmental protection, general purpose, etc. research and product planning, and provide customers with comprehensive after-sales service and "residential health diagnosis" services</p> <p>Pay attention to the rights of shareholders:</p> <p>In addition to truly complying with the relevant regulations on information disclosure, a corporate governance system has been established to ensure that shareholders have the right to fully understand, participate in, and make decisions on major company matters, so as to protect the rights and interests of shareholders and treat all shareholders fairly.</p> <p>2. Safeguarding social welfare</p> <p>The company leverages the power of the company's local operations to organize various aesthetic activities and courses to give back to the development of the aesthetics of life in the construction project community and enhance the community's sense of identity; it also promotes various social welfare activities and regularly organizes architectural training camps and "Architectural Investment Refined Bricks" Award", allowing students from construction-related institutions to experience the operation mode of the construction industry and develop training</p> <p>3. Develop a sustainable environment</p> <p>The company focuses on measures such as internal water resources management, garbage disposal, resource recycling, greening the environment, and green procurement. The external product planning adopts green building design and obtains the relevant green building mark and good building mark certification after construction is completed. The company expects to become an environmentally friendly enterprise.</p> <p>4. Strengthen information disclosure on sustainable development</p> <p>Prepare and submit the Chinese version of the sustainability report in accordance with the regulations to reveal the situation of promoting sustainable development.</p>	
II. Has the Company set up a full-time (part-time) unit to promote corporate social responsibility, together with senior management authorized by the Board of Directors to handle related	✓		<p>1. This disclosure covers the Company's sustainability performance from January 1 to December 31, 2024, with the scope of risk assessment limited to the Company itself.</p> <p>On November 8, 2022, the Board of Directors</p>	No major difference

Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
matters and report to the board on the handling of the matters?			<p>approved the adoption of the Company's "Sustainable Development Best Practice Principles" and "Risk Management Policies and Procedures." The Audit Committee is responsible for overseeing the Company's risk management framework. In the execution of various business activities, the Company identifies, assesses, monitors, and controls risks to ensure proper management of issues related to environmental, social, and corporate governance (ESG) aspects. The implementation status of risk management for the year 2024 was reported to the Board of Directors on March 10, 2025.</p> <p>2. In accordance with the principle of materiality in sustainability reporting, the Company conducted an analysis through the following steps: identification of stakeholders, collection of sustainability issues, analysis of stakeholder concerns, assessment of operational impacts, and determination of material topics for disclosure. Based on the results of this assessment, the Company identifies material ESG issues and formulates effective risk management policies aimed at identifying, assessing, monitoring, and mitigating such risks. In addition, the Company implements specific action plans to reduce the potential impact of these risks.</p> <p>3. In line with the principle of materiality, the Company has identified 12 material topics related to its operations across environmental, social, and corporate governance (ESG) dimensions. These topics include: corporate governance, business performance, ethical business practices, land development, product quality, green building, service quality, supplier management, talent development, compensation and benefits, occupational health and safety, and energy conservation and carbon reduction.</p>	
III. Environmental Issues	✓			
(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	✓		As a construction company, the Company places great importance on environmental management at both its headquarters and construction sites. Since the Company does not operate any manufacturing plants, it does not engage in direct production activities. Therefore, its greenhouse gas (GHG) emissions are primarily indirect (Scope 2), arising mainly from electricity consumption for office lighting and electrical equipment. In response, the Company focuses on energy conservation to reduce power consumption and minimize energy loss. Additionally, efforts are made to reduce water usage and waste generation as part of its commitment to environmental sustainability.	No major difference
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials	✓		2. The company is committed to developing high-performance housing, accommodating the demand of permanent residence, universal design, health and environmental protection and	No major difference

Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																								
	Yes	No	Summary description																									
with low impact on the environment?			energy saving to reduce the impact on the environment and energy use.																									
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	✓		3. The Company is committed to building sustainable green buildings that comply with energy-saving and carbon-reducing policies of the government, such as Green Building Material Label, Green Building Label, Smart Building Label, Energy Saving Label, Environmental Label, and Housing Performance Label, etc. We aim to develop sustainable green building technologies from the building design stage by combining civil engineering, electrical and mechanical engineering, and materials for construction projects, and by using low-carbon green building materials.	No major difference																								
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?		✓	4. The Company has established office energy-saving regulations and continues to promote energy-saving lighting, air-conditioning, and computer and office machines. The Company complies with the government's environment-related laws and regulations, and has set the target of reducing power consumption by 1% per year since 2024. The following is the Company's management policies on greenhouse gas emissions, water consumption and waste, as well as the statistics of the headquarters office area in the past two years: 1. Greenhouse gas emissions: We have implemented carbon management policy based on greenhouse gas inventory results. Please refer to the sustainability report for related management policies. <table><tr><th></th><th>2024</th><th>2023 年</th></tr><tr><td>electricity (kW·h)</td><td>198,290</td><td>193,883</td></tr><tr><td>carbon emission (tons CO2e)</td><td>93.98</td><td>95.77</td></tr><tr><td>emission intensity (tonsCO2e/人)</td><td>1.360(76 people)</td><td>1.368(70 people)</td></tr><tr><td>GJ</td><td>713.84</td><td>697.979</td></tr><tr><td>Annual growth rate(GJ)</td><td>2.27%</td><td>-1.79%</td></tr></table> 2. Water consumption: in order to achieve the goal of water reduction, the Company promotes water-saving measures in the headquarter office area, such as installing water-saving devices, and promotes the concept of water-saving to employees to reduce water consumption. <table><tr><th></th><th>2024</th><th>2023</th></tr><tr><td>quantity of water sold(L)</td><td>1,239</td><td>1,161</td></tr></table>		2024	2023 年	electricity (kW·h)	198,290	193,883	carbon emission (tons CO2e)	93.98	95.77	emission intensity (tonsCO2e/人)	1.360(76 people)	1.368(70 people)	GJ	713.84	697.979	Annual growth rate(GJ)	2.27%	-1.79%		2024	2023	quantity of water sold(L)	1,239	1,161	No major difference
	2024	2023 年																										
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Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons															
	Yes	No	Summary description																
			<table><tr><td>tons</td><td>1.239</td><td>1.16</td></tr><tr><td>Annual growth rate</td><td>6.72%</td><td>2.92%</td></tr></table> <p>3. Waste volume: The Company has specific measures for waste reduction in order to implement waste reduction, including: promoting electronic forms to reduce paper consumption, implementing garbage classification and resource recycling, etc. For more reduction measures, please refer to the Sustainability Report.</p> <table><tr><td></td><td>2024</td><td>2023</td></tr><tr><td>Not recyclable(tons)</td><td>1.86</td><td>1.98</td></tr><tr><td>Recyclable(tons)</td><td>1.43</td><td>1.24</td></tr></table> <p>The above information only covers our company’s office. We have no branches or factories. Excluding subsidiaries.</p> <p>Please refer to our Sustainability Report for specific energy-saving and carbon-reduction measures and targets.</p> <p>Our company has formulated office energy-saving standards, distinguishing between lighting energy saving, air conditioning energy saving, and computer and office machine energy saving, and continues to promote them.</p> <p>Methods:</p> <p>1. Seven energy-saving and carbon-reducing measures to promote green office</p> <p>2. Regularly record the amount of water, electricity and paper used to review and improve usage</p> <p>3. Regularly maintain electrical equipment such as air conditioners and lighting, and set power saving mode for copiers, water dispensers, and computer monitors</p> <p>Target:</p> <p>1. Strengthen energy conservation advocacy and continue to promote green office seven energy conservation and carbon reduction measures</p> <p>2. Green procurement of office supplies gives priority to energy-saving and environmentally friendly products</p> <p>3. Organize a green tourism activity for employees</p> <p>4. Water saving rate and electricity saving rate 1‰</p> <p>Implementation results: The water consumption in offices decreased compared with the previous year, achieving the goal of reducing 1‰.</p>	tons	1.239	1.16	Annual growth rate	6.72%	2.92%		2024	2023	Not recyclable(tons)	1.86	1.98	Recyclable(tons)	1.43	1.24	
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	2024	2023																	
Not recyclable(tons)	1.86	1.98																	
Recyclable(tons)	1.43	1.24																	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	✓		<p>1. The company is committed to upholding basic human rights, complying with relevant labor laws and regulations, and protecting the legitimate rights and interests of employees. Human rights-related systems approved by the general manager in fiscal 2024: anti-discrimination and anti-harassment management procedures, anti-disciplinary, forced labor, prisoner labor management procedures, underage</p>	No major difference															

Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	✓		workers, students, interns and part-time students management procedures, employee representative election and labor-management meeting management procedures, freedom of association management procedures, child labor prohibition and misuse remediation procedures, and whistleblower protection and anti-retaliation management procedures, etc. 2. The Company and the Employee Welfare Committee provide employee welfare measures such as labor insurance, national health insurance and group insurance, education and training courses, employee profit-sharing and stock purchase scheme, domestic and overseas travel, recreational activities, bonus system and rewards for outstanding senior employees, pension provision, employee wedding, funeral, maternity, hospitalization and birthday subsidies, etc. In addition, the "Performance Bonus Measures" has been established to appropriately reflect business performance or results in employee remuneration.	No major difference
(III) Does the Company provide employees with a safe and healthy working environment, and related education?	✓		3. Our company complies with Taiwan's current occupational safety and health laws and regulations and other relevant work safety and health laws and regulations to create a high-quality healthy and safe working environment. We strictly require all employees and all business-related contractors to abide by occupational safety rules. Through the spirit of full participation, we strengthen the education and training of employees on occupational safety and health awareness, and strengthen supervision and require contractors to implement occupational safety and health protection and education and training to reduce occupational safety and health deficiencies, hoping to deeply root the concept of safety first in the corporate culture. The specific measures are as follows 1. Occupational safety and health: including occupational safety and health education and training, first aid training courses, fire drills 2. Employee health and care: employee health check-up, employee cafeteria, employee group medical insurance 3. For work environment protection measures and related methods, please refer to page 73 of this annual report. There have been no employee accidents in recent years. There have been no fires in recent years.	No major difference
(IV) Has the Company established an effective career development training program for employees?	✓		4. In order to meet the needs of the construction industry in terms of professional skills and understanding of laws and regulations, the Company has set continuous learning and	No major difference

Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer rights protection policies and complaint procedures?	✓		development of employees as the focus of human resources management, and has planned overall corporate training programs for organizational strategies and personal performance development. The Company provides a variety of training methods and opportunities. In addition to in-house training, we also encourage employees to actively participate in external training courses and on-the-job training to establish an effective career development training program for our employees. 5. The Company has set up an after-sales service department and a customer service hotline, and has formulated relevant policies and complaint procedures for the protection of consumers' rights and interests in each operation process.	No major difference
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	✓		6. In order to encourage suppliers to understand the spirit of social responsibility and cooperate with the company's social responsibility management activities, so as to achieve a green and sustainable social responsibility supply chain, we have established a "Social Responsibility Supplier Management Procedure"; major suppliers are required to sign a social responsibility commitment statement when signing a contract, and through providing education training or publicity, we understand the situation of suppliers implementing corporate social responsibility. We visit important suppliers every year, record the visit results, and fill out the "Supplier Social Responsibility Risk Assessment and Evaluation Review Form" (including labor human rights, health and safety, environmental protection and ethical standards) to conduct assessments to confirm the company's current implementation of corporate social responsibility. In 2024, we will continue to implement the "Social Responsibility Supplier Management Procedure"; in 2024, we will achieve 100% evaluation of the "Social Responsibility Risk Assessment and Evaluation Review Form" for major new suppliers. Achieved 96% of major suppliers signed the "Supplier Social Responsibility Policy Statement". No human rights violations were reported, reported or investigated in 2024.	No major difference
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social	✓		The Company prepared and filed a sustainability report for 2023, and according to the Rules "Taiwan Stock Exchange Corporation Rules	No major difference

Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
responsibility or other reports that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?			Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”.	
<p>VI. If the Company has related practice principles of its own in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies", please state the differences between the two and the state of implementation.</p> <p>The Company's " Sustainable Development Best Practice Principles " was approved by the board of directors on November 8, 2022, and the original " Sustainable Development Best Practice Principles " was abolished, and it was handled in accordance with the specifications of the " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies ", and the two are not materially different from each other.</p>				
<p>VII. Other important information that is helpful to understand its implementation of corporate social responsibility:</p> <p>(I) The Company's systems and measures for environmental protection, community participation, social contribution and social responsibility activities and their implementation</p> <ol style="list-style-type: none"> 1. High-performance housing: With the demand for healthy housing that takes into account sunlight, air and water, universal design considerations for all-age use, and reduced impact on the global environment and energy use, we hope to lead the development trend of future housing. 2. After-sales service: In addition to the strict control of the planning, design and construction process, we also set up an after-sales service department to serve our customers professionally and professionally, and to fulfill our social responsibility as an architect while operating our brand. 3. Employee Care: To create a stable and quality working environment, to continuously cultivate and develop talents and to continuously provide an environment for learning and growth, so that employees' personal protection and opportunities can be satisfied in the organization and society, is the Company's consistent belief to our employees. 4. Social participation and feedback: We insist on taking from the community and using it for the community. By participating in social welfare activities, we are committed to nurturing the next generation and managing the community's humanistic and caring environment. It is the Company's original intention and ambition to contribute to the land where the Company is rooted. With our commitment to the construction industry and the cultivation of architectural talent, we hold the annual the Sunty Construction and Investment Elite Brick Award on campus. The Sunty Culture Center is a high-performance experience center, which calls for "permanent residence, energy saving, universal use, and health", and we continue to sponsor public welfare organizations and graduation exhibitions of architecture-related departments in colleges and universities through corporate donations every year. <p>Sunt Development Co, Ltd. is dedicated to building good houses with the insistence on the construction industry, in order to build a good reputation among the industry and consumers. In addition, Sunt hopes to extend this heart to the campus where architectural talents are nurtured, so that we can work together to promote the architectural environment, therefore, we continue to hold the Sunty Construction and Investment Elite Brick Award every year. The 16th Sunty Construction and Investment Elite Brick Award will held in 2024. In addition to helping the school curriculum to connect with the industry, we work together with the school to cultivate talents in the industry, and through study camps, we help students gain a deeper understanding of the practical work of the industry, improve the overall quality of students, and provide opportunities for integration training in the future.</p> <p>In addition, the company also leverages the power of local operations and carefully arranges to invite aesthetic experts specializing in fields such as music and health. They combine different themes such as music, flower arrangement teaching, and life lectures to go into various communities to hold various aesthetic activities and courses to give back to the development of living aesthetics in the construction community and enhance community identity. At the same time, we promote cultural development by sponsoring cultural and artistic</p>				

Item	State of operation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
activities, such as concerts by bands such as Black Seed, sponsoring and participating in ADA charity run, sponsoring concerts and other social welfare activities.				
(II) Implementation results of the Company's Good Health Workplace				
1. Corporate Sustainability Goals				
The company's business philosophy is "honesty and pragmatism, active innovation, and insistence on quality" in building healthy and good housing, and the enterprise's sustainability goal is to continuously research and develop a refined living space that is safe to live in, energy-saving and environmentally friendly, and low-carbon health; in addition, the Company also attaches importance to the health maintenance of employees and invests long-term care and attention in employee health checkups, diet, medical insurance, and housing, so as to promote the physical and mental health of employees as well as to enhance the quality of life.				
2. Overview of the implementation of health activities				
We conduct regular annual employee health checks, questionnaire surveys and promote correct concepts, hold a series of seminars to promote employee health, maintain optimal health, and face up to their health problems, continue to promote healthy eating, set up health management zones, and encourage participation in various health activities, etc.				

Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>1. The Company's Board of Directors is the highest decision-making body for issues related to sustainable development and is also the highest supervisory body for climate-related risk management. It is responsible for supervising and making decisions on the governance of climate-related risks and opportunities. The company has established a sustainability working group, with the general manager as the convener. Regular meetings are held each year to discuss topics including climate change risks that may arise from the company's operations, energy and resource efficiency, and various environmental impacts related to the product life cycle. Climate change issues and implementation status are reported to the board of directors on a regular basis each year.</p> <p>In accordance with the "Operational Rules for the Preparation and Submission of Sustainability Reports by Listed Companies" issued by the Taiwan Stock Exchange, the Board of Directors of our company plans to disclose the 2025 greenhouse gas inventory information in 2026, and review the implementation of greenhouse gas inventory and verification every quarter starting from 2022 to ensure that progress is kept under control. In 2024, the Board of Directors will report on the implementation of greenhouse gas inventory and verification four times to explain the updated progress. The Company regularly reports to the Board of Directors at least once a year on the expected promotion projects and implementation status of sustainable development. The 2024 report was submitted to the Board of Directors on March 10, 2025, including the assessment of climate-related risks and opportunities, the study of management policies, and the implementation results of energy conservation and carbon reduction targets. The Company focuses on the control of risks and opportunities under climate change. While pursuing sustainable business operations, it also fulfills its responsibilities to the environment, society and corporate governance.</p>

Item	Implementation status
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	2. In order to assess the opportunities and risks that climate change may bring to the company, climate change factors are incorporated into the operational strategy planning and decision-making process in a timely manner to respond to the government and support corporate energy transformation, and promote various environmental protection, energy conservation and carbon reduction measures, reduce greenhouse gas emissions, etc., in order to mitigate and adapt to the operational impact brought about by climate change. The Company has engaged in discussions with various business units to identify and assess the impact of climate change-related projects on the Company's operations and the relevant response measures. Please refer to page 43 of this annual report.
3. Describe the financial impact of extreme weather events and transformative actions.	3. Please refer to page 43 of this annual report.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4. The Company adopts the following methods to identify climate risks: (A) Establish climate risk and opportunity list. (B) Summon all departments to identify and arrange topics in sequence. (C) Determine material risks and opportunities and perform scenario analysis (D) Inspect policies and response strategies (E) Execution and progress tracking. The analysis results are incorporated into the overall risk management policy, and the risk management issues of each unit are regularly reviewed.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	5. The Company will implement such policy in accordance with applicable laws in the future.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	6. The Company will implement such policy in accordance with applicable laws in the future.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	7. The Company will implement such policy in accordance with applicable laws in the future.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	8. The Company will implement such policy in accordance with applicable laws in the future.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	9. The Company will implement such policy in accordance with applicable laws in the future.

Risk / Opportunity	category	direction	situation	The financial impact that the company may experience	identification assessment				risk level	act accordingly
	(Transformation / entity)				occur time point (short, middle, long)	severity (1-5)	possibility (1-5)	risk index (1-25)		
Risk	Transformation	market	Energy and weather impacts, supply chain product delivery time is extended	Increase the duration	short	5	4	20	high	Purchase early, pay a higher deposit in advance, and localize the product
Risk	entity	market	The cost of raw materials has risen	Increase operating costs	short	5	4	20	high	1. Adopt joint contracting to enhance bargaining power 2. Establish a sound supply chain and reduce risks 3. Develop alternative building materials to reduce costs 4. Adopt circular construction practices to improve the efficiency of resource use 5. Recycling of construction waste
Risk	Transformation	Regulations	The uncertainty of the new regulations	Increase operating costs	short	3	4	12	middle	Actively participate in the development of laws and regulations
Risk	Transformation	Regulations	Stricter regulations on renewable energy efficiency and air pollution	Increase operating costs	short	4	5	20	high	1. Keep abreast of regulatory changes 2. Low-carbon materials and construction methods are adopted
Risk	Transformation	technology	The cost of the transition to low-carbon technologies has increased	Increase operating costs	short	4	5	20	high	Research and development of low-carbon technologies to reduce the impact of transition costs
Risk	Transformation	market	Changing customer preferences	Increase operating costs	middle	3	4	12	middle	Stay on top of market trends and respond quickly to changes in customer preferences
Risk	Transformation	Reputation	Stakeholder attention and negative feedback	Affect stock price and working capital acquisition	middle	4	3	12	middle	The company's policy planning transformation responds to market investors and the government in a timely manner.
Risk	entity	Immediacy	Typhoons, floods, droughts	The risk of property damage to the building caused by natural disasters	middle	4	2	8	middle	1. Establish a disaster prevention and response mechanism 2. Increase the climate resilience design of buildings to reduce the impact of disasters
Risk	entity	Immediacy	The frequency of extreme rainfall has increased	The construction site equipment was damaged, and the construction period and construction cost increased	short	3	5	15	middle	Strengthen climate resilience and reduce the probability of failure in the construction period
Risk	entity	Long-term	The average temperature rises	Electricity consumption has increased and increase operating costs	long	1	5	5	low	Promote energy conservation and carbon reduction measures to enhance energy efficiency
Opportunity		Resource efficiency	Use of recycled materials	Operation costs are reduced	short	2	5	10	middle	Establishment of a supply chain for recycled materials
Opportunity		Resource efficiency	Use more efficient production processes	Operation costs are reduced	middle	2	5	10	middle	1. Application of dry construction method 2. Systematic and modular standard establishment

Risk / Opportunity	category	direction	situation	The financial impact that the company may experience	identification assessment				risk level	act accordingly
	(Transformation / entity)				occurrence point (short, middle, long)	severity (1-5)	possibility (1-5)	risk index (1-25)		
Opportunity		Products & Services	R&D and innovation of new products and services	Increase in operating income / Operation costs are reduced	middle	3	5	15	middle	1. Promote green buildings and energy conservation and carbon reduction measures to improve energy efficiency 2. Create a low-carbon service model
Opportunity		Products & Services	Diversification of marketing activities	Increase in operating income	middle	2	4	8	low	1. Marketing plans appeal for energy-efficient buildings 2. The marketing campaign incorporates the concept of sustainable living on the planet
Opportunity		market	Earn public sector incentives through carbon offsets	Increase in operating income	short	3	5	15	middle	Pay attention to government policies and incentives in a timely manner
Opportunity		Products	Green buildings are used	The company's image is enhanced	long	3	5	15	middle	The product conforms to the green building design and reduces energy consumption
Opportunity		Products	We will install energy recovery and low-energy consumption equipment	Meet the needs of customers	short	3	4	12	middle	The new case adopts low-energy consumption facilities such as energy recovery, energy-saving lamps and air-conditioners, and water-saving equipment
Opportunity		market	The frequency of extreme weather events is increasing	Increase operating costs	long	3	3	9	middle	1. Continue to develop new technologies to improve climate change adaptability 2. Adopt smart green building technology to reduce the greenhouse effect
Opportunity		Regulations	requirements of the new regulations	Increase operating costs	middle	3	3	9	middle	1. The state of legal changes is in place, and the plan is developed in advance in response to the improvement of new norms and standards, strengthening product strength and increasing competitiveness.

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years: not applicable.

1-1-2 Greenhouse Gas Assurance Information: not applicable.

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and programs (I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and	✓		1. With reference to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", the Board of Directors has approved the establishment of the Principles for Ethical Management and	No major difference

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
commitment regarding implementation of such policy from the Board of Directors and the top management team?			the Procedures for Ethical Management and Guidelines for Conduct to specifically regulate the matters that the Board of Directors, management and employees should pay attention to when conducting business.	
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	✓		2. The Company has established an internal control system and an internal audit system to effectively implement and deter unethical practices.	No major difference
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		3. The Company's business philosophy is honesty, pragmatism, proactiveness, and innovation, with honesty as our top priority.	No major difference
II. Ethical Management Practice				
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		1. The Company performs credit investigation operations for its suppliers and, depending on the content of the transaction, will discuss and include the ethical management clause in the contract.	No major difference
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		2. The General Manager's Office is delegated as a part-time unit to promote corporate ethical management and shall report the implementation status to the Board of Directors once a year. Reported for 2024 at the 6th meeting of the 11th Board on March 10, 2025.	No major difference
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		3. The Company has established the Procedures for Ethical Management and Guidelines for Conduct, including policies to prevent conflicts of interest, provide appropriate channels of representation, and implement them.	No major difference
(IV) Does the company have effective accounting and internal control systems in	✓		4. The Company has established an effective accounting system and	No major difference

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?			internal control system, and internal auditors conduct regular audits in accordance with the audit plan, and has implemented ethical management to avoid fraud.	
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		5. The Company organizes educational training and promotion to the employees on the semi-annual colleague days, so that the participants can fully understand the principles of ethical management of the Company. The most recent annual Colleague Days are January 22, 2025 and January 26, 2024.	No major difference
III. Implementation of Complaint Procedures				
(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	✓		1. There is an external mailbox on the Company's website for whistleblowers to report, and the identity of the whistleblower and the content of the report will be kept confidential by the processor of the relevant unit. If there is any violation of the rules of ethical management, our internal staff will propose punishment according to the rules and regulations of human resources.	No major difference
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		2. The Company has established standard operating procedures for the investigation of whistleblowing matters and related confidentiality mechanisms.	No major difference
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		3. The Company will treat the whistleblower and the content of the complaint in strict confidentiality and appropriately.	No major difference
IV. Strengthening Information Disclosure				
(I) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		1. The Company has disclosed the contents of the Company's ethical corporate management principles on the Company's website and the Market Observation Post System.	No major difference

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons									
	Yes	No	Summary description										
V. . If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation:													
The Company's Board of Directors has approved the establishment of Procedures for Ethical Management and Guidelines for Conduct, which are in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" to specifically regulate the matters to which the Company's personnel should pay attention when performing business. There is no material difference from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.													
VI. Other important information to facilitate a better understanding of the status of operation of the company’s ethical corporate management policies (e.g., the company’s reviewing and amending of its ethical corporate management best practice principles)													
Since 2014, the Company has established the "Procedures for Ethical Management and Guidelines for Conduct", which was approved by the Board of Directors and reported at the shareholders' meeting. The Company's specific ethical management practices have kept pace with the times and are reviewed and revised at any time in response to external regulations and the needs of ethical management. The Company adheres to the management philosophy of "honesty and pragmatism, active innovation, and insistence on quality", actively realizing the commitments of the ethical management policy, operating steadily and decently, and fulfilling corporate social responsibility with love and care, and moving toward sustainable corporate development.													
For the current year (2024), we have implemented the ethical management policy; the related implementation status:.													
(I) The Company held an educational training on colleague days, with the theme of "Procedures for Ethical Management and Guidelines for Conduct", to consolidate the Ethical Management Procedures and the important rules for handling internal material information, and through videos and case studies, to educate staff on the points to note when performing business.													
<table><tr><th>Date</th><th>Hours</th><th>Attendance</th></tr><tr><td>2025/01/22</td><td>0.5 hours</td><td>65 people (86%)</td></tr><tr><td>2024/01/26</td><td>0.5 hours</td><td>54 people (79%)</td></tr></table>					Date	Hours	Attendance	2025/01/22	0.5 hours	65 people (86%)	2024/01/26	0.5 hours	54 people (79%)
Date	Hours	Attendance											
2025/01/22	0.5 hours	65 people (86%)											
2024/01/26	0.5 hours	54 people (79%)											
(II) The directors and senior officers of the Company have signed a letter of commitment to operate in ethical ways and confidentiality, and have undertaken to perform their business in good faith and in accordance with the ethical and trustworthy principles with the due care and diligence of good management.													
(III) Cases accepted through reporting channels and non-reporting channels in 2024: None. There are no cases of violation of integrity management under investigation.													

(VII) Other important information that is helpful to understand the Company's implementation of corporate governance may also be disclosed.

(VIII) The implementation of internal control system

1. Statement of internal control : Please visit the MOPS website for more information.

MOPS > Single Company > Corporate Governance > Company Rules/Internal Control > Internal Control Statement Announcement
<https://mops.twse.com.tw/mops/#/web/t06sg20>

2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed:
 No such situation.

(IX) Important resolutions of the shareholder meeting and board meeting during the most recent year (2024) or during the current year up to the date of publication of the annual report:

Year/Session of board (shareholder) meeting	Date	Important resolutions
2024 Regular Shareholder Meeting	2024.05.31	<ol style="list-style-type: none"> 1. Adopted 2023 business report and final accounting reports 2. Adopted 2023 earnings distribution proposal
10th meeting of the 11th Board	2024.03.11	<ol style="list-style-type: none"> 1. Approved 2023 distribution of remuneration for employees and directors. 2. Approved 2023 business report and financial statements 3. Approved 2023 earnings distribution proposal 4. Approved the convening of the 2024 Regular Shareholder Meeting and the period for accepting shareholders' proposals 5. Approved the signing of the contract for the construction of the "Chongqing North Road Case" with Jinzang Construction Co., Ltd 6. Approved.2022 statement of internal control system 7. Approved the appointment of CPA to audit and attest the 2023 financial statements and the evaluation of the independence of the CPA 8. Passed the amendment of some provisions of the Board of Directors Deliberation Guidelines 9. Passed amendments to some provisions of the Code of Corporate Governance Practice 10. Passed the manager promotion case 11. The company's 2023 director remuneration distribution plan, and review the rationality of director remuneration and director performance evaluation standards 12. Approved the renewal of loan facility application
11th meeting of the 11th Board	2024.05.08	<ol style="list-style-type: none"> 1. Approved the first quarter consolidated financial report of 2024 2. Approved to participate in the "New Taipei City Banqiao District Jiangzicui Section Urban Renewal Project" 3. Passed the participation in the "Huaxing Section Urban Renewal Project in Wenshan District, Taipei City" 4. Approved the proposal to appoint directors to the subsidiary Xin Tung Yang Construction Co., Ltd. 5. Approved the loan renewal contract with SinoPac Bank, Taiwan Small and Medium Enterprise Bank Beisanchong Branch, Hua Nan Commercial Bank Tianmu Branch and Shanghai Commercial and Savings Bank Savings Branch
12th meeting of the 11th Board	2024.08.12	<ol style="list-style-type: none"> 1. Approval of the 2024 second quarter consolidated financial quarterly report 2. Approved the establishment of "Sustainability Report Preparation and Confidence Operation Procedure" 3. Approval of the 2023 Sustainability Report 4. Approved the loan application and renewal case with Mega International Commercial Bank
13th meeting of the 11th Board	2024.11.11	<ol style="list-style-type: none"> 1. Approval of the consolidated financial quarterly report for the third quarter of 2024 2. Approval of the 2025 operating plan and budget 3. Approved the signing of the "Xindian 14-project Business Entrustment Contract" with Shiyang Construction Co., Ltd. 4. Establish "Sustainable Information Management Tasks" 5. Approved the 2025 internal audit plan 6. Approved the amendment to the "General Principles of the Pre-approval Non-Confirmed Services Policy" 7. Approved the loan renewal agreement with Wangdao Commercial Bank

Year/Session of board (shareholder) meeting	Date	Important resolutions
		8. Approved the loan extension and loan increase application with Hua Nan Bank Tianmu Branch 9. Approved the loan renewal agreement with the Cooperative Bank of Taiwan, Zhongxiao Branch, Federal Commercial Bank, Mega Bills Finance Company and Chinatrust Commercial Bank
14th meeting of the 11th Board	2025.03.10	1. Approval of the 2024 employee remuneration and directors' remuneration distribution plan 2. Approval of the 2024 business report and annual financial statements 3. Approval of the 2024 profit distribution plan 4. Approval of amendments to some articles of the Charter 5. Approved to propose to the shareholders' general meeting to re-elect the 12th board of directors 6. Approved the nomination and review of three independent directors for the 12th Board of Directors 7. Approved the nomination of three general directors for the 12th Board of Directors 8. Approved to lift the non-compete restriction for the 12th Board of Directors 9. Approval of the convening of the 2025 shareholders' meeting and the shareholders' proposal rights, the period for accepting nominations of director candidates, etc. 10. Approved amendments to some provisions of the Audit Committee's organizational charter 11. Approval of the 2024 Internal Control System Statement 12. Approved the appointment of the financial statement audit and certification accountant for the 2025 financial report and the accountant independence assessment 13. Approve the 2024 directors' remuneration distribution plan and review the rationality of directors' remuneration and directors' performance evaluation standards 14. Approved the amendment to the loan application with the Federal Commercial Bank 15. Approved the loan application and renewal case with First Bank Chengdong Branch 16. Approved the loan renewal agreement with Taishin International Commercial Bank

(X). During the most recent year (2024) or during the current year up to the date of publication of the annual report, if board directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: No such situation.

IV. Information on the professional fees of the attesting CPAs: No such situation.

(I) The amount of audit and non-audit fees paid to the certified public accountant and his/her affiliated firms and related companies, as well as the content of non-audit services

Unit: NT\$ thousand

CPA firm	CPA name		Audit period	Audit fees	Non-audit fees	Total
KPMG International	Yi-lian Han	Tim Tzang	January 1, 2023 to December 31, 2024	2,520	Tax Audit fees 460 Others 200 Other financial consulting 0	3,180

(II) The audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the change: No such situation.

(III) The audit fee has decreased by 10% or more from the previous year: No such situation.

V. Information on the replacement of CPA (For the last two years and subsequent periods) : No such situation.

VI. The Chairman, general manager, or officers in charge of financial or accounting matters of the Company has worked in the firm of the CPA or its affiliated companies within the last year: No such situation.

VII. Any equity transfer or change in equity pledge by a director, supervisor, managerial officer, or shareholder with 10% stake or more during the most recent year (2024) or during the current year up to the date of publication of the annual report.

(I) Changes in shareholdings of directors, managers and major shareholders Please visit the MOPS website for more information.

the shares transfer:

MOPS > Single Company > Single Company > Equity Change/Securities Issuance > Equity Transfer Information Query > Post-Money Report Form for Insider Shareholding Change

https://mops.twse.com.tw/mops/#/web/query6_1

Changes in the shares pledge:

MOPS > Single Company > Single Company > Equity Change/Securities Issuance > Dissolution of Internal Personnel Pledge > Announcement of Dissolution of Internal Personnel Pledge

https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(II) The counterparty to whom the shares are transferred is a related party: No such situation.

(III) The counterparty to whom the shares are pledged is a related party: No such situation.

VIII. Information on the relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another

Unit: Shares; March 29, 2025

Name	Shareholding by the individual		Shareholding of spouse and minor children		Total shareholding in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remarks
	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Name	Relation	
Cheng Yang Investment Co., Ltd.	41,303,941	11.72%	-	-	0	-	ShangYang Investment Co., Ltd. Ding Yang Investment Co., Ltd. Xing Yang Investment Co., Ltd. Yuan Shang Co., Ltd. Hsin Tung Yang Real Estate Agent Co., Ltd.	The Chairman is the same person	None
							Mai Xiu-ren	Director	None
Representative: Kuan-Chen Mai	5,037,363	1.43%	2,406,461	0.68%	0	-	Chengyang Investment Co., Ltd. ShangYang Investment Co., Ltd. Ding Yang Investment Co., Ltd. Xing Yang Investment Co., Ltd. Yuan Shang Co., Ltd. Hsin Tung Yang Real Estate Agent Co., Ltd.	Company of which the individual is the Chairman	None
ShangYang Investment Co., Ltd.	41,234,312	11.70%	-	-	0	-	Chengyang Investment Co., Ltd. Ding Yang Investment Co., Ltd. Xing Yang Investment Co., Ltd. Yuan Shang Co., Ltd. Hsin Tung Yang Real Estate Agent Co., Ltd.	The Chairman is the same person	None
							Mai Xiu-ren	Director	None
Representative: Kuan-Chen Mai	5,037,363	1.43%	2,406,461	0.68%	0	-	(Please refer to page 51 of this annual report.)		None
Hsin Tung Yang Real Estate Agent Co., Ltd.	41,081,767	11.66%	-	-	0	-	Chengyang Investment Co., Ltd. ShangYang Investment Co., Ltd. Ding Yang Investment Co., Ltd. Xing Yang Investment Co., Ltd. Yuan Shang Co., Ltd.	The Chairman is the same person	None

Name	Shareholding by the individual		Shareholding of spouse and minor children		Total shareholding in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remarks
	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Name	Relation	
							Mai Xiu-ren	Director	None
Representative: Kuan-Chen Mai	5,037,363	1.43%	2,406,461	0.68%	0	-	(Please refer to page 51 of this annual report.)		None
Ding Yang Investment Co., Ltd.	40,738,478	11.56%	-	-	0	-	Chengyang Investment Co., Ltd. ShangYang Investment Co., Ltd. Xing Yang Investment Co., Ltd. Yuan Shang Co., Ltd. Hsin Tung Yang Real Estate Agent Co., Ltd.	The Chairman is the same person	None
							Mai Xiu-ren	Director	None
Representative: Kuan-Chen Mai	5,037,363	1.43%	2,406,461	0.68%	0	-	(Please refer to page 51 of this annual report.)		None
Xing Yang Investment Co., Ltd.	30,856,309	8.76%	-	-	0	-	Chengyang Investment Co., Ltd. ShangYang Investment Co., Ltd. Ding Yang Investment Co., Ltd. Yuan Shang Co., Ltd. Hsin Tung Yang Real Estate Agent Co., Ltd.	The Chairman is the same person	None
							Mai Xiu-ren	Director	None
Representative: Kuan-Chen Mai	5,037,363	1.43%	2,406,461	0.68%	0	-	(Please refer to page 51 of this annual report.)		None
Yuan Shang Co., Ltd.	27,072,005	7.68%	-	-	0	-	Chengyang Investment Co., Ltd. ShangYang Investment Co., Ltd. Ding Yang Investment Co., Ltd. Xing Yang Investment Co., Ltd. Hsin Tung Yang Real Estate Agent Co., Ltd.	The Chairman is the same person	None
							Mai Xiu-ren	Director	None
Representative: Kuan-Chen Mai	5,037,363	1.43%	2,406,461	0.68%	0	-	(Please refer to page 51 of this annual report.)		None

Name	Shareholding by the individual		Shareholding of spouse and minor children		Total shareholding in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remarks
	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Name	Relation	
Cathy United Bank holding J-Ten Ltd. Investment Account	23,933,000	6.79%	-	-	-	-	None	None	None
Shi Yang Construction Co., Ltd.	23,300,653	6.61%	-	-	0	-	None	None	None
Representative: Xin-De, Song	0	0	0	0	0	0	None	None	None
Qiu Nian Bang	8,735,000	2.48%	-	-	-	-	None	None	None
Mai Xiu-ren	7,270,215	2.06%	-	-	0	-	Chengyang Investment Co., Ltd. ShangYang Investment Co., Ltd. Ding Yang Investment Co., Ltd. Xing Yang Investment Co., Ltd. Yuan Shang Co., Ltd. Hsin Tung Yang Real Estate Agent Co., Ltd.	Company of which the individual is a director	None

IX. The total number of shares and the consolidated equity stake percentage held in any single reinvested enterprise by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company

Unit: Shares; March 31, 2025

Investee enterprises (Note)	Investment by the Company		Directors, supervisors, managerial officers, and investments controlled either directly or indirectly		Total investment	
	Number of shares	Shareholdin g percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Hsin Tung Yang Construction Co., Ltd. (Note1)	12,414,037	76.63%	596,740	3.68%	13,010,777	80.31%
Sunty Land Development Co., Ltd. (Note1)	120,000	100.00%	0	0.00%	120,000	100.00%
Sunty International Land Development Co., Ltd. (Note1)	4,880,000	100.00%	0	0.00%	4,880,000	100.00%
Great Harbor Limited(Note2)	2,792	17.98%	0	0.00%	2,792	17.98%

Note1: subsidiaries of the Company.

Note2: Our affiliated companies.

IV. Capital Raising

I. Capital and shares

(I) Source of capital

Unit: NT\$ thousand, thousand shares; March 31, 2025

Year Month	Issue price	Authorized capital		Paid-in capital		Source of capital		Remarks	
		Number of shares	Amount	Number of shares	Amount	Issuance of common stock for cash	Capital increase from earnings	Using property other than cash as payment of shares	Others
1993.3	10	500	5,000	500	5,000	5,000	0	0	-
2002.6	10	25,000	250,000	10,000	100,000	70,000	25,000	0	Letter Jing-Shou-Shang-Zi No.09101310080
2003.6	10	25,000	250,000	14,093	140,930	0	40,930	0	Letter Tai-Cai-Zheng-Yi-Zi No.092011642
2004.7	10	25,000	250,000	18,488	184,880	0	43,950	0	Letter Jing-Guan-Zheng-Yi- Zi No.0930132053
2005.8	10	25,000	250,000	21,861	218,612	0	33,732	0	Letter Jing-Guan-Zheng-Yi- Zi No.0940123606
2006.8	10	25,000	250,000	23,154	231,543	0	12,931	0	Letter Jing-Guan-Zheng-Yi- Zi No.0950130637
2007.11	12	60,000	600,000	83,154	831,543	600,000	0	0	Private placement Letter Jing-Guan-Zheng-Fa- Zi No.1000017419
2012.4	13.8	150,000	1,500,000	123,154	1,231,543	400,000	0	0	Letter Jing-Guan-Zheng-Fa- Zi No.1000065162
2013.3	10	500,000	5,000,000	302,314	3,023,143	0	0	1,791,600 Capital increase for merger	Letter Jing-Guan-Zheng-Fa- Zi No.1010060567
2013.12	25	500,000	5,000,000	352,154	3,523,143	500,000	0	0	Letter Jing-Guan-Zheng-Fa- Zi No.1020044183

March 31, 2025

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	352,314,309 shares	147,685,691 shares	500,000,000 shares	Outstanding shares are shares of the TWSE- listed company

Note: The Company does not use the shelf registration system for the issuance of marketable securities.

(II) List of major shareholder

Unit: Shares; March 29, 2025

Name of major shareholder	Shares	Shareholding	Shareholding percentage
Cheng Yang Investment Co, Ltd.		41,303,941	11.72%
Shang Yang Investment Co, Ltd.		41,234,312	11.70%
Hsin Tung Yang Real Estate Agent Co., Ltd.		41,081,767	11.66%
Ding Yang Investment Co., Ltd.		40,738,478	11.56%
Xing Yang Investment Co., Ltd.		30,856,309	8.75%
Yuan Shang Co., Ltd.		27,072,005	7.68%

Name of major shareholder	Shares	Shareholding percentage
Cathy United Bank holding J-Ten Ltd.Investment Account	23,933,000	6.79%
Shi Yang Construction Co., Ltd.	23,300,653	6.61%
Qiu Nian Bang	8,735,000	2.48%
Xiu-ren Mai	7,784,215	2.21%

Note: List the shareholders whose equity interest is 5% or more. If there are less than 10 such shareholders, the names of the shareholders whose equity interest is among the top 10, the amount and percentage of their shareholding should be disclosed.

(III) The Company's dividend policy and implementation

1. Dividend policy as defined in the Company's Articles of Incorporation.

Article 20-1 of the Company's Articles of Incorporation: 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. Of this, cash dividends shall not be less than 10% of the total dividends to shareholders. As the Company is now in the stage of business expansion, the Board of Directors should give priority to the Company's future capital expenditure budget and capital requirements when preparing the earnings distribution proposal, and shall only distribute earnings in subsequent years when there are surplus funds. 」

2. Proposal for dividend distribution at the shareholders' meeting.

About the Company's 2024 earnings distribution, The Board of Directors' Meeting on March 10, 2025 resolved to plan to distribute cash dividends totaling NT\$264,235,732(NT\$0.75per share) It is waiting for the resolution of the shareholder' meeting.

(IV) The effect of the stock dividends to be resolved at the shareholder meeting on the Company's operating performance and earnings per share.

The Company had no stock dividends in 2024, so it was not applicable.

(V) Remuneration for employees and directors

1. The percentage or range of remuneration for employees and directors as set forth in the Company's Article of Incorporation are as follows.

Article 20 of the Company's Articles of Incorporation: 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.

2. The basis for estimating the amount of remuneration for employees and directors for the current period, the basis for calculating the number of shares distributed as employee remuneration, and the accounting treatment if the actual amount of distribution differs from the estimated amount.

The amount of employee remuneration of \$23,086,000 and the amount of director's remuneration of \$9,234,000 for the year ended December 31, 2024 were estimated by multiplying the net profits before tax of the Company for the period before deducting employee and director's remuneration by the distribution percentages of employee remuneration and director's remuneration as stipulated in the Company's Articles of Incorporation and were reported as operating costs or operating expenses

for the year ended December 31, 2024. If the actual distribution of employees' and directors' remuneration differs from the estimated amount, the difference is accounted for as a change in accounting estimate and recognized as profit or loss for the year ended December 31, 2024.

3. Distribution of remuneration approved by the Board of Directors.

- (1). Amount of remuneration with employees and directors distributed in cash or stock. If there is a difference from the amount estimated in the year in which the expense is recognized, the amount of the difference, the reason for the difference, and the treatment of the difference shall be disclosed.

Unit: NT\$

Distribution status Item description		Amount of remuneration approved by the Board of Directors.	Difference from the amount estimated in the year in which the expense is recognized	The amount of the difference, the reason for the difference, and the treatment of the difference
Remuneration to employees	Cash	NT\$23,086,000,000	NT\$23,086,000,000	No difference
	Stock	NT\$0	NT\$0	No difference
Remuneration to Directors	Cash	NT\$9,234,000	NT\$9,234,000	No difference
	Stock	NT\$0	NT\$0	No difference

- (2) The percentage of the amount of employee remuneration distributed in stock to the net profits after tax and total employee remuneration in the stand-alone financial statements for the period: Not applicable.

4. The difference between the actual amount of profits sharing with employees and directors in the previous year (2023) (including the number of shares distributed, the amount and the price of the shares) and the recognized amount of profits sharing with employees and directors, the reasons for the difference and the treatment of the difference should be described.

Unit: Shares; NT\$

Distribution status Item description			Amount of actual distribution	Amount of recognized expenses	The amount of the difference, the reason for the difference, and the treatment of the difference
Remuneration to employees	Cash		NT\$19,214,000	NT\$19,214,000	No difference
	Stock	Number of shares	0 shares	-	No difference
		Amount	NT\$0	NT\$0	
		Share price	-	-	
Remuneration to Directors	Cash		NT\$7,686,000	NT\$7,686,000	No difference
	Stock	Number of shares	0 shares	-	No difference
		Amount	NT\$0	NT\$0	
		Share price	-	-	

(VI) Repurchase of the Company's shares: No such situation.

II. Issuance of corporate bonds: No such situation.

III. Issuance of preferred shares: No such situation.

IV. Issuance of global depository receipts: No such situation.

V. Employee stock option plan and employee restricted stock: No such situation.

VI. Issuance of new shares in connection with mergers or acquisitions of shares of other companies: No such situation.

VII. Financing planning and implementation

(I) Planning content

Analysis of previous issues or private placements of marketable securities that have not yet been completed or have been completed within the last three years and the benefits of the plans have not yet been realized: None.

(II) Implementation status: None

V. Operation Overview

I. Business Activities

(I) Business Scope

1. The main contents of the business, the current products and the proportion of business

Main business activities	Current products	2024 sales amount NT\$ thousand	Proportion of business
Housing and Building Development	Proceeds from sale of house and land	4,198,455	89.72%
Contract works for civil construction	Construction revenues	435,496	9.31%
Residence and Building Rental and Sales Business	Rental revenues, etc.	45,607	0.97%
Total		4,679,558	100.00%

Note: This represents the consolidated operating revenues of the Company.

2. New products or services planned to be developed

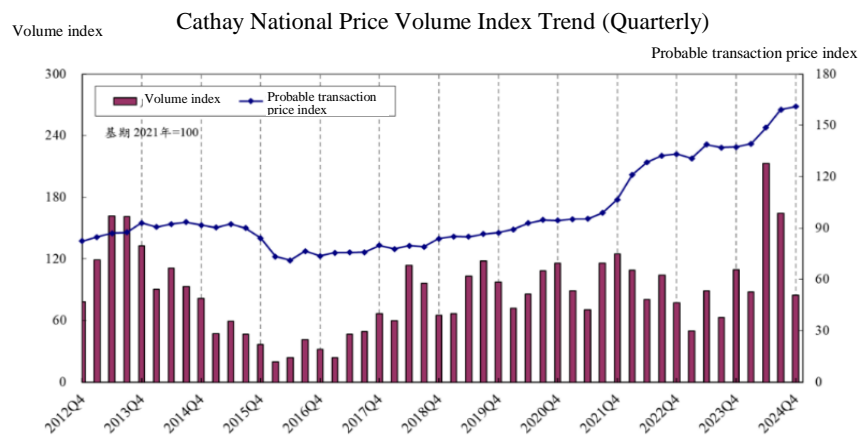
The Company will select projects to adopt "permanent, environmental, universal, and healthy" high performance housing design to create product differentiation and irreplaceability, and establish our brand and reputation.

(II) Industry overview

1. Industry current state and development of the industry:

(1) Industry current state

The real estate market plays an important role in the development of Taiwan's economy. 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. In the long run, real estate is still one of the important investment tools for the public. As the wait-and-see atmosphere in the market may gradually subside, the real estate market is expected to return to a rational stage and move towards stable development.



Source: Cathay Real Estate Index, 4Q, 2024

(2). Future development

Since the construction industry is known as the "locomotive industry", its future growth is closely related to the general economic environment, national income, government policies and population, etc. Therefore, its future development can be generally discussed in three aspects: economic environment, social demographics and government regulations.

A. Economic environment

According to the "National Income Statistics and Forecast Economic Growth" report released by the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan in recent years: In recent years, under the epidemic situation of the new crown pneumonia, thanks to structural factors such as the return of Taiwanese businessmen, as well as the easing of the epidemic and the strong demand for semiconductors and components brought about by emerging technologies, Taiwan's economic performance has been better than originally estimated. In 2020, the economic growth rate reached 3.42%. In 2021, as the COVID-19 epidemic was brought under control with the gradual popularization of vaccination, domestic and foreign demand recovered, and the economic growth rate hit an 11-year high of 6.72%. In 2022, the impact of the epidemic on global economic activities has gradually eased, domestic semiconductor leading manufacturers continue to increase capital expenditures, and the clustering effect of deepening local investment in the supply chain has gradually emerged. However, it is still affected by uncertain factors such as the Russia-Ukraine war, changes in the global epidemic, and the timing of US interest rate hikes. The economy grew by 2.68%. Due to the continued rise in global interest rates, weak consumer power, and uncertainties such as inflation and geopolitics, the economic growth rate in 2023 will hit a new low of 1.12%. Although the global economic outlook remains uncertain in 2024, the recovery in demand for industries such as semiconductors has injected momentum into the economy, and the increased willingness to travel and consume after the epidemic has stabilized domestic demand. In addition, the downward revision of economic growth last year has resulted in a lower base, resulting in a preliminary economic growth rate of 4.59% for that year. This is the best performance in the past three years. As Taiwan's economy is highly dependent on international trade, with the continued growth of global trade and increased capital expenditures by international companies, economic growth in 2025 is expected to remain stable with the inflow of trade. However, the US tariff policy, the development of information technology such as AI, geopolitical conflicts, the economic growth performance of mainland my country and the monetary policy trends of various countries all jointly affect Taiwan's economic performance. We need to pay close attention to the uncertainty of economic development caused by policy responses and market changes.

Gross Domestic Product and Economic Growth Rate in Recent Years

Year (Quarter)	Real GDP Amount (Chain value using 2021 as the reference year)	Economic Growth
	Before seasonal adjustment (NT\$ million)	Year-over-year (yoy)
2017	18,602,118	3.66
2018	19,142,600	2.91
2019	19,727,465	3.06
2020	20,402,197	3.42
2021	21,773,291	6.72
2022	22,357,584	2.68
2023	22,608,347	1.12
2024(p)	23,646,398	4.59
2024(f)	24,390,042	3.14

Source: Directorate-General of Budget, Accounting and Statistics, Executive Yuan

Note: (p) for preliminary statistics, (f) for predict

B. Social factors

According to the Ministry of the Interior's monthly statistical report, Taiwan faced negative population growth in natural terms for the first time in 2020. The epidemic also affected international population migration, exacerbating the negative population growth. So far, it has maintained negative growth for five consecutive years. The number of newborns has hit a record low, and the gap between deaths and births has widened. As the total population continues to decline and the population structure continues to age in the future, the current number of people aged 65 and above accounts for 19.18%; once the number of elderly people aged 65 and above exceeds 20%, Taiwan will officially enter a super-aged society.

Taiwan is a small and densely populated region with limited land resources. An increase in demand for real estate based on the natural growth of the population is foreseeable. Taiwan's social structure has changed from an agricultural society to an industrial and commercial society, and the family structure has gradually changed from large families in the rural period to small families, causing the number of households to rise year by year to 9,715,000 households as of March 2025. Therefore, the basic demand for housing caused by the increase in population and changes in the household structure will continue to exist. In the long run, as national income increases year by year, consumption habits gradually change, and a high-quality living environment becomes the goal pursued by modern people. The lifestyle based on the pursuit of better quality of living space will promote the continued purchase and replacement of houses, and will also bring long-term and stable development space to the construction industry.

Population and household registration statistics in Taiwan in the last decade

Year	Population (Thousands of people)	Population growth rate (%)	Number of household (Thousands of households)	Household growth rate (%)	Population density (People/km ²)
2015	23,492	0.25	8,469	1.03	649.00
2016	23,539	0.20	8,561	1.09	650.32
2017	23,571	0.13	8,649	1.02	651.19
2018	23,589	0.08	8,734	0.99	651.68
2019	23,603	0.06	8,832	1.13	652.07
2020	23,561	-1.77	8,933	0.43	650.92
2021	23,375	-1.27	9,006	0.81	645.78
2022	23,265	-2.93	9,089	0.92	642.72
2023	23,420	-2.99	9,241	1.67	647.02
2024	23,400	-0.09	9,487	2.67	646.46
2025 Up to Mar.	23,374	-4.66 (Increase or decrease from last month)	9,715	1.33 (Increase or decrease from last month)	645.76

Source: Department of Household Registration

C. Government policy

Real estate is a highly policy-related industry, and the easing or tightening of government policies can be a major influence on housing prices and transaction volumes.

I. The government has been trying to cool off housing market since 1990, and the housing market has been depressed

In order to suppress soaring housing prices, the government has implemented a series of suppressive policies for development companies since 1989, including credit control, floor area ratio control, and suppression of development companies' financing, as well as restricting the total volume of development for building permits applied for after a certain period. It is not easy for development companies to apply for finance, but they need to apply for a lot of licenses and rush for construction to avoid the impact of floor area ratio. This led to a large number of remaining

houses for sale and failing development companies, and a 10-year consolidation period that began in 2000, a time of real estate downturn.

II. 2000 economic boom and housing market deregulation

In 2000, the Asian financial crisis, the change of ruling parties, and the dot-com bubble were all crises, so the government began to deregulate and encourage consumers to buy homes, including the extension of construction and completion dates for high-volume construction licenses applied for in the previous phase, reducing the pressure on development companies to launch projects and reduce market supply. In addition, a large number of preferential mortgage loans were offered to consumers, with subsidized interest rates, and a 50% reduction in Land Value Increment Tax to reduce the cost of buying and selling. After more than two years of the incentives, the housing market showed an upward trend, causing the bull market of the five years that began in 2004 to continue.

In 2008, due to the financial tsunami, housing prices fell back, the capital chain broke, and a large number of foreclosed properties appeared. The U.S. Federal Reserve launched quantitative easing, generating a large amount of capital in the market, and coincided with the reduction of Taiwan's bequest tax, so capital flowed back into the real estate market, and the housing boom began again in 2010.

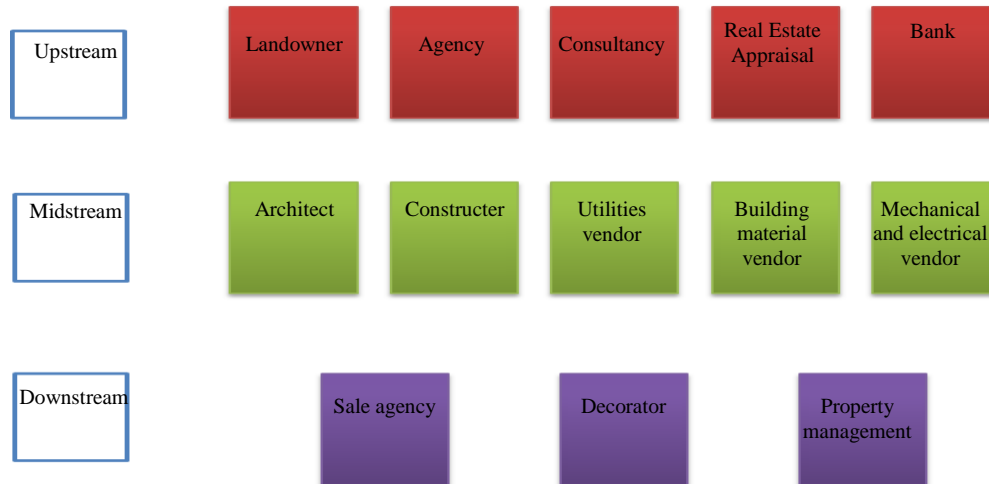
III. Since 2011, the housing market began to be suppressed.

After the financial tsunami, housing prices soared and the government began to suppress the housing market in 2011, including luxury tax, taxes on luxury residences, loan restriction policy, adjustment of land value increment tax, housing tax...etc. as well as transaction tax, holding tax, loan, capital gains tax were all reviewed and adjusted. Although the initial results seemed to be limited, the continued waves of policies that came out made the housing market reverse downward in 2015, with a significant drop.

At the current stage, after the real estate tax in 2016, the government's policies have been relaxed, including fine-tuning the property tax on luxury homes, lifting mortgage controls, extending building permits, freezing property tax increases, etc., in order to bring the housing market back to a neutral position. The forward-looking infrastructure plan proposed in 2017 has released great benefits for construction in various counties and cities, especially rail construction, which will help boost domestic demand, create jobs, promote population mobility, increase store value and tourism output, and also affect the regional housing market. The passage of the 2018 Urban Renewal Act Amendment brought benefits to the real estate market. After the 2019 nine-in-one elections, local governments have successively handled land auctions and actively attracted investment to boost the economy. The Executive Yuan has promoted an action plan for Taiwanese businessmen to return to Taiwan to invest. The central government has accelerated the promotion of urban renewal business, and the number of applications for dangerous and old-building reconstruction and the issuance of residential building permits has reached a new high. In 2020, the government proposed a plan to improve the real estate market and the central bank restarted selective credit controls to curb improper speculation by investors. The follow-up development of the COVID-19 epidemic in 2021 and the government's introduction of new measures to combat housing speculation, such as targeted prudent measures for real estate loans, real estate tax 2.0, and real-price registration 2.0, will lead to a comprehensive upgrade of the government's housing market regulation policies in 2022, and the central bank's selective credit control and interest rate hike measures will interactively influence the future development of the housing market. The Equal Land Rights Ordinance will come into effect in 2023. Private legal persons will be required to purchase residential properties under a licensing system. After its implementation, the transaction volume in the luxury housing market will shrink. At the same time, restrictions will be placed on contract renewals for pre-sale homes, comprehensively curbing speculation in the pre-sale housing market. In addition, Xinqing'an's preferential mortgage loans will have the effect of stabilizing rigid purchases for self-use. In the first half of 2024, the housing market will see a pick-up in buying momentum and a rise in both prices and volumes, driven by the Taiwan stock market hitting new highs, continued investment topics driven by the technology industry, the new Qingan mortgage policy, and inflation expectations. In the second half of the year, the central bank's credit controls will tighten, the new Qingan will be stricter, and coupled with the high increase in housing prices, buying momentum will drop sharply in the fourth quarter and transaction volume will decrease, resulting in a high-first-low-later housing market trend in 2024. However, the housing market will still see an increase in both prices and volumes throughout the year, and the market performance will be active. Continuing the trend in 2024, looking ahead to the housing market in 2025, it is unlikely that the government will relax its regulatory policies in the short term, and it may take time to liquidate the new supply in the housing market. In addition, due to the uncertainties in the political and economic situation brought about by Trump 2.0, although prices are expected to remain stable and volumes will shrink in the short term, the long-term trend of the housing market remains to be observed due to the rapid weakening of buying momentum. Self-use demand and long-term property investment are still the main forces supporting the housing market.

2. The correlation among the upstream, midstream and downstream industries:

The construction investment industry is known as the locomotive industry, its upstream industry covers a variety of building materials supply industry, the downstream includes individuals and companies who purchase houses, in addition to housing sales agencies, land Scrivener, construction management and financial institutions to support the sales system, and its relationship with the upstream and downstream industries are as follows.



In the whole system, the development companies are in a coordinating and integrating position, and their relationship with each industry is complementary and interdependent. The development companies acquire the land from the landowner, obtain a loan from a financial institution, commission an architect to plan and a constructor to build the building, and then sell it through an agency or sells it directly to the purchaser.

3. Product development trend and competition

(1). Development trend

The products launched by the real estate industry must be in keeping with the market at each stage of economic development, so the future development trends are as follows.

a. Products tend to be diversified, refined and humanized

In addition to residential buildings, diversified products such as commercial buildings, factory buildings, leisure houses, senior citizen houses, green houses, and technological houses have emerged in the market to meet the needs of customers from different classes. In the future, with the gradual increase of national income, the buyers' demand for housing will not only focus on practicality, but also on the living environment, local living function, exterior design, layout, quality of building materials and equipment, etc. Therefore, the future product planning will develop towards diversification, humanization and refinement.

b. Community Comprehensive Planning and Design

In the future, new communities should emphasize the integrity of living functions, such as nurseries, sports fields, libraries, leisure and entertainment facilities, etc., in order to fully meet the needs of modern people for a basic living environment.

c. Suburbanization of residential construction

Since the population in the metropolitan area has become saturated, and the government is actively promoting various urban projects and transportation construction, in addition, because of the difficulty of obtaining urban land and high housing prices, developers are moving to the suburbs.

d. Increased demand for residential security

Due to the collapse of buildings during the earthquake and the deterioration of social security, consumers are increasingly demanding the safety of home structure design, management security and other software and hardware planning, and this has become a principle that consumers pay special attention to when purchasing a home.

e. Implementation of architectural branding system

As national income gradually increases, home buyers are demanding more and more sophisticated housing quality in terms of exterior design, interior layout, building materials, and public facilities planning. In order to meet the needs of consumers, the construction industry will tend to focus on human comfort, healthy living and internet technology in product planning. Therefore, the establishment of a vertical service network from land development, product design, housing construction, product sales to after-sales service, and the establishment of brand awareness in the minds of consumers will be the guarantee of the sales of projects.

(2). Competition

In the current situation that the overall economic stability of the country is still lacking, the housing market price trend is expected to continue to consolidate and correct the pattern, the market is generally poor sales of high unit price luxury residential projects, and because the customers are mainly rational owner-occupied first purchase, home exchange, coupled with the trend of fewer children, will gradually plan for small and medium-sized square footage products, the main focus of new projects will be low total price products. The long-term goal is to consider the scarcity of land in the complete area of Greater Taipei, which makes land acquisition and integration costs significantly higher, and makes it more difficult to develop individual projects. In addition to expanding the scope of development to areas outside of Greater Taipei, we will further expand to the densely developed metropolitan areas in the central and southern part of the city, with a view to diversifying the development approach and reserving sufficient project resources.

(III) Technology and R&D Overview

1. R&D expenses invested during the most recent year or during the current year up to the date of publication of the annual report.

Since the construction industry is different from the general manufacturing industry, especially the high-tech industry, which requires more research and development and design of new products, no research and development expenses were incurred in the recent year.

2. Technology or product successfully developed

By introducing the unique SI technology, Skeleton&Infill structure and interior decoration system are designed separately, and at the same time, we develop the high performance housing design that is "permanent, environmental, universal and healthy" to create product differentiation and irreplaceability.

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

1. Short-term business development plan

- (1). Considering that customers are mainly rational owner-occupied first-time buyers and home replacement buyers, coupled with the trend of fewer children, we will gradually plan for small and medium sized products, and low total price products will be the main focus of new projects.
- (2). Considering the current capital size, human resources, return on investment and capital turnover efficiency, the Company's short-term business development will focus on investing in the construction and sale of small and medium-sized projects in the Greater Taipei area.
- (3). 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.

- (4). Control the cost and quality of construction projects.
- (5). Offer customer service and product after-sales service.

2. Long-term business development plan

- (1). In view of the increasing difficulty in acquiring land for construction and development in Taipei City, the Company will adopt a flexible and diversified land development strategy to evaluate and develop investment targets such as real estate transactions or related non-performing debt assets, as well as to actively deploy selected urban renewal projects in the Greater Taipei area.
- (2). Expand the development area beyond Greater Taipei and further into the densely developed metropolitan areas of Central and Southern Taiwan.
- (3). In addition to improving quality and reducing costs with respect to construction management, we will continue to research and adopt high performance housing designs that are "permanent, environmentally, universal, and healthy" to increase the competitiveness of our products and build brand awareness.

II. Market and production and sales overview

(I) Market analysis

1. Sales area of main products: Mainly engaged in the development and construction of residential buildings and the sale of real estate in the Greater Taipei area

Project launch year	Main project name	Sale area	Remarks
2024	Suntly Guo Yong-Rize	Yonghe District, New Taipei City	surplus house sale
	Chu Suntly	Zhongshan District, Taipei City	surplus house sale
Expected in 2025	Syang Lipo	Beitou District, Taipei City	new sale after-construction
	Syang Fulin	Shilin District, Taipei City	Post-construction house
	Syang Chengguang	Wanhua District, Taipei City	new sale after-construction
	Jiangzicui section urban renewal project	Banqiao District, New Taipei City	Post-construction house

2. Market share

In 2024, the Company's main project were sale surplus house of "Suntly Guo Yong-Rize" in New Taipei City and " Ju Suntly " in Taipei City. Based on the 2024 projects in Taipei City and New Taipei City released by the Taiwan Real Estate Research Center of CATHAY Real Estate Development Co., Ltd., the Company's market share was less than 1%.

In addition, because of the geographical and immovable nature of the real estate industry and the special nature of the product planning, the competition is different from that of the general industry, and most of the competition is within the region. The Company's main product is residential buildings, mainly in the Greater Taipei area, and its competitors include construction companies with brand names in the Greater Taipei area. The Company's good construction brand image is deeply rooted in the Greater Taipei area, and our customers are all quality customers in Taipei City. Due to the superb quality of construction planning and implementation, the Company has already won the trust and recognition of customers, and has witnessed the phenomenon that customers always follow the Company and purchase the Company's new projects. The area where new projects are launched is in line with the trend of economic development in the area.

3. Future supply and demand, and growth of the market

(1). Supply side

From the number of construction and user licenses issued in recent years in Taiwan by the Construction and Planning Agency, it can be seen the number of construction licenses issued increased after the financial tsunami with the recovery of the economy, and the number of construction licenses issued by the end of 2013 had climbed to more than 33,000; From 2014 to

2016, the real estate market was characterized by a wait-and-see and delayed-home buying atmosphere, with the market focusing on the sale of remaining homes and a continuous decline in the number of construction licenses issued and total floor area. The number of construction licenses issued began to rebound in 2017 due to the stabilization of the market, urban renewal and new construction of social housing, and the introduction of the new rain shelter system in 2018. The number of building licenses issued in 2019 was representing a 0.74% decline. The number of building licenses issued and the total floor area in 2021 were 26,089 and 43,425,000 square meters respectively, representing a 0.42% and a 4.58% increase compared to the same period in 2020.

Building Construction License Statistics for the past 10 years

Year	Number (License)	Increase or decrease over previous year (%)	Total floor area (Thousands of square meters)	Increase or decrease over previous year (%)
2015	27,643	(13.60)	32,596	(15.63)
2016	22,511	(18.56)	26,235	(19.51)
2017	25,035	11.21	29,884	13.91
2018	27,344	9.22	33,984	13.72
2019	27,143	(0.74)	36,928	8.66
2020	25,980	(4.28)	41,521	12.44
2021	26,089	0.42	43,425	4.58
2022	23,257	(10.86)	45,827	5.53
2023	18,542	(20.27)	37,443	(18.30)
2024	19,523	5.29	39,943	6.68%

Source: Inquiry website of Department of Statistics, Ministry of the Interior

According to the research data in the Cathay Real Estate Index press release, the national project launch amount and number of units that can be sold in 2024 will be NT\$186.94 billion and 89,626 units respectively, an increase of 31.09% and 14.08% respectively from NT\$142.60 billion and 78,564 units in 2023.

Taiwan's exports will increase steadily in 2024, especially driven by the demand for emerging technology applications such as artificial intelligence. The technology industry in Hsinchu, Taichung, Tainan and Kaohsiung will develop rapidly, and residential demand will increase, which will in turn drive the housing market transactions. The simultaneous growth of the project launch amount and the number of units that can be sold shows that developers are actively launching new projects to meet market demand as market demand recovers. However, the central bank has raised the reserve requirement ratio and implemented the seventh wave of real estate credit controls in the second half of 2024, limiting loan amounts and raising loan interest rates. It is expected that this will curb investment and speculation and may lead to a slowdown in housing market buying. In the third quarter of 2024, the market has shown a phenomenon of rising prices and shrinking volumes. Looking ahead to the housing market in 2025, the central bank's credit control measures and market variables may have an impact on the housing market in the coming year. The housing market is expected to move towards a trend of price and volume consolidation, but there are still many subsequent market variables. We will continue to pay attention to policy trends and market reactions, and carefully observe future housing market trends.

2023 and 2024 Quarterly Project Launch Status

Item \ Year	2023					2024				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Number of Projects	204	243	218	201	866	169	264	245	246	924
Number of houses in the project	16,349	22,716	18,700	20,799	78,564	14,917	27,645	25,068	21,996	89,626
Amount of the project (NT\$ 100 million)	2,669	4,143	3,467	3,981	14,260	2,739	5,575	5,682	4,698	18,694

Source: Cathay Real Estate Index press releases for 2023 and 2024 (CATHAY REAL ESTATE DEVELOPMENT CO., LTD./Taiwan Real Estate Research Center, National Chengchi University)

(2). Demand side

- a. As a result of the 331 earthquake in 2002, the safety of buildings has been given renewed attention, and the seismic resistance of brick, reinforced steel and concrete houses no longer meets the safety requirements. Therefore, those who cannot meet the new seismic standards have been gradually eliminated from the market, and it is expected that the demand for renovation or replacement will increase in the real estate market in the future.
- b. With the stable domestic political situation and the expected economic recovery due to the liberalization of policies in the future, the outlook for the overall economic development is promising and the corporate income and national income are expected to increase. The increasing demand for high quality residential and office buildings in the future will drive the willingness of builders to implement projects.
- c. The convenient transportation network of Taipei Metro will effectively shorten the distance between the urban area and the suburbs, which will significantly increase customers' willingness to buy houses in the suburbs, such as the opening of the MRT Ban Nan Line to Yongning Station in recent years, which has driven the purchase of houses in Banqiao and Tucheng. The planned MRT network will be extended to Tamsui New Town, resulting in a large development project in Tamsui New Town. Under the current political and economic situation, national income is expected to grow in the future, which will also raise the demand for housing quality, so the demand for home replacement will also emerge, and the purchase area will gradually develop to the suburban scenic and elegant areas due to convenient transportation.

With the above analysis, it is expected that the demand for homeownership and home exchange will increase under the influence of favorable factors such as the stable domestic political and economic situation. Therefore, in the medium to long term, the market sentiment is expected to ease and the real estate market will return to a rational stage, which will help the supply and demand in the real estate market to become more balanced and move towards a stable development.

4. Competitive advantages, favorable and unfavorable factors of development prospects, and corresponding measures

(1). The Company's competitive advantages

A. Professional management team

From the first project to the present, the planning and construction of each building has been the result of careful research and detailed quality requirements. The building was built with the mindset that "we shall live there", and the professionals made full use of their expertise before deciding on various humane plans. We are able to provide the perfect building to our customers because professionalism and quality are the basic requirements in the selection of the cooperative vendors.

B. Forward-looking land development

The Company's planning department has abundant land information and a sound training system, so our planning staff has complete knowledge of land administration and law, as well as good communication and coordination skills and the ability to analyze the development potential of different sectors of area. Therefore, we are able to identify and develop land lots with value increment potential in advance and cooperate with landowners. In addition, we are able to evaluate and develop investment targets in real estate transactions or related non-performing assets, and we have a better grasp of land sources than other companies in the same industry for prime locations in the Greater Taipei area, where land is already hard to come by.

C. Successful product positioning

The Company conducts detailed and precise market research and analysis to launch products that meet market needs and conducts product blue ocean strategies. By introducing the unique SI technology, Skeleton&Infill structure and interior decoration system are designed separately, and at the same time, we develop the high performance housing design that is "permanent, environmental, universal and healthy" to create product differentiation and irreplaceability.

(2). Favorable and unfavorable factors of development prospects, and corresponding measures

A. Favorable factors of future development

(a). Real estate is the tool for value preservation and investment

Land acquisition is the first step for building houses, and land is immovable and irreplaceable. Since Taiwan is small and densely populated, land is more rare, and the population is increasing, the demand for land is increasing, making it more difficult to obtain land. In addition, under the concept of "having land is having money" and the expected price increase, real estate is still an investment and preservation tool for the general public.

(b). The government promotes economic programs and major construction projects to boost the domestic economy

In order to improve the domestic economic environment and enhance international competitiveness, the government is actively promoting a number of major economic programs and implementing specific administrative measures to promote private investment, including the "economic revitalization program". In addition, the government is actively promoting construction projects such as express railways and a number of land development projects, which will provide many construction opportunities to promote various industries and boost the economic boom and stimulate the real estate market.

(c). Major public construction projects in Greater Taipei.

The Taipei metropolitan area is the best economic, social, political and cultural area in Taiwan. A number of large-scale construction projects are currently underway in the Greater Taipei metropolitan area, and these large-scale construction projects will have a huge positive impact on the spatial structure and economic development of the Greater Taipei area, which will have a positive stimulating effect on the Company's business expansion and operation.

(d). Quality of life improved and the house replacement population increased

As the trend of the times evolves, the desire to improve the quality of life is increasing, and home buyers are paying attention to quality upgrades, and the demand for overall housing planning standards is relatively higher. Home buyers are no longer just looking for a living space, they are looking for quality of housing, structural safety, living function, accessibility, etc. They are mainly looking for quality of life. As a result, the house replacement population will gradually increase, which is conducive to the promotion of high quality products.

B. Unfavorable factors of future development, and corresponding measures

(a). Land is not easy to acquire and construction costs are higher

Land is one of the most important factors in the housing construction industry, and land is non-increasing and immovable. Land in Taiwan is limited, and as the population grows naturally, the amount of land available for building houses is decreasing, and in a situation where the supply of land does not meet the demand, making the cost of land acquisition gradually increase as well.

Corresponding measures

We adopt a flexible and diversified land development strategy, not only evaluating and developing investment targets such as real estate transactions, but also cooperating with the government's urban renewal and old community renewal programs to acquire lower-cost land.

(b). Project cost increases year by year

Due to the fluctuation of international oil prices and market supply and demand problems, some materials such as steel prices remain high, and due to the government's major projects starting one after another, there is a strong demand for manpower, which has a crowding effect with the construction industry's labor demand, resulting in the phenomenon of rising wages and difficulty in finding manpower. This, coupled with the significant increase in the current value of the announced land, will increase the amount of taxes that people will have to pay when selling their homes, resulting in a continuous increase in the control of the housing costs.

Corresponding measures

In order to cope with the continuous increase of various costs in the future and to strengthen cost control, the Company not only strengthens land development and product planning to increase the added value of products to resist the impact of external unfavorable factors, but also improves operational processes, strengthens internal management and shortens the construction period to reduce the impact of cost increase. In order to enhance the competitiveness of our products.

(c). Doubts about the interest rate recovery

At present, Taiwan's interest rate is among one of the lowest in the world, coupled with the recent rise in prices, so in order to avoid negative real interest rates and to combat inflation, the central bank can raise interest rates and exchange rates as a means. If interest rates rise, in addition to the company's interest expenses will increase, the burden of home buyers will also increase, affecting their demand for housing, and even make a large number of debt buyers or investors sell their houses, which will further affect prices.

Corresponding measures

The Company intends to adopt a prudent financial strategy and use bank financing, cash capital increase and other capital raising strategies to ensure that its operating capital is secure. In terms of land development, the company also adopts a prudent strategy and does not blindly launch projects to avoid capital pressure. In terms of home buyers, due to the current abundance of fee capital, there will not be a significant impact in the short term.

(II) Important Applications and of Major Products

1. Important applications of major products

Residential building: dwelling, suites, parking spaces.

Commercial buildings: stores, shopping malls, offices, parking spaces.

2. Manufacturing Processes



(III) The supply of major raw materials

Name of major product	Supply condition
Land	The Company has land development personnel and has established various other real estate development channels to proactively find suitable sources. And depending on the actual needs and the landowner's intention, we can cooperate in the form of joint construction or evaluate buyout for self-built and engage in urban renewal of prime locations, and the source of supply should not be in shortage.
Construction work and materials	The Company entrusts the construction project to construction companies under the principle of "work and materials" and selects qualified construction companies, and effectively controls the project progress, construction quality and construction material costs. There have been no shortages or interruptions in the supply of materials.

(IV) The names of suppliers and customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchases (sales) amount and proportion.

1. Information on major customers in the most recent 2 years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	As a percentage of net sales for the year (%).	Relationship with the issuer	Name	Amount	As a percentage of net sales for the year (%).	Relationship with the issuer
1	Others	4,242,350	100.00%	None	Others	4,679,558	100.00%	-
	Net sales	4,242,350	100.00%	-	Net sales	4,679,558	100.00%	-

Note 1: As of the date of publication of the annual report, there is no financial information that has been audited or reviewed by CPA.

Note 2: The reason for the change: Due to the industry characteristics of the construction industry, most of the sales targets are general public customers, and the target sales targets are extremely scattered; and the construction business is a project contract, so it is reasonable to change according to the progress of the project.

2. Information on major suppliers in the most recent 2 years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	As a percentage of net purchases for the year (%).	Relationship with the issuer	Name	Amount	As a percentage of net purchases for the year (%).	Relationship with the issuer
1	Others	2,152,666	100.00%	None	Others	2,288,496	100.00%	None
	Net purchases	2,152,666	100.00%	-	Net purchases	2,288,496	100.00%	-

Note 1: As of the date of publication of the annual report, there is no financial information that has been audited or reviewed by CPA.

Note 2: The reason for increase or decrease: In 2022, it is mainly the procurement of new development projects; in addition, due to the characteristics of the industry, there is no continuity of suppliers in each year, and the construction project is a contracted project that purchases labor and materials, and its increase or decrease changes with the progress of the project.

Note 3: In preparing the consolidated financial statements, the inter-company transactions have been eliminated.

III. The number of employees for the most recent 2 years, and during the current year up to the date of publication of the annual report, their average years of service, average age, and education distribution.

Year		End of 2023	End of 2024	As of March 31, 2025
Number of employees	Managerial officer	5	6	6
	Sales personnel	4	5	5
	Development personnel	11	9	9
	Planning personnel	7	7	7
	Construction personnel	18	22	22
	General staff	25	27	27
	Total	70	76	76
Average age		48.5	47.4	47.6
Average years of service		11.6	10.9	11.1
Education distribution (%)	Doctorate	0.00	0.00	0.00
	Master	27.15	23.68	23.68
	University	67.14	72.37	72.37
	High school	5.71	3.95	3.95
	Below high school	0.00	0.00	0.00

IV. Environmental Protection Expenditure

(I) The losses suffered due to environmental pollution in the most recent year (2024) and in the current year up to the date of publication of the annual report

The Company's business has no environmental pollution problem and therefore has not yet suffered any losses due to environmental pollution, and no significant environmental capital expenditures are expected in the future.

(II) Implementation of the EU Restriction of Hazardous Substances Directive (ROHS): Not applicable.

V. Labor Relations

(I) The Company's employee welfare programs, continuing education, training, retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures.

1. Employee welfare programs

The Company and the Employee Welfare Committee provide the following employee benefit measures.

- (1). Labor insurance, national health insurance and group insurance
- (2). Education and Training Courses
- (3). Employee bonus and stock purchase plan
- (4). Domestic and foreign travel, recreational activities
- (5). Bonus system and reward for outstanding senior colleagues
- (6). Employee benefits for marriage, bereavement, childbirth, hospitalization, and birthday

2. Employee education and training

In order to meet the needs of the construction industry in terms of professional skills and understanding of laws and regulations, the Company has set continuous learning and development

of employees as the focus of human resources management, and has planned overall corporate training programs for organizational strategies and personal performance development. The Company provides a variety of training methods and opportunities. In addition to in-house training, we also encourage employees to actively participate in external training courses and on-the-job training.

The results of the Company's education and training for the most recent year (2024) are as follows:

Course	Total attendance	Total hours	Total costs (NT\$ thousand)
Professional trainings	352	1,159	427
Management ability	55	337	
General Knowledge Training	64	368	

3. Information on employee retirement system

In accordance with the Labor Pension Act, the Company makes monthly contributions of not less than 6% of monthly wages to the Company's pension fund, which is deposited in the personal pension account. As of the date of publication of the annual report, the Company has 3 employees who have retired.

4. The Company holds regular labor-management meetings and maintains harmonious labor relations at all times. The Company has established comprehensive and thorough measures for employee motivation, communication, training, benefits and retirement, and has integrated the interests of employees with those of the Company. To date, there have been no labor disputes.

5. The Company attaches great importance to the health maintenance of its employees, and has long invested in employee health checkups, diet, medical insurance, and housing care and attention to promote the physical and mental health of employees and enhance the quality of life. Please refer to page 33 of this annual report for an overview of the health promotion activities in 2023.

6. Please refer to page 30 of this annual report for further education and training for the Company's managerial officers in relation to corporate governance.

7. Salary policy

The Company's salary policy is based on a combination of the Company's overall salary position in the market, industry salary surveys and the Company's internal fairness. Combine organizational performance and employee performance evaluation to appropriately reflect employee contribution and participation; strive for fairness, objectivity and impartiality. The performance and contribution of the current period will be rewarded in the form of annual awards and bonuses. Future higher responsibility and salary will be given to those who have potential and are expected to contribute more.

The principle of salary payment is a fixed annual salary of 12 months, and a fixed annual salary of 2 months is budgeted as year-end bonus, and a performance bonus is provided according to the company's operating performance.

8. The Company's personnel involved in the transparency of financial information obtain the relevant licenses specified by the competent authorities:

Title	License
Audit officer	International internal auditor (Certified Internal Auditor, abbreviated as CIA)

9. The Company has established a "Code of Ethical Conduct" and "Procedures for Handling Material Inside Information", and provides regular training to employees on "Information Security

Management" and "Securities Market Overview and Securities Laws and Regulations", covering laws and regulations related to the handling of material inside information and confidentiality, in order to educate and inform all employees to avoid violations and insider trading.

- (II) Losses incurred due to labor-management disputes in the most recent year and in the current year up to the date of the publication of the annual report

No such situation. The Company attaches great importance to the welfare and development of its employees and is committed to maintaining harmonious labor relations. So far, no major labor disputes have occurred and the possibility of labor disputes at present and in the future is assessed to be low.

VI. Cyber security management

- (I). Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

To effectively carry out cyber security tasks, the company implements the organizations, obligations, and work distribution of cyber security as follows:

1. The company designates the general manager to be responsible for the coordination and promotion of information security management matters, and to coordinate information security policies, including coordination and discussion of matters such as planning, resource scheduling, etc.
2. Depending on the information security management needs of the company, the Information Office is responsible for planning and implementing information security work.
3. If there are any deficiencies in the company's information security manpower, capabilities and experience, external scholars, experts or non-governmental professional organizations and groups provide information security consulting services.
4. The powers and responsibilities of the information processing department and the business unit are clearly divided.

The audit office of the company conducts annual audits in accordance with the " Regulations Governing Establishment of Internal Control Systems by Public Companies " Through the control operation of safety inspection, if the inspection finds defects, immediately request the inspected unit to propose relevant improvements plan and report to the board of directors, and regularly track improvement results to reduce internal security risks. Auditing office report regularly to the board of directors on the company's information security inspection and implementation status, and the most recent report date is March .10 2025.

Every year, the CPA audit of the information operations. If any deficiency is found, it will require improvement measures and track the improvement results.

In order to strengthen information security management, ensure the availability, integrity and confidentiality of information, and consider the company scale and business characteristics, the company is currently entrusted by an external professional information security company to assist and provide information security consulting services, free from internal and external intentional or accidental threats.

The specific management methods of the company are as follows:

1. Internet information security control
 - A. The company set up a firewall (Firewall).
 - B. Install anti-virus software on the company's mainframe and each personal computer, and automatically update the virus pattern on a regular basis;
 - C. Perform virus scans on computer systems and data storage media, and regularly review the logs of various network service items. If an abnormal attack is found, track the abnormal cause or block it.
 - D. Internet spam interception and Internet traffic analysis, and manage the bandwidth of various

- traffic.
 - E. Ensure smooth flow of information.
 - F. The use of various network services is implemented in accordance with the information security policy.
2. Data access control
 - A. The computer equipment is kept by a special person, and the account number and password are set.
 - B. Grant access rights to information systems according to their functions.
 - C. The original authority and account of the transferred or resigned personnel will be cancelled.
 - D. Remove or overwrite confidential, sensitive information and copyrighted software before the equipment is scrapped.
 - E. Remote access to management information systems is subject to appropriate approvals.
 3. Strain recovery mechanism
 - A. Regularly review emergency response plans
 - B. Regularly rehearse system recovery every year
 - C. Establish a system backup mechanism and implement off-site backup
 - D. Regular review of computer network security controls
 4. Promotion and Inspection
 - A. Promote information security information at any time to enhance employees' awareness of information security
 - B. Regularly carry out information security inspections every year

(II). Implementation

The Company's information and communication security management related matters will be reported to the Board of Directors on March 10, 2025 for the 2024 fiscal year. The main implementation details are as follows:

- (1) Implement information security management policy objectives, and regularly back up mechanisms and practice recovery plans to protect the company's important systems and data security.

Firewall: Build a network firewall protection function.

Software system: Establish endpoint protection system and anti-virus software.

Human resources investment: Dedicated information security personnel are responsible for maintaining the operation of various systems, sending information security promotion emails and promoting the importance of information security in employee day meetings, and performing permission checks on various systems.

Perform system backup and recovery plan drills.

The company conducts internal information security management program audits every year.

- (2) We will continue to conduct internal promotions through our company's employee day to strengthen our employees' awareness of information and communications security, and have the management department promote management priorities.

Date	Hours	Attendance
2025/01/22	0.5 hours	65 people (86%)
2024/01/26	0.5 hours	54 people (79%)

- (III). List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided : None.

VII. Important Contracts

Nature of the contracts	The parties involved	Contract start and end date	Main content	Restriction clause
Project contracting	Yifeng Construction Co., Ltd.	2018.01.24~ Post construction warranty period expired	"Suntly Li Fang" contract for new construction works	None
	Yifeng Engineering Co., Ltd.	2018.02.22~ Post construction warranty period expired	"Suntly Li Fang" contract for new construction hydropower project	None
	Chenfeng Construction Co., Ltd.	2020.02.20~ Post construction warranty period expired	"Li Suntly" contract for new construction works	None
	Qiaozheng Mechanical & Electrical Co., Ltd.	2020.12.11~ Post construction warranty period expired	"Li Suntly" contract for new construction hydropower project s	None
	Yifeng Construction Co., Ltd.	2020.03.16~ Post construction warranty period expired	"Suntly Quo Yong - Ritz District" contract for new construction works	None
	Yifeng Engineering Co., Ltd.	2020.06.30~ Post construction warranty period expired	"Suntly Quo Yong - Ritz District" contract for new construction hydropower project	None
	Yifeng Construction Co., Ltd.	2020.03.16~ Post construction warranty period expired	"Suntly Guo Yong - Regent District" contract for new construction works	None
	Yifeng Engineering Co., Ltd.	2020.06.30~ Post construction warranty period expired	"Suntly Guo Yong - Regent District" contract for new construction hydropower project	None
	Hsin Tung Yang Construction Co., Ltd.	2020.04.15~ Post construction warranty period expired	"Ju Suntly" contract for new construction works	None
	Xingyang Construction Co., Ltd.	2020.08.03~ Post construction warranty period expired	"Ju Suntly" Contract for new contract for new construction hydropower project	None
	Hsin Tung Yang Construction Co., Ltd.	2020.12.31~ Post construction warranty period expired	"Suntly International 360" foundation and structural new construction work	None
	Hsin Tung Yang Construction Co., Ltd..	2023.03.24~ Post construction warranty period expired	"Suntly International 360" renovation work	None
	Xingyang Construction Co., Ltd.	2021.02.25~ Post construction warranty period expired	"Suntly International 360" contract for new construction hydropower project	None
	Yifeng Construction Co., Ltd.	2021.06.25~ Post construction warranty period expired	"Shipai Project" Contract for new construction utilities	None
	Qinya Hydropower Engineering Co., Ltd.	2021.11.15~ Post construction warranty period expired	"Shipai Project" contract for new construction hydropower project	None
	Hsin Tung Yang Construction Co., Ltd.	2022.03.01~ Post construction warranty period expired	"Suntly Yi Ju Project" Contract for new construction utilities	None
	Mingyang Engineering Co., Ltd.	2022.10.07~ Post construction warranty period expired	"Suntly Yi Ju Project" contract for new construction hydropower project	None
	Hsin Tung Yang Construction Co., Ltd.	2022.03.01~ Post construction warranty period expired	"Kaifeng Street Project" Contract for new construction utilities	None
	Zhenquan Industrial Co., Ltd.	2022.09.01~ Post construction warranty period expired	"Kaifeng Street Project" contract for new construction hydropower project	None
	Hsin Tung Yang Construction Co., Ltd.	2024.02.15~ Post construction warranty period expired	" Fulin Rd. Project" Contract for new construction utilities	None
	Xingyang Construction Co., Ltd.	2024.09.10~ Post construction warranty period expired	" Fulin Rd. Project" contract for new construction hydropower project	

Nature of the contracts	The parties involved	Contract start and end date	Main content	Restriction clause
	Jinzang Construction Engineering Co., Ltd.	2024.04.08~ Post construction warranty period expired	"Chongqing North Road Project" Contract for new construction utilities	None
	Jichen Engineering Co., Ltd.	2024.12.10~ Post construction warranty period expired	"Chongqing North Road Project" contract for new construction hydropower project	None
Architect appointment contract	Jin Yi-rong Architects	2006.11.28~application for user license	"Suntly International 360" planning and design architect	None
	Jian Jun-qing Architects	2009.11.20~application for user license	"Yongji Project" planning and design architect	None
	Huang Mo-chun Architects	2015.01~application for user license	"Dexing East Road Project" planning and design architect	None
	HCCH and Associates Architects	2018.02.27~application for user license	"Li Suntly" planning and design architect	None
	Gao Zhong-ting Architects	2018.05.24~application for user license	"Yonghe Xinyi A Project" planning and design architect	None
	TMA Architects	2018.07.24~application for user license	"Ju Suntly" planning and design architect	None
	HCCH and Associates Architects	2019.01.15~Acquisition of Green Building Label	"Shilin Fulin Road Project" planning and design architect	None
	Zhou Menglong/Jian Zhicong/Ke Zhiming Architects	2019.08.28~Acquisition of Green Building Label	"Guangxin Park AB Project" planning and design architect	None
	Gao Zhong-ting Architects	2020.05.12~application for user license	"Shipai Project" planning and design architect	None
	Gao Zhong-ting Architects	2020.01.13~application for user license	"Kaifeng Street Project" planning and design architect	None
	TMA Architects	2021.03.16~Acquisition of Green Building Label	"Chongqing North Road Project Project" planning and design architect	None
	Huang Mo-chun/Zhang Juyong/Chen Haoyun Architects	2022.01.19~Acquisition of Green Building Label	"Yat Sin A Project" planning and design architect	None
	I-CONNECT Architects	2022.03.15~application for user license	"Songren Road Project" planning and design architect	None
	Gao Zhong-ting Architects	2023.02.26~application for user license	"Zhonghe Jingfu Xiulang Project" planning and design architect	None
	SYAA	2023.08.31~application for user license	"Music park Project A" planning and design architect	None
	SYAA	2023.08.31~application for user license	"Music park Project B" planning and design architect	None
	SYAA	2023.12.26~application for user license	"Guangming Movie Theater Project" planning and design architect	None
	TMA Architects	2024.05.20~ application for user license	"MRT System Sanxia Station Development Project" planning and design architect	None
	PGA Architects	2024.11.01~ application for user license	"Xinhai Baoya Project" planning and design architect	None
	TMA Architects	2008.05.21~2024.10.09	"14 Chang Project" planning and design architect	None

Nature of the contracts	The parties involved	Contract start and end date	Main content	Restriction clause
Investment contract	Department of Rapid Transit Systems, New Taipei City Government	2023.12.01~2029.02.28	MRT System Sanxia Station Development Project	None
Change urban renewal executor	Likai Construction Co., Ltd.	2019.12.31~ Change urban renewal approval announcement	"Songren Road Project" change urban renewal agreement	None
Government-led urban renewal	Taoyuan City Government	2017.12 ~ house delivery	"Zhongli Project" government-led urban renewal appointment contract	None
Superficies contract	Northern Region Office, National Property Administration, Ministry of Finance.	Duration of superficieses 2011.10.11~2061.10.10	"Sunt-yu Jian" set superficieses	None
Business entrustment contract	Shi Yang Construction Co., Ltd.	2024.11.20~Housing construction completed and management committee established	"14 Chang Project" Business entrustment contract	None
Borrowing contract	Hua Nan Commercial Bank	2020.10.27-2028.10.27	Mid-term secured loan	None
	Taipei Fubon Bank	2022.10.24-2026.10.24	Mid-term secured loan	None
	Chinatrust Commercial Bank	108.05.15-2025.05.15	Mid-term secured loan	None
	Chinatrust Commercial Bank	2022.10.25-2027.10.25	Mid-term loan	None
	Cathay United Bank	2020.10.06-2026.12.31	Mid-term secured loan	None
	Cathay United Bank	2022.02.09-2028.02.09	Mid-term secured loan	None
	Mega International Commercial Bank	2023.08.21-2026.02.21	Mid-term loan	None
	ShinKong Bank	103.05.28-2025.11.06	Mid-term secured loan	None
	Taishin International Bank	2024.03.31-2025.03.31	Short-term loan	None
	Hua Nan Commercial Bank	2024.05.26-2025.05.26	Short-term loan 、 Short-term secured loan	None
	Taiwan Business Bank	2024.05.30-2025.05.30	Short-term loan	None
	Shanghai Commercial & Savings Bank	2024.06.07-2025.06.07	Short-term loan	None
	O-Bank Co., Ltd.	2024.08.09-2025.08.08	Short-term loan	None
	Mega International Commercial Bank	2024.07.30-2025.07.29	Short-term loan	None
	Union Bank of Taiwan	2025.02.19-2026.02.19	Short-term loan	None
	Union Bank of Taiwan	2023.12.06-2029.11.29	Short-term loan	None
	Chinatrust Commercial Bank	2025.01.01-2025.12.31	Short-term loan 、 Short-term secured loan	None
	First Commercial Bank	2025.02.10-2026.02.10	Short-term loan	None
	SinoPac Bank	2024.05.31-2025.05.31	Short-term secured loan	None
	Taiwan Cooperative Bank	2024.11.18-2025.11.18	Short-term loan	None

Note: Listed are the contracts that are still valid as of the publication date of the annual report and that have expired in the most recent year.

V. Review and analysis of financial status and financial performance and risk

I. Financial status

Unit: NT\$ thousand

Item \ Year	Dec. 31, 2023	Dec. 31, 2024	Difference	
			Amount	%
Current assets	11,803,695	11,403,598	(400,097)	-3.39%
Funds and investments	30,425	29,931	(494)	-1.62%
Fixed assets (Property, Plant and Equipment)	137,309	91,971	(45,338)	-33.02%
Intangible assets	0	1,514	1,514	-
Other assets	1,169,992	1,024,812	(145,180)	-12.41%
Total assets	13,141,421	12,551,826	(589,595)	-4.49%
Current liabilities	6,759,989	5,786,639	(973,350)	-14.40%
Non-current liabilities	346,569	314,380	(32,189)	-9.29%
Total liabilities	7,106,558	6,101,019	(1,005,539)	-14.15%
Capital stock	3,523,143	3,523,143	0	0.00%
Additional paid-in capital	802,670	802,671	1	0.00%
Retained earnings	1,671,964	2,088,813	416,849	24.93%
Other equities	(252)	639	891	-353.57%
Total shareholders' equity of the parent company	5,997,525	6,415,266	417,741	6.97%
Non-controlling interests	37,338	35,541	(1,797)	-4.81%
Total Equity	6,034,863	6,450,807	415,944	6.89%
<p>The main reasons for the significant changes and impacts:</p> <p>In this period, other assets decreased compared with the same period last year due to the disposal of right-of-use assets by the consolidated subsidiary. In addition, the pre-sale projects of "Syang Yi-Ju" and "Li Sunty" were delivered in this period, the contract liabilities were recognized as income, net profit increased, and loans were repaid, which reduced liabilities and increased retained earnings.</p> <p>If the impact is significant, the future corresponding measures should be stated: None.</p>				

II. Financial performance

Unit: NT\$ thousand

Item	Dec. 31, 2023		Dec. 31, 2024		Increase or decrease	Change (%)
	Subtotal	Total	Subtotal	Total		
Sale	4,242,350		4,679,558		437,208	10.31%
Less: Sales returns	0		0		0	-
Net Sale revenues		4,242,350		4,679,558	437,208	10.31%
Operating costs		3,002,296		3,208,241	205,945	6.86%
Operating profit margins		1,240,054		1,471,317	231,263	18.65%
Operating expenses		494,134		549,430	55,296	11.19%
Selling and marketing expenses	204,357		225,262		20,905	10.23%
Administrative expenses	287,595		322,140		34,545	12.01%
R&D expenses	2,182		2,028		(154)	-7.06%
Net operating profits		745,920		921,887	175,967	23.59%
Non-operating income and expense		(20,694)		(10,748)	9,946	-48.06%
Net profits before tax		725,226		911,139	185,913	25.64%
Less: Income tax expenses		81,011		224,596	143,585	177.24%
Net profits for the period		644,215		686,543	42,328	6.57%
Other comprehensive income (net after-tax)		(9,094)		2,952	12,046	-132.46%
Total comprehensive income for the period		635,121		689,495	54,374	8.56%
Net profits for the period attributable to		644,215		686,543	42,328	6.57%
Shareholders of parent company	683,723		679,506		(4,217)	-0.62%
Non-controlling interests	(39,508)		7,037		46,545	-117.81%
Total comprehensive income attributable to		635,121		689,495	54,374	8.56%
Shareholders of parent company	680,420		681,976		1,556	0.23%
Non-controlling interests	(45,299)		7,519		52,818	-116.60%
<p>The main reasons for the significant changes are as follows:</p> <p>The increase in net profit and income tax in this period was due to the recognition of income costs for the delivery of houses at "Suntly Yi-Ju" and "Li Suntly" and in 2023, it was the delivery of houses at "Chu Suntly" and "Suntly Guo Yong - Regent". The sales cases are affected by factors such as their scale, product design and location, which leads to the difference in financial ratios between the two periods.</p> <p>Expected sales volume and forecast basis, possible impact on the Company's future finance and business matters and corresponding measures:</p> <p>In response to adjustments in market supply and demand, the economic environment and changes in the taxation system, we will maintain a prudent attitude in developing quality projects and operating steadily in the future.</p>						

III. Cash flows

(I) Analysis of changes in cash flow for the most recent year (2024)

Item \ Year	2023	2024	Increase or decrease %
Cash flows ratio (%)	25.72	28.57	11.08%
Cash flow adequacy ratio (%)	8.95	52.21	483.35%
Cash reinvestment ratio (%)	29.62	23.75	-19.82%
Analysis of changes in cash flows: In 2024, due to the delivery of pre-sale projects, contract liabilities were recognized as income and loans were repaid, which reduced current liabilities; and the increase in net cash inflow from operating activities and the payment of cash dividends led to a corresponding change in the cash flow ratio.			

(II) Improvement plan for liquidity deficiency: None.

(III) Cash flow analysis for the coming year (2024)

Unit: NT\$ thousand

Cash balance at the beginning of the period (1)	Cash inflow for the whole year (2)	Cash outflow for the whole year (3)	Cash balance (shortfall) (1)+(2)-(3)	Remedies for cash shortfall	
				Investment plan	Financing plan
1,926,083	4,015,626	4,708,145	1,233,564	-	-
Cash flow analysis: The Company estimates that in 2025, expenses such as construction costs, the development of new projects, and dividend payments, plus the collection of construction projects throughout the year, will generate a net cash outflow of approximately NTD 692,519,000. Remedies for cash shortfall: None.					

IV. Effect of major capital expenditures on finance and business matters in the most recent year (2024): No such situation.

V. Investment policy for the most recent year (2024), the main reasons for profit or loss, improvement plan and investment plan for the coming year.

(I) Investment policy

The Company's most recent investments were in Hsin Tung Yang Construction Co., Ltd., Suntly International Land Development Co., Ltd., Suntly Land Co., Ltd. and Great Harbor Limited (invest Cheng Du Sheng Yang Real Estate Development Limited Company), all of which were made in the industry in consideration of the development of the construction business.

(II) The main reasons for profits or losses for the most recent year and improvement plan.

Hsin Tung Yang Construction Co., Ltd. has built an excellent image with its rich construction experience, meticulous construction quality, and good service. In 2024, the company continued to promote the policy of fast, economical, good and excellent, and the construction projects in progress were progressed as scheduled and with high quality. Although factors such as lack of work and rising prices of bulk materials were affected, it still maintained stable performance in the fiercely competitive market. business and reasonable profits.

Suntly International Land Development Co., Ltd. recognized losses on the transfer of right-of-use assets, Suntly Land Co., Ltd.. recognized income on the provision of professional services, and Great Harbor Limited mainly recognized gains and losses on the reinvestment in Cheng Du Sheng Yang Real Estate Development Limited Company and paid for management sales.

Unit: NT\$ thousand, Shares; December 31, 2024

Investor	Relationship with the Company	Investment amount at the beginning of the period	Investment amount at the end of the period	Number of shares at the end of the period	Shareholding percentage	Carrying amount	profits or losses for the period of the Investee	Investment gain or loss recognized during the period
Hsin Tung Yang Construction Co., Ltd.	Subsidiary of the Company	121,734	123,405	12,414	76.63%	120,055	61,694	20,674
Suntly International Land Development Co, Ltd	Subsidiary of the Company	123,800	48,800	4,880	100.00%	503	(24,056)	(24,056)
Suntly Land Co, Ltd.	Subsidiary of the Company	1,200	1,200	120	100.00%	7,431	6,510	6,510
Great Harbor Limited	Subsidiary of the Company	34,559	34,559	3	17.98%	29,931	487	(1,608)

(III) Investment plans for the coming year: None.

VI. Analysis and assessment of risks for the most recent year (2024) or during the current year up to the date of publication of the annual report

(I) The impact of the changes in interest rate and exchange rate, and inflation on the Company's profitability and future corresponding measures:

1. The impact of the changes in interest rate on the Company's profitability and future corresponding measures:

The interest income and expenses of the Company and its significant subsidiary, Hsin Tung Yang Construction Co., Ltd. accounted for a relatively small percentage of operating revenues and therefore had little impact on profit or loss. The Company and its subsidiaries have good credit relationships with banks and have good credit standing for the most recent year and up to the date of publication of the annual report. In the future, the Company will pay close attention to changes in interest rates and global economic trends, and will actively compete with banks for the lowest interest rates and take necessary measures in a timely manner to avoid the risk of interest rate increases.

2. The impact of the changes in exchange rate on the Company's profitability and future corresponding measures:

The impact on the Company's profitability

The company's foreign exchange profit in 2024 was NT\$23,783,000, accounting for 0.51% and 2.58% of the operating income and operating profit for that year. It was mainly due to the remittance of US dollars from the cash reduction of Great Harbor Limited, and the foreign exchange profit was generated due to the continuous appreciation of the US dollar exchange rate in 2013. The Company and its investment companies did not suffer any significant losses from foreign exchange transactions, indicating that the Company and its investment companies have good risk control capabilities in response to exchange rate changes and will not affect the normal operations of the Company and its investment companies.

3. The impact of inflation on the Company's profitability and future corresponding measures:

In recent years, prices have risen as a result of rising raw material and energy prices, but the overall economy and industry still show a steady growth pattern, resulting in inflation that is still under control. In addition, the Company and its investees actively maintain good interaction with customers and suppliers, and adjust product prices and raw material inventories in a timely manner in response to price fluctuations to reduce the impact of inflation.

- (II) The policy of engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profit or loss, and future corresponding measures:

The Company has adopted a prudent and conservative investment policy and has not engaged in high-risk and high-leverage investments in the most recent year or as of the date of the annual report, and currently has no loans to others or derivative transactions.

In addition, the Company and its significant subsidiaries have established the "Procedures for Lending Funds to Others", "Procedures for Endorsement and Guarantee" and "Procedures for Acquisition or Disposal of Assets", which have been approved by the shareholders' meeting, as the basis for future execution of related matters to strengthen the control of transaction procedures.

- (III) Future R&D plans and the estimated expenses

Considering that the construction industry is different from the general manufacturing industry or high-tech industry that requires research and development and design of new products, the Company and its significant subsidiaries have not established a dedicated research and development department and have no related research and development expenses and specific results.

- (IV) The impact of important domestic and foreign policy and legal changes on the Company's finance and business and corresponding measures

There was no significant impact on the Company's finance and business matters as a result of significant domestic and foreign policy and legal changes in recent years. The Company and its significant subsidiaries are always aware of the changes in policies and laws and regulations, and seek professional advice from CPA in order to prepare necessary measures and countermeasures in a timely manner.

- (V) The impact of important changes in technology or industry on the Company's finance and business and corresponding measures

The Company and Hsin Tung Yang Construction Co., Ltd. currently generate revenues and profits mainly from land development, investment and residential construction in the Greater Taipei area, while Cheng Du Sheng Yang Real Estate Development Limited Company which is a sub-investment of Great Harbor Limited, is mainly involved in real estate development in Mainland China.

In response to changes in technology and industry, the Company and its investees keep abreast of market changes, actively obtain industry information through various means and accurately grasp the pulse of industry information in order to expand business. There has been no material impact on the Company's finance and business matters due to technological changes or industry changes.

- (VI) The impact of change in corporate image on corporate crisis management and corresponding measures

All the employees and managerial officers of the Company and its important subsidiaries operate the Company steadily based on the corporate values of "honesty and pragmatism, active innovation, and insistence on quality". To our customers and investors, we have always maintained our corporate image of "responsibility" and "sincerity", and we will maintain our good corporate image in the future. So there will be no problem

related to the change of corporate image.

(VII) Expected benefits and possible risks of mergers and acquisitions and corresponding measures: No such situation..

(VIII) Expected benefits and possible risks of plant expansion and corresponding measures: No such situation.

(IX) Risks of concentrations of purchases or sales and corresponding measures:

The Company generates revenue and profits mainly through land investment and residential construction. The main purchase items are land, and the land purchase methods are extremely diversified, ranging from bidding for authorities holding land assets to purchasing land from private parties or joint construction, and the Company adopts appropriate land investment strategies mainly in consideration of the current market conditions in order to reduce the Company's land development risks. There is no risk of concentration of construction land acquisition. In addition, due to the characteristics of the industry, in order to control the quality standard of new construction projects, the Company and its subsidiaries have contracted qualified construction companies for the construction works, and since there are many Grade A construction companies in the country, and there are many choices of organizations or contractors for utilities, electrical and mechanical, and design, the Company has no risk of concentration of purchases. In addition, the sales targets of the Company's projects are the general public and corporate firms, so there is no concentration of sales. The main raw materials of Hsin Tung Yang Construction Co., Ltd. are steel, concrete, cement, sand and red bricks. Except for some materials supplied by property owners according to contracts, the main bulk building materials are available domestically. The Company has established good relationships and interactions with various suppliers over the years in accordance with its sustainable management philosophy, and the supply situation is normal, so there is no risk of concentration of major raw materials. In addition, its sales are mainly derived from contract works for the parent company and obtaining factory and residential projects through tender and bargaining. Due to the limited scale of operation and the duration of construction, which is 3-5 years, its revenues are concentrated in a few property owners, so its sales are concentrated in certain customers as a characteristic of the industry. The property owner will be changed upon completion of the project. Therefore, there is no risk of concentration of sales. Other subsidiaries are still in the planning stage of development projects, so there is no risk of concentration of purchases or sales.

(X) The impact on the Company and risks of the massive transfer or change of shares by directors or major shareholders with 10% stake or more and corresponding measures: No such situation.

(XI) The impact on the Company and risks of change in management rights and corresponding measures: Not applicable: No such situation

(XII) Litigation or non-litigation events

If the Company, its directors, general managers, de facto persons in charge, major shareholders with more than 10% stake, or subordinate companies have been convicted by final and binding judgments or are still bound by significant litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices:

None of the final and binding judgments or significant litigation, non-litigation or administrative disputes related to the Company, its directors, general managers, de facto persons in charge, major shareholders with more than 10% stake, or subordinate companies are material and the results of which have not yet had a significant impact on shareholders' equity or securities prices, nor have they been found to have affected the normal operation or business of the Company.

(XIII) Other major risks and corresponding measures

VII. Other important matters: None

VIII. Special Matters

I. Information on affiliates: Please visit the MOPS website for more information.

MOPS > Single Company > Electronic Document Download > Three Forms and Documents for Related Enterprises

<https://mops.twse.com.tw/mops/#/web/t06sg20>

- II. Private placement of securities during the most recent year (2024) or during the current year up to the date of publication of the annual report: No such situation.
- III. Other matters that require additional explanation: None
- IV. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, which has occurred during the most recent year (2024) or during the current year up to the date of publication of the annual report: No such situation.

Company name : Sunty Development Co., Ltd.

Chairman : Kuan-Chen Mai