Stock Code: 1438

San Di Properties Co., Ltd.

2024 Annual Report

Market Observation Post System: http://mops.twse.com.tw
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Printed on May 20, 2025

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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.

I. Spokesperson and Deputy Spokesperson:

Spokesperson: Chung, Yu-Lin
Title: Chairman
Deputy Spokesperson: Chuan, Chun-Yu
Title: President
Tel: + 886 7 225-9599
E-mail: yufoongb@ms37.hinet.net

II. Corporate Headquarters:

Address: 16F.-3, No. 175, Zhongzheng 2nd Rd., Lingya Dist., Kaohsiung City
Tel: + 886 7 225-9599

III. Common Share Transfer Agent and Register:

Company: Agency Department of CTBC Bank
Address: 3F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City
Website: https:// www.ctbcbank.com.tw
Tel: + 886 2 6636-5566

IV. Auditors:

CPA's name: Yu-Lun Kao and Yung Hsiang Chen
Auditing Firm: KPMG Taiwan
Address: 12F.-6, No. 211, Zhongzheng 4th Rd., Qianjin Dist., Kaohsiung City
Website: https://kpmg.com/tw
Tel: + 886 7 231-0888

V. Overseas Securities Trade & Exchange Information: None.

VI. Company Website: https://www.sandirealestate.com.tw

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I. Letter to Shareholders

Dear Shareholders,

Thank you for your full support to the **San Di Properties Co., Ltd.** (hereinafter referred to as "**the Company**") in the past year. On behalf of the Company, I would like to express my deepest respect and gratitude to the shareholders!

<u>The Operational Results for the year 2024</u>

I. Financial Results in 2024

In the fiscal year 2024, the Company's income was NT$1,116,647,000, increase of 269.07% compared to NT$316,107,000 in 2023. The operating gross profit for fiscal year 2024 was NT$275,000, a decrease of 99.54% compared to NT$60,272,000 in 2023. The operating net loss for fiscal year 2024 was NT$28,973,000, a decrease of 216.95% compared to NT$24,774,000 in 2023. The pre-tax net (loss) income for fiscal year 2024 was (NT$141,104,000), increase of 144.28% compared to (NT$57,764,000) in 2023. The earnings per share (EPS) was (NT%1.54).

Unit: NT$ in Thousands；%

Item \ Year	2024	2023	Increase (Decrease) Amount	Variation Rate(%)
Operating Income	1,166,647	316,107	850,540	269.07
Operating Gross Profit	275	60,272	(59,997)	(99.54)
Operating Gains (Loss)	(28,973)	24,774	(53,747)	(216.95)
Non-operating Income and Expenses	(112,131)	(82,538)	(29,593)	35.85
Net Gains (Loss) Before Tax	(141,104)	(57,764)	(83,340)	144.28
Net Gains (Loss) Current Period	(140,926)	(64,954)	(75,972)	116.96

II. Forecast Implementation Status in 2024

The Company's 2024 financial forecast has not been disclosed to the public, because the overall actual operating conditions and performance are roughly equivalent to the Company's internal operating plan.

III. Analysis of Financial Income, Expenditure and Profitability

Unit: NT$ in Thousands: %

Item \ Year		2024	2023
Financial Structure	"Debt-to-Asset Ratio (%)"	76.92	82.91
	Long-term Funds to Property, Plants and Equipment Ratio (%)	37,473.95	57,393.22
Profitability	Return on assets (%)	(0.17)	(0.10)
	Return on shareholders' equity（%）	(5.86)	(3.36)
	Pre-tax Net Income to Paid-up Capital Ratio (%)	(12.69)	(6.33)
	Net profit percentage	(12.08)	(20.55)
	Earnings per share (NTD)	(1.54)	(0.71)

IV. Status of Research and Development

In terms of land development, we select areas with development potential. In addition to self-construction, we actively strive for surface rights, joint development and sales, urban renewal and dangerous and elderly projects for cooperative development. In terms of project layout, we adapt to market adjustments and meet the needs of factories and commercial offices. In addition to the original collective residential buildings, we add independent factories, factory offices, corporate headquarters, commercial offices, warehouses, etc. We respond to and study relevant laws and regulations at any time to keep up with the unpredictable market trends; currently, land development areas are concentrated in Kaohsiung City and Tainan City.

Regarding the financial management, the Company adopts flexible fund procurement and allocation strategies. In addition to financing from financial institutions, we operate fund procurement through methods such as cash increases, private placements, corporate bonds, etc. Additionally, we collaborate with peers through methods like joint construction and joint development to increase revenue and reduce the need for funds.

Regarding the construction technology, the Company is gradually introducing construction management consultants to ensure construction quality and progress. Simultaneously, we actively cultivate in-house supervision and construction capabilities to achieve independent management. Regarding the reduction of construction waste, we start from the source by strengthening the classification of construction site waste and reviewing waste data, promoting the use of recycled products to reduce waste. Additionally, we assess the use of new construction methods such as aluminum formwork to decrease waste generated during the construction process.

Regarding the sales management and customer service, sales are all entrusted to professional sales agents or intermediaries. To improve individual sales performance and after-sales service quality, we plan to rigorously select professional sales agencies in the future. We will also demand strict professionalism from frontline sales staff and enhance their service attitude through training. Additionally, we will select and train after-sales service personnel ourselves to ensure the quality of after-sales service.

Business Plan for 2025

I. Operating Principles

1. Actively carry out the construction planning of the purchased land, promote construction projects and land development, and expand the scale of the Company's proposals.
2. Strictly control the construction progress and strengthen the construction quality.
3. Improve the Company's revenue and profitability.
4. Activate idle assets to increase cash inflow.
5. Actively participate in the investment promotion of various types of land etc.

II. Important Production and Marketing Policies

1. Establish a profit center management system to save various costs and operating expenses.
2. Implement the effective use of various resources, improve product quality, and increase profitability.
3. Analyze market trends, launch products that meet consumer needs, and increase added value.
4. Improve the corporate image, actively develop and transform the scope of operation, and increase market share.

III. Expected Construction Quantity and Basis

1. The Company has completed the following projects:
   The site area of the Tianzhong Section of Linyuan District, Kaohsiung City covers an area of 1,255 pings (1 ping = 3.3058 square meters, total area of 4,148,78 square meters). It is expected to build a total of 14 store buildings (each will be a five-story building), a total of 24 residential buildings (each will be a four-story building), and a total of 38 building blocks.
2. The Company following are the projects under construction :
   (1) The construction projects for the Mingyi Section of Hsiaokang District, Kaohsiung City covers an area of 586 pings (1 ping = 3.3058 square meters). It is expected to build fifteen-story buildings above ground and three-story basement buildings underground, with a total of 88 households and 91 parking spaces.
   (2) The construction projects for the Guonan Section, South District, Tainan City, covers an area of 835 pings (1 ping = 3.3058 square meters). It is expected to build fifteen-story buildings above ground and four-story basement buildings underground, with a total of 142 households and 151parking spaces.
   (3) The construction projects for the Sancuaicuo Section of Sanmin District, Kaohsiung City covers an area of 2,139 pings (1 ping = 3.3058 square meters, total area of 7,971,10 square meters).It is expected to build thirty-one-story buildings above ground and six-story basement buildings underground, with a total of 643 households and 805 parking spaces.

(4) The construction projects for the base area of Pingshi Section, East District, Tainan City covers an area of 1, 649 pings. It is expected to build fifteen-story buildings above ground and three-story basement building underground, with a total of 293 households and 329 parking spaces.
(5) The construction projects for the Wusheng Section, West Central District, Tainan City, covers an area of 1,521 pings (1 ping = 3,3058 square meters), It is expected to build Twenty-one-story buildings above ground and four-story basement buildings underground, with a total of 223 households and 296 parking spaces.
(6) The construction projects for the Haichien Section, Annan District, Tainan City, covers an area of 157 pings (1 ping = 3.3058 square meters). It is expected to build four-story buildings above ground and with a total of 4 households.

3. The Company's annual sales plan for construction projects in future years will be as follows:
(1) The construction projects for the eastern section of Hougang, Renwu District, Kaohsiung City,covers an area of 923 pings. It is expected to build a 14-story above-ground and 3-story underground shop-collecting residential building with a total of 132 households and 145 parking spaces.
(2) The construction projects for the North Section of Kanjiao, Rende District, Tainan City, the site covers an area of 10,706 pings. It is planned to build a 15-16-story above-ground and 3-story underground Smart Technology Park with a total of 292 households and 1,702 parking spaces.
(3) The construction projects for the Lot No. 32, Pingshi Section, East District, Tainan City,covers an area of 1,926 pings. It is expected to build a 15-story above-ground and 4-story underground shop-collecting residential building with a total of 482 households and 483 parking spaces.
(4) The construction projects for the Niuchaopu Section of Fengshan District, Kaohsiung City covers an area of 1,026 pings (1 ping = 3.3058 square meters). It is expected to build a total of 11 factory buildings.
(5) The construction projects for the Fengming Section, Yingge District, New Taipei City,covers an area of 3,075 pings. It is expected to build a 15-story above-ground and 3-story underground shop-collecting residential building with a total of 454 households and 466 parking spaces.

Future Development Strategy of the Company

While marketing strategies and developing possible businesses, the Company has established a profit center management system, and there is a hope to save various costs and operating expenses more efficiently. The Company will continue to uphold the business philosophy of innovation, quality and service, with a professional attitude, under the quality requirements of the operation process, plan safe, stable, humanized, technologically superior products, and aim to provide the most perfect customer service, continue to develop and comprehensively improve quality, in order to achieve the concept of sustainable management of the enterprise.

The Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment

I. Impact of External Competitive Environment

The global economy and trade are still affected by inflation and high interest rates. Terminal demand has not yet shown significant recovery. The central bank's interest rate hike cycle is nearing its end, and the interest rate policy is shifting to neutral. The effects of gradually rising mortgage rates and tight liquidity continue to suppress overall market enthusiasm.

In the construction industry, the government continues to introduce measures to curb speculation and improve the housing market, guiding the market towards stable development based on rigid demand. In areas with more supply, there may be room for price correction. In addition, Tainan and Kaohsiung are driven by public construction such as science parks, forward-looking plans and major investment projects. The use of infrastructure to drive industrial development can improve living functions and increase per capita income. Although it will also cause construction costs to continue to rise, the future outlook for the real estate market will be stable and positive.

Environmental issues are increasingly being taken seriously, and companies are considering various management systems from a local perspective. By adopting "green management" to enhance competitiveness, companies aim to achieve the goal of a green environment while maintaining high-quality living standards and reasonable profits.

II. Impact of Regulatory Environment

The government is implementing amendments to the " Equalization of Land Rights Act " regarding transaction regulations. The revisions include limitations on reselling presold or newly built houses after signing contracts and the introduction of a permit system for corporate homebuyers. The amendments also clearly define speculative real estate activities and penalties while establishing a reward system for reporting violations to enhance enforcement efficiency. The Company will focus more on market trends and regulatory research to ensure shareholder interests are safeguarded.

The Company strictly adheres to various construction regulations, including measures to prevent radiation pollution, the prohibition of using sea sand, air pollution control, water pollution control, road pollution control, noise and vibration control, etc. Additionally, the Company places importance on implementing construction safety and health measures, maintaining the construction site environment, and properly disposing of construction waste, as per relevant regulations.

III. Impact of Overall Business Environment

In terms of fiscal and tax policies, the government continues to strengthen credit controls. Measures such as central bank loan limits and increasing the risk weightings by the Financial Supervisory Commission aim to curb excessive speculation in real estate and achieve stable housing prices. Regarding housing policies, initiatives include the Ministry of Finance's Property and Land Consolidation Tax 2.0, increased vacant property taxes 2.0, and programs like the "New Young Family Secure Home Loan." Additionally, the six municipal governments are actively promoting social housing through rental-purchase schemes to achieve the goal of stabilizing housing prices. Overall, the housing market policies are mainly focused on guiding the market towards stable development driven by genuine demand.

In addition to the "5+2" industrial innovation and "six core strategic industries" based on the government's policy, Taiwan's "five trusted industries" of semiconductors, artificial intelligence, military industry, security control, and next-generation communications are listed as key industries for future global layout. Through innovation-driven transformation and development of small, medium and micro-sized enterprises, it will be beneficial for company to subsequently launch independent factories, factory offices, corporate headquarters, commercial offices, warehousing and other diversified products.

The National Science and Technology Council proposed the "Smart Technology Greater Southern Industry Ecosystem Promotion Plan" to drive the development of the semiconductor S corridor, gradually transform Kaohsiung's industries, increase investment momentum and employment opportunities in the semiconductor supply chain, and the real estate market outlook continues to improve.

The company adheres to the belief of "working hard for environmental sustainability and creating the most livable home for you on every piece of land",focusing on the architectural planning of development sites, such as building colors, designs, textures, lighting, landscape design, public space quality, and greenery, the Company also conducts comprehensive assessments of the overall operating environment, including external road widening and traffic impact assessments. It pursues the highest quality and aims to meet customer needs with every project, striving for balance and completeness.

The above is the direction of our company future efforts. All colleagues must work together to create a win-win situation and give back to all shareholders.

Yours sincerely Shareholders

Good health and good luck

San Di Properties Co., Ltd.

Chairman: Chung, Yu-Lin

II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Information Regarding Board Members

1. Information on Directors

April 25, 2025

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Note 3)	Shares Held when elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares held in the name of others		Experience (Education)	Selected Current Positions at Other Companies	Managers, Directors or Who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Lou Ying Investment Co., Ltd.		2024.06.26	3	2006.05.08	6,312,333	6.92	7,419,689	6.67	-	-	-	-		-	-	-	-	-
	R.O.C.	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Lin	Male 41-50	2024.06.26	3	2021.07.22	0	0	0	0	-	-	-	-	Bachelor, Nutrition, University of British Columbia President/ San Di Properties Co., Ltd.	(Note 2)	-	-	-	-
Director	R.O.C.	Lou Ying Investment Co., Ltd. Representative: Lee, Chung-His	Male 51-60	2024.06.26	3	2021.07.22	4,000	0	4,000	0	-	-	-	-	Bachelor, Department of Traffic Management, Chenggong University President, Kaohsiung Bus Company Ltd.,	(Note 3)	-	-	-	-
Director	R.O.C.	De Mei Investment Co., Ltd.		2024.06.26	3	2006.05.08	984,348	1.08	984,348	0.89	-	-	-	-	-	-	-	-	-	-
	R.O.C.	De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan	Male 51-60	2024.06.26	3	2021.07.22	0	0.48	530,807	0.48	2,061,699	1.85	-	-	Master Degree Department of Economics and Management/ National Jinan International University, Manager, Cheng Hsiung Restaurant Group Co., Ltd.	-	-	-	-	-
	R.O.C.	De Mei Investment Co., Ltd. Representative: Chuan,Chun-Yu	Male 61-70	2024.06.26	3	2024.06.26	0	0	0	0	-	-	-	-	B.S. Degree, Department of Civil Engineering, National Kaohsiung University of Science and Technology Deputy Manager of Procurement and Development Department of Baocheng Construction Co., Ltd. Special Assistant to the Chairman of Highwealth Construction corp. CEO of Nangong District, Chyi Yuh Construction Co., Ltd.	Deputy President of Public Works, San Jia Development Construction Co., Ltd.	-	-	-	-
Indep. Director	R.O.C.	Ku, Mu-Chin	Male 71-80	2024.06.26	3	2021.07.22	0	0	0	0	-	-	-	-	Master, Business Administration, College of Management, National Sun Yat-Sen University Chief/Manager, TC Bank Vice President, Bowa Commercial Bank Ltd, CPA, Cheng Yang Audit Firm	CPA, Chen Pu Audit Firm	-	-	-	(Note 5)

Indep. Director	R.O.C.	Hung, Yin	Female 41-50	2024.06.26	3	2021.07.22	0	0	0	0	-	-	-	-	Master, Accounting, University of Washington, U.S. Assistant Manager, RSM US LLP Audit Firm Internal Auditor, Avanade/Accenture CPA, Grant Thornton LLP	CPA, Nexia Trans - Asia Associates Independent Director, Top High Image Corp.	-	-	-	(Note 5)

Note 1: For juristic person shareholders, the name of the juristic person shareholder and the representative should be listed separately, and see the following table 1.

Note 2: (1) Chairman: Sanjia Development Construction Co., Ltd., San Di Construction Co., Ltd., Fuli Development Industrial Co., Ltd., Ba Fang Asset Management Co., Ltd., Dongli Investment Consulting Co., Ltd., Kanglong Investment Co., Ltd., Anping Star Diamond Co., Ltd., Guagua Biotechnology Co., Ltd. , Sanlin Development and Construction Co., Ltd.

(2) Legal Representative Chairman: Jiake Travel Agency Co., Ltd., Chiayi Bus Transport Co., Ltd., Shangyu Orange Co., Ltd., Jiake International Asset Management Co., Ltd., Jiakelai Investment Co., Ltd., Shangyuting Co., Ltd., Sandi International Real Estate Co., Ltd., Hengfeng Energy Co., Ltd. ., Jiaxian Development Co., Ltd., Guagua Biotechnology Co., Ltd., Hongfeng Investment Co., Ltd.

(3) Directors: Zhenjiahui Construction Co., Ltd., Fengshang Lifestyle Development Co., Ltd., Gaofu Chemical Industry Co., Ltd.

(4) Legal Representative Directors: North Star International Co., Ltd., EasyCard Corporation Co., Ltd., Guagua Co., Ltd., North Star International Development Industrial Co., Ltd., Shinagawa International Development Co., Ltd., Founded Biotechnology Co., Ltd., Yishen Gas Station Co., Ltd., Fucheng Bus Transport Co., Ltd., Hefeng Energy Co., Ltd., Shinritai Electric Power Co., Ltd., Pingshi Forest Life Co., Ltd., Taiwan Green Environment Technology Inc.

(5) Legal Representative Director and President: Kaohsiung Bus Transport Co., Ltd.

(6) Legal Representative Vice Chairman: Sandi Energy Co., Ltd.

(7) Legal Representative Supervisor: Yaogu Energy Co., Ltd., Sandi Monster Power Co., Ltd., Yingguang Enterprise Co., Ltd., Jiaxin Energy Co., Ltd., HuanChuan Electric Power Co., Ltd., Nanxu Electric Power Co., Ltd., Woyang Energy Co., Ltd., Guning Energy Co., Ltd., Changyong Engineering Co., Ltd., Tel Electric Power Co., Ltd., Jiarui Optoelectronics Co., Ltd., Sandilu Energy Storage Co., Ltd., Hongtu Energy Co., Ltd., Jiayuan Optoelectronics Co., Ltd., Xichen Energy Co., Ltd., More Consultant Co., Ltd., Shengyang Engineering Co., Ltd., Green U Energy Co., Ltd., Sensi Energy Co., Ltd., Texin Energy Co., Ltd., Junhe Energy Co., Ltd., Grand Energy Storage Technology Co., Ltd.

(8) Supervisor: Aixin Creative Co., Ltd., Aixin Investment Industry Co., Ltd., Tor der flag print Co., Ltd., Jialesuei Hotel Co., Ltd.

(9) President: Dapeng Bay Tourism Yacht Co., Ltd.

Note 3: (1) Chairman: Wanhong International Enterprise Co., Ltd.,

(2) Vice Chairman:Sandi Renewable Energy Co., Ltd.

(3) Legal Representative and Chairman: Gao Shi Golf Co., Ltd.

(4) Legal Representative and Vice Chairman: Nanren Lake Amusement Co., Ltd., Kaohsiung Bus Transport Co., Ltd., Seaview World Enterprise Co., Ltd., Chiayi Bus Transport Co., Ltd.

(5) Directors: Dongzheng Investment Consulting Co., Ltd., Anping Star Diamond Co., Ltd., Gaofu Chemical Industry Co., Ltd.

(6) Legal Representative Directors: Jiakelai Investment Co., Ltd., Yingguang Enterprise Co., Ltd., Sandi Monster Power Co., Ltd., Jiaxin Energy Co., Ltd., Yaogu Energy Co., Ltd., Dapeng Bay Tourism Yacht Co., Ltd., Guagua Co., Ltd., Puyuma Bus Transport Co., Ltd., Jinshi Lake Hotel Co., Ltd., Jiake International Asset Management Co., Ltd., North Star International Co., Ltd., North Star International Development Industrial Co., Ltd., Expanding Management Consulting Co., Ltd., Guagua Biotechnology Co., Ltd., Founded Biotechnology Co., Ltd. , Wo Yang Energy Co., Ltd., Pingshi Forest Life Co., Ltd., Hong Tu Energy Co., Ltd., Tesin Energy Co., Ltd., MiaoLi Transportation Co., Ltd.

(7) Legal Representative Supervisor: Shinagawa International Development Co., Ltd., Haicheng Co., Ltd.

(8) Independent Director:National Petroleum Co., Ltd.

Note 4: (1) Directors: San Di Properties Co., Ltd., Sanjia Development Construction Co., Ltd., Fengshang Lifestyle Development Co., Ltd., Gaofu Chemical Industry Co., Ltd.

(2) Legal Representative Directors: Fucheng Bus Transport Co., Ltd.

(3) Supervisors: Jinshi Lake Hotel Co., Ltd., Zhenjiahui Construction Co., Ltd., Shangfa Construction Co., Ltd., Gao Shi Golf Co., Ltd.

(4) Legal Representative Supervisors: Chiayi Bus Transport Co., Ltd., Jiake International Asset Management Co., Ltd., Jiakelai Investment Co., Ltd., Guagua Co., Ltd., Yongruihe Co., Ltd., North Star Energy Co., Ltd., Hengfeng Energy Co., Ltd., Founded Biotechnology Co., Ltd., Fubao Co., Ltd.

(5) San Di Properties Co., Ltd. Financial Manager

Note 5: The Company held an Annual Shareholders' Meeting on July 22, 2021 to re-elect the Board Directors and established an Audit Committee.

Table 1: Major Shareholders of Juristic Person Shareholders

April 25, 2025

Name of Juristic Person Shareholder (Note 1)	Major Shareholders of Juristic Person Shareholders (Note 2)
Lou Ying Investment Co., Ltd.	Tong Cheng Investment and Consulting Co., Ltd. (100%)
De Mei Investment Co., Ltd.	Tong Cheng Investment and Consulting Co., Ltd. (100%)

Note 1: If a director or a supervisor is the representative of the juristic person shareholder, the name of the juristic person shareholder should be filled in.

Note 2: Fill in the name of the major shareholder of the juristic person shareholder (whose shareholding ratio accounts for the top ten) and its shareholding ratio.

Table 2: Table 1 Major Shareholders Who Are Juristic Persons

April 25, 2025

Name of Juristic Person (Note 1)	Major Shareholder of a Juristic Person (Note 2)
Tong Cheng Investment and Consulting Co., Ltd.	Chung, Chia-Tsun (99.87%)

Note 1: If the major shareholder listed on the Table 1 is a judicial person, please fill in the name of the juristic person.

Note 2: Fill in the name of the major shareholder of the juristic person shareholder (whose shareholding ratio accounts for the top ten) and its shareholding ratio.

2. Director's Professional Qualifications and Independent Director's Dependence Status

Criteria / Name	Professional Qualifications and Experiences	Independence Criteria（Note 2）	Number of Other Public Companies in Which the Individual is Concurrently Serving as an independent director
Chairman Chung, Yu-Lin	Mr. Chung, Yu-Lin has a Bachelor degree in Nutritional science at University of British Columbia. He served as President of San Di Properties Co., Ltd. has rich industrial knowledge, good at leadership, operation management and risk management, and have a deep view of the international market.	Not applicable	0
Director Lee, Chung-His	Mr. Lee, Chung-His has a Master degree in Science Department of Traffic Management at Chenggong University. He has been working in the industry for many years and has rich industry knowledge. He is good at leadership, operation management and decision-making ability and risk management.	Not applicable	1
Director Chiang, Shih-Yuan	Mr. Chiang, Shih-Yuan has a Master degree in Department of Economics & Management at National Jinan International University. Has rich industrial knowledge, good at business management and crisis management capabilities.	Not applicable	0
Director Chuan,Chun-Yu	Mr. Chuan,Chun-Yu graduated from the Department of Civil Engineering of National Kaohsiung University of Science and Technology, he has been working in the industry for many years and has rich industry knowledge. He is good at business management, decision-making and risk management.	Not applicable	0
Independent Director Ku, Mu-Chin	Mr. Ku, Mu-Chin has a Master degree in Business Administration, College of Management at National Sun Yat-Sen University. He served as Chief/Manager, TC Bank & Vice Managing Director, Bowa Commercial Bank Ltd, & CPA of Cheng Yang Audit Firm. Now, he serves as CPA of Ching Pu audit firm & Familiar with industry knowledge and good at finance, taxation and risk management.	All independent directors meet the following conditions: 1. Comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act and the "Regulations on the Establishment of Independent Directors of Publicly Offered Companies and Matters to be Observed" promulgated by the Financial Supervisory Commission. 2. He/she (or using the name of others), or his/her spouse and minor children do not hold shares in the Company. 3. No business, legal, financial, accounting and other services have been provided to the Company or its affiliated companies in the past two years.	0
Independent Director Hung, Yin	Ms. Hung, Yin has a Master degree in Accounting at University of Washington, U.S. She served as Deputy Manager/ RSM US LLP Audit Firm & Internal Auditor, Avanade/Accenture & Auditor, Grant Thornton LLP. Now, she serves as CPA/ Trans - Asia Associates.has rich industrial knowledge, is good at finance, taxation and risk management, and has a deep view of the international market.		1

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be described. None of the six directors of the Company fell under the circumstances specified in Article 30 of the Company Law.

Note 2: In accordance with the review standards and the establishment and compliance of independent directors of publicly listed companies, the Company has obtained an independence statement from independent directors, confirming that they meet the independence qualifications stipulated in the law.

3. Diversity and Independence of the Board Directors

(1) Diversity of the Board Directors

Strategy

According to the Company's "Corporate Governance Code of Practice", the composition of the board of directors should consider diversity. In addition to serving as Company managers, it should not exceed one-third of the directors' seats, and should take into account their own operations, operating models and development. It is necessary to formulate appropriate diversity policies, including but not limited to the following two major aspects of standards: basic conditions and values: gender, age, nationality and culture, etc. Professional knowledge and skills: professional background, professional skills and industrial experience, etc.

The Company's board of directors consists of seven directors with different professional backgrounds, including three independent directors, four corporate directors, and no director who also serves as Company manager. There are currently one female directors on the board of directors. Members of the 28th term of directors of the Company: Mr. Chung, Yu-Lin , Mr. Lee, Chung-His, and Mr. Chuan,Chun-Yu who are good at leadership, operational judgment, business management, crisis management, industrial knowledge and international market outlook; Mr. Hsiao, Chin-Chung who is good at legal affairs; and Mr.Chiang,Shih-Yuan, who is good at operation management and business development. There are also three independent directors including Mr. KU, Mu-Chin, Ms. Hung, Yin and Mr. Hsiao, Chin-Chung, who are respectively specialized in financial accounting legal affairs and business decision-making, industrial knowledge and business management, industrial knowledge and decision-making ability, financial taxation and risk management. The implementation status of the board member diversity policy is detailed in Table 1 below.

Table 1: Implementation of the Diversity for Board Members

Title		Chairman	Director			Independent Director		
Name		Chung, Yu-Lin	Lee, Chung-His	Chiang, Shih-Yuan	Chuan, Chun-Yu	Ku, Mu-Chin	Hung, Yin	Hsiao, Chin-Chung
Sex		Male	Male	Male	Male	Male	Female	Male
Age		41-50	51-60	51-60	61-70	71-80	41-50	61-70
Nationality		R.O.C. (Taiwan)						
Also acting as the Company's employee								
Term and tenure of independent directors	< 3 years	N/A				v	v	v
	3-9 years							
	> 9 years							
Professional Background								
Industry skills		v	v	v	v	v	v	v
Marketing & Technology		v	v	v	v	v	v	v
Accounting & Financing		v	v	v		v	v	
Legal								v
Professional Knowledge and Skills								
Operational Decision-making		v	v	v	v	v	v	v
Accounting & Financing		v	v			v	v	
Administration		v	v	v	v			
Risk/crisis Management		v	v	v	v	v	v	V
Industrial knowledge		v	v		v	v	v	
Global market		v	v	v	v	v	v	v

perspective							
Leadership	v	v	v	v	v	v	v
Strategic Decision-making	v	v	v	v	v	v	v

Note:Independent Director Hsiao,Chin-Chung resigned on 25/2/2025.

Management Goals and Achievement

Management Goals	Results
Number of independent directors may not less than one-third of the number of directors	Goals reached
Directors who are also managers of the Company should not exceed one third of the number of directors.	Goals reached
At least one female director is appointed	Goals reached

Reasons why one gender does not account for one-third of the board seats and measures to be taken to improve gender diversity of directors

The Company's current board of directors consists of seven directors, of which 14.29% are female directors. This is mainly due to the characteristics of the industry. The Company will continue to evaluate the necessity and feasibility of adding further female directors, and plans to increase the number of female directors in the next Board of Directors to achieve the goal of diversifying the composition of the board of directors.

(2) Independence of Board of Directors

None of the members of the Board of Directors has committed any of the circumstances listed in Article 30 of the Company Act and none of the circumstances stipulated in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act. All independent directors comply with the concurrent appointment restrictions stipulated in the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and they do not concurrently serve as independent directors of more than three other publicly listed companies.

2.1.2 Information Regarding Management Team

April 25, 2025

Title (Note 1)	Nation-ality	Name	Gender	Date Elected	Shares Held When Elected		Shares Currently Held by Spouse & Minors		Share-holder by Nominee Arrange-ment		Experience (Education) (Note 2)	Current Positions at Other Companies	Managers, Directors or who are spouses or within two degrees of kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President concurrently serves as Information Security Director	R.O.C.	Chuan, Chun-Yu	Male	2023.06.01	-	-	-	-	-	-	B.S. Degree, Department of Civil Engineering, National Kaohsiung University of Science and Technology Deputy Manager of Procurement and Development Department of Baocheng Construction Co., Ltd. Special Assistant to the Chairman of Highwealth Construction corp. CEO of Nangong District, Chyi Yuh Construction Co., Ltd.	Deputy President of Public Works, San Jia Development Construction Co., Ltd.	N/A	N/A	N/A	-
Vice President concurrently serves as Director of Corporate Governance	R.O.C.	Liao, Jin-Feng	Male	2020.08.10	46,000	0.04	-	-	-	-	MBA, Business Administration, Ling Tung University Vice President, Jintang Technology Co., Ltd. Special Assistant to the President & Marketing Manager, Jusheng Construction Co., Ltd.	Vice President, Nan Ren Lake Leisure Amusement Co., Ltd	N/A	N/A	N/A	-
Assistant Manager and Head of Accounting	R.O.C.	Kuo, Cheng-Shun	Male	2025.02.03	-	-	-	-	-	-	Department of Accounting, Tamkang University KPMG Auditor SinoPac Securities Underwriting Counselor President Securities Co. Underwriting Counselor Assistant Dali Polymer Industrial Co., Ltd. Head of Operation Support Department and President Bio-Ray Biotech. Co., Ltd Chief Financial Officer Chief Financial Officer and Spokesperson	-	N/A	N/A	N/A	-

Note 1: Does any manager hold the Company's shares in the name of others: None.
Note 2: Does any manager have spouses or second-degree relatives serving as managers of the Company: None.

2.2 Remuneration Paid to Directors, Presidents and Vice Presidents in 2024

2.2.1 Remuneration of Directors and Independent Directors

December 31, 2024; Unit: NT$ Thousands

Title	Name	Remuneration								(A+B+C+D) as a % of Net Income		Relevant Remuneration Received by Directors Who are Also Employees								(A+B+C+D+E=F=G) as a % of Net Income		Compensation From Investments Other than subsidiaries
		Base Compensation (A)		Severance Pay (B)		Remuneration of Directors (C) (Note 1)		Allowances (D) (Note 2)				Salary, Bonuses, and Allowances (E) (Note 3)		Severance Pay (F)		Remuneration of Employees (G) (Note 4)						
		From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di		From All Consolidated Entities		From San Di	From All Consolidated Entities	
																Cash	Shares	Cash	Shares			
Chairman	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Lin	72	72	-	-	-	-	45	45	117 (0.08%)	117 (0.08%)	2,952	2,952	-	-	-	-	-	-	3,069 (2.18%)	3,069 (2.18%)	None
Director	Lou Ying Investment Co., Ltd. Representative: Lee, Chung-His	72	72	-	-	-	-	40	40	112 (0.08%)	112 (0.08%)	-	-	-	-	-	-	-	-	112 (0.08%)	112 (0.08%)	
Director	De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan	72	72	-	-	-	-	45	45	117 (0.08%)	117 (0.08%)	-	-	-	-	-	-	-	-	117 (0.08%)	117 (0.08%)	
Director	De Mei Investment Co., Ltd. Representative: Tsai, Yu-Min(Note 5)	36	36	-	-	-	-	25	25	61 (0.04%)	61 (0.04%)	-	-	-	-	-	-	-	-	61 (0.04%)	61 (0.04%)	
Director	De Mei Investment Co., Ltd. Representative: Chuan, Chun-Yu (Note 6)	37	37	-	-	-	-	20	20	57 (0.04%)	57 (0.04%)	2,267	2,267	-	-	-	-	-	-	2,324 (1.65%)	2,324 (1.65%)	
Indp. Director	Ku, Mu-Chin	240	240	-	-	-	-	45	45	285 (0.20%)	285 (0.20%)	-	-	-	-	-	-	-	-	285 (0.20%)	285 (0.20%)	
Indp. Director	Hung, Yin	240	240	-	-	-	-	45	45	285 (0.20%)	285 (0.20%)	-	-	-	-	-	-	-	-	285 (0.20%)	285 (0.20%)	
Indp. Director	Hsiao, Chin-Chung	240	240	-	-	-	-	40	40	280 (0.20%)	280 (0.20%)	-	-	-	-	-	-	-	-	280 (0.20%)	280 (0.20%)	

1. Please indicate the policy, system, standard and structure of independent director remuneration payment, and describe the relationship with the amount of remuneration according to the responsibilities, risks, investment time and other factors: provide the public information observatory, under the corporate governance project, relevant information about the remuneration of Directors of building materials and construction stocks of listed companies, and query the 2024 annual report of the Company and other companies with the same business items as the Company for information on Directors' remuneration and manager's salary for verification.
2. In addition to the disclosure in the above table, the remuneration received by the Company Director for providing services in the most recent year (such as serving as a consultant for all companies/reinvested enterprises in the parent Company and/or indicated on the financial statements that are not employees): N/A.

Note 1: This is the amount of directors' remuneration distributed by the board of directors in the most recent year.

Note 2: Refers to the directors' related business execution expenses in the most recent year (including travel expenses, special expenses, various allowances, dormitories, cars and other physical provisions, etc.).

Note 3: Refers to the salary, job bonus, severance pay, various bonuses, incentives, travel expenses, and special expenses received by part-time directors and employees (including part-time President, deputy President, other managers and employees) in the most recent year, various allowances, dormitories, cars and other physical provisions, etc. In addition, salary expenses recognized in accordance with IFRS 2 "Share-based benefits", including obtaining employee stock option certificates, new shares with restricted employee rights, and participating in cash capital increases to subscribe for shares, etc., should also be included in remuneration.

Note 4: Refers to those employees who are part-time directors (including concurrent Presidents, deputy Presidents, other managers and employees) receiving employee remuneration (including stocks and cash) in the most recent year. The amount of employee remuneration approved by the board of directors in the most recent year should be disclosed.

Note 5: Director Representative Tsai, Yu-Min resigned after the full director re-election on 26/06/2024.

Note 6: Director Representative Chuan, Chun-Yu take office after the full director re-election on 26/06/2024.

Range of Remuneration

Range of Remuneration Paid to Directors of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Less than NT$1, 000,000	Ku, Mu-Chin, Hung, Yin, Hsiao, Chin-Chung Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Lin Lou Ying Investment Co., Ltd. Representative: Lee, Chung-His De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan De Mei Investment Co., Ltd. Representative: Tsai, Yu-Min De Mei Investment Co., Ltd. Representative: Chuan, Chun-Yu	Ku, Mu-Chin, Hung, Yin, Hsiao, Chin-Chung Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Lin Lou Ying Investment Co., Ltd. Representative: Lee, Chung-His De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan De Mei Investment Co., Ltd. Representative: Tsai, Yu-Min De Mei Investment Co., Ltd. Representative: Chuan, Chun-Yu	Ku, Mu-Chin, Hung, Yin, Hsiao, Chin-Chung Lou Ying Investment Co., Ltd. Representative: Lee, Chung-His De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan De Mei Investment Co., Ltd. Representative: Tsai, Yu-Min	Ku, Mu-Chin, Hung, Yin, Hsiao, Chin-Chung Lou Ying Investment Co., Ltd. Representative: Lee, Chung-His De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan De Mei Investment Co., Ltd. Representative: Tsai, Yu-Min
NT$1, 000,000 ~ NT$2,000,000	-	-	De Mei Investment Co., Ltd. Representative: Chuan, Chun-Yu -	De Mei Investment Co., Ltd. Representative: Chuan, Chun-Yu -
NT$2, 000,000 ~ NT$3,500,000			Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Lin	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Lin
NT$3, 500,000 ~ NT$5, 000,000	-	-	-	-
NT$5, 000,000 ~ NT$10,000,000	-	-	-	-
NT$10,000,000 ~ NT$15, 000,000	-	-	-	-
NT$15, 000,000 ~ NT$30,000,000	-	-	-	-
NT$30,000,000 ~ NT$50,000,000	-	-	-	-
NT$50,000,000 ~ NT$100,000,000	-	-	-	-
NT$100,000,000 and above	-	-	-	-
Total	8	8	8	8

2.2.2 The Company has established an Audit Committee , so there is no supervisor's remuneration.

2.2.3 Remuneration of President and Vice President

December 31, 2024; Unit: NT$ in Thousands

Title	Name	Base Compensation (A) (Note 1)		Severance Pay (B)		Remuneration of Directors (C) (Note 2)		Allowances (D) (Note 3)				(A+B+C+D) as a % of Net Income		Compensation From Investments Other than subsidiaries
		From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di		From All Consolidated Entities		From San Di	From All Consolidated Entities	
								Cash	Shares	Cash	Shares			
President	Chuan, Chun-Yu	1,772	1,772	-	-	495	495	0	0	0	0	(1.61%)	(1.61%)	None
Vice President	Liao, Jin-Feng	1,172	1,172	-	-	623	623	0	0	0	0	(1.27%)	(1.27%)	None

Note 1: Refers to the salaries, job allowances, and severance pay of the President and Deputy President for the most recent fiscal year.

Note 2: Refers to various bonuses, incentives, transportation expenses, special support fees, various allowances, dormitories, vehicle allocations, and other compensation amounts provided in kind to the President and Deputy President for the most recent fiscal year. Additionally, according to IFRS 2 "Share-based Payments," the salary expenses recognized include employee stock options, restricted stock units, and participation in cash capital increases through subscription for shares.

Note 3: Refers to the employee compensation amount (including stocks and cash) distributed to the President and Deputy President approved by the board of directors for the most recent fiscal year.

Range of Remuneration

Range of Remuneration Paid to President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company	From All Consolidated Entities
Under NT$1, 000,000		
NT$1, 000,000 (incl.) ~ NT$2, 000,000 (excl.)	Chuan, Chun-Yu, Liao, Jin-Feng	Chuan, Chun-Yu, Liao, Jin-Feng
NT$2, 000,000 (incl.) ~ NT$3, 500,000 (excl.)		
NT$3, 500,000 (incl.) ~ NT$5, 000,000 (excl.)	-	-
NT$5, 000,000 (incl.) ~ NT$10,000,000 (excl.)		
NT$10,000,000 (incl.) ~ NT$15, 000,000 (excl.)	-	-
NT$15, 000,000 (incl.) ~ NT$30,000,000 (excl.)	-	-
NT$30,000,000 (incl.) ~ NT$50,000,000 (excl.)	-	-
NT$50,000,000 (incl.) ~ NT$100,000,000 (excl.)	-	-
NT$100,000,000 and above	-	-
Total	2	2

2.2.4 Remuneration for the Top Five Highest Paid Managers in the Company:

December 31, 2024; Unit: NT$ in Thousands

Title	Name	Base Compensation (A) (Note 1)		Severance Pay (B)		Remuneration of Directors (C) (Note 2)		Allowances (D) (Note 3)				(A+B+C+D) as a % of Net Income		Compensation From Investments Other than subsidiaries
		From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	From San Di		From All Consolidated Entities		From San Di	From All Consolidated Entities	
								Cash	Shares	Cash	Shares			
Chairman	Chung, Yu-Lin	2,372	2,372	-	-	580	580	0	0	0	0	(2.09%)	(2.09%)	None
President	Chuan, Chun-Yu	1,772	1,772	-	-	495	495	0	0	0	0	(1.61%)	(1.61%)	None
Vice President	Liao, Jin-Feng	1,172	1,172	-	-	623	623	0	0	0	0	(1.27%)	(1.27%)	None
Accounting Manager	Tseng, Li-Fang	932	932	-	-	380	380	0	0	0	0	(0.93%)	(0.93%)	None

2.2.5 Bonus and Remuneration Paid to Employees and Manager(s): The Company's Board of Directors on March 8, 2024 approved the unallocated employee compensation for 2023.

2.2.6 Comparative analysis of the total amount of remuneration paid to the directors, audit committee members, Presidents and vice Presidents of the Company in the most recent two years as a percentage of the net profit after tax of individual financial reports of the Company and explanation of the policy, standard and mix of remuneration, procedures for determining remuneration, and its correlation with business performance and future risks:

1. Analysis of percentage of the total remuneration paid by the Company to all Directors, Presidents and vice Presidents compared with the after-tax net profit (loss) indicated in the financial reports of the Company in the last two years:

Unit: NT$ thousands

Item / Title	2023		2024	
	Total Amount	Percentage to the Net profit after tax	Total Amount	Percentage to The Net profit after tax
Director	1,183	(1.82%)	1,314	(0.93%)
President and Vice President	5,105	(7.86%)	4,062	(2.88%)
Net profit after tax	(64,954)		(140,926)	
Note: The difference in the ratio of total remuneration to net profit after tax in the last two years was mainly due to the increase in net loss after tax compared to the previous period.				

2. The company's compensation policy, standards and composition, the process for determining compensation, and its correlation with operating performance and future risks.

(1) Remuneration policy, standards and composition:

In accordance with Article 32 of the Company's Articles of Association, directors' emuneration is distributed based on no more than 3% of the Company's annual profit. Payments are based on individual directors' annual performance evaluations and contributions (such as their level of involvement in the Company's operations), taking into account the Company's operating results for the year and future risks. Independent directors do not participate in the distribution of directors' remuneration. Directors' remuneration is reviewed by the Remuneration Committee and submitted to the Board for resolution. Reasonable remuneration for the Company's managers is determined based on their titles, ranks, and responsibilities, taking into account the salary levels of managers in the Taiwan market, peer industries, and the Company's salary policies. Employee remuneration is distributed based on no less than 1% of the Company's annual profit, in accordance with Article 32 of the Company's Articles of Association. The company bases manager bonuses on performance evaluations of managers. These evaluations include individual performance (e.g., achievement of company revenue and net operating profit) and overall company contribution (e.g., distribution of profit contributions by profit center). The company reviews compensation policies regularly based on actual operating conditions, future risks, and relevant laws and regulations. Manager compensation is reviewed by the company's Compensation Committee and submitted to the Board of Directors for approval.

(2) Procedure for determining remuneration:

To regularly evaluate the remuneration of directors and managers, we base our assessments on the results of the Company's "Board of Directors Performance Evaluation Method" and the "Appointment and Compensation Management Method" applicable to managers and employees. In addition to considering the Company's overall operating performance, future industry risks, and development trends, we also consider individual performance achievement rates and contributions to the Company to provide reasonable compensation. We review the remuneration system regularly based on actual operating conditions and relevant laws and regulations to ensure a balance between sustainable operations and risk management. The remuneration of the Chairman and General Manager is determined based on industry norms and linked to the Company's operating performance indicators, and is submitted to the Board for review. Manager performance evaluation indicators are based on the Company's profit and loss statements, the distribution of each business group's profit contribution to the Company, and various performance targets related to the Manager's primary job responsibilities, such as the Manager's target achievement rate.

The performance appraisals and reasonableness of remuneration for our directors and managers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors. These evaluations fully consider their professional competence and the Company's operational and financial status, and are linked to the Company's overall operational performance, individual performance target management, and assessment results.

(3) Relationship with operating performance and future risks:

The review of the Company's compensation policy and related pay standards and systems primarily considers the Company's overall operating conditions, with pay standards determined based on performance achievement and contribution levels to enhance the overall organizational team effectiveness of the Board of Directors and management. Industry compensation standards are also referenced to ensure that the Company's management compensation is competitive within the industry and to retain outstanding management talent. Linking the Company's operating results with management performance and compensation positively impacts overall performance and maximizes shareholder value. Important decisions made by the Company's management team are made after carefully considering various risk factors. The performance of these decisions is reflected in the Company's profitability, which in turn is linked to management compensation.

2.3 Implementation of Corporate Governance

2.3.1 Status of Board of Directors Meeting

1. A total of 9 Meetings of the Board of Directors were held in 2024. The Directors' attendance status is summarized as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Lin	9	0	100%	
Director	Lou Ying Investment Co., Ltd. Representative: Lee, Chung-His	8	0	88.89%	
Director	De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan	9	0	100%	
Director	De Mei Investment Co., Ltd. Representative: Tsai, Yu-Min	4	0	100%	resigned after the full director re-election on 26/06/2024
Director	De Mei Investment Co., Ltd. Representative: Chuan, Chun-Yu	5	0	100%	take office after the full director re-election on 26/06/2024
Independent Director	Ku, Mu-Chin	9	0	100%	
Independent Director	Hung, Yin	9	0	100%	
Independent Director	Hsiao, Chin-Chung	8	0	88.89%	resigned on 25/2/2025

2. Other Mentionable Items:

(1) In case of any of the following circumstances in the operation of the Board of Directors, the date and terms of the Board of Directors, the contents of the proposal, all independent directors' opinions and the Company's response to the independent directors' opinions shall be stated:

A. The Matters referred to in Article in Article 14-3 of the Securities and Exchange Law: The Company has established an Audit Committee and Article 14-3 is not applicable. For a description of matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the Operation of the Audit Committee.

B. Other Board decisions subject to objections or a qualified opinion by the independent director and recorded in record or written statement except previously stated: None.

(2) If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motion, causes for avoidance and voting should be specified:

Meeting Date (Term/Sitting)	Execution of Director's Recusal on Matters Concerning Conflicts of Interest:
Board of Directors Meeting (27-19th) 01.19.2024	1. Investment project of "Jia-xiang Development Construction Co., Ltd ". Independent director Hung, Yin is the party involved and has avoided conflict of interest in accordance with the board meeting rules. Approved with the consent of other directors who did not abstain from attending the meeting. 2. Appointment of the corporate director representative of "Jia-xiang Development and Construction Co., Ltd." Chairman Chung, Yu-Lin is the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting.
Board of Directors Meeting (27-20th) 03.08.2024	The Company intends to enter into a joint construction, subsale and purchase of projects under construction with related parties. Chairman Chung, Yu-Lin is the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting.
Board of Directors Meeting (27-21th) 04.11.2024	The company and Jingcheng Construction (Co., Ltd.) jointly developed the "Rende Smart Technology Park" and applied for financing quotas and external endorsement guarantees from financial institutions. Chairman Chung, Yu-Lin is the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting.
Board of Directors Meeting (27-22th) 05.03.2024	1. The Company intends to enter into a joint construction, subsale and purchase of projects under construction with related parties. Chairman Chung, Yu-Lin , director Lee, Chung-His , director Chiang, Shih-Yuan , and director Tsai, Yu-Min are the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting. 2. The company intends to sign a project management contract with the related party. Chairman Chung, Yu-Lin is the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting. 3. The Company intends to sign a joint construction and subsale agreement with a related party. Chairman Chung, Yu-Lin and director Tsai, Yu-Min are the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting.
Board of Directors Meeting (28-02th) 07.15.2024	1. The Company intends to sign a joint construction and subsale agreement with a related party. Chairman Chung, Yu-Lin is the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting. 2. Case of appointment of members of the Sixth Remuneration Committee.Independent director Hung, Yin , independent director Ku, Mu-Chin , and independent director Hsiao, Chin-Chung are the party involved and has avoided conflict of interest in accordance with the board meeting rules. Approved with the consent of other directors who did not abstain from attending the meeting. 3. Increase investment project of "Jia-xiang Development Construction Co., Ltd ". Independent director Hung, Yin is the party involved and has avoided conflict of interest in accordance with the board meeting rules. Approved with the consent of other directors who did not abstain from attending the meeting.
Board of Directors Meeting (28-04th) 11.08.2024	1. The company's 2024 manager year-end bonus distribution matter . Chairman Chung, Yu-Lin and director Chuan, Chun-Yu are the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting. 2. The Company handles the issuance of new shares for cash capital increase and the proposal for stock subscription by managers or directors with employee status. Chairman Chung, Yu-Lin is the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting.

	3. The Company intends to land in the river embankment Section of Sanmin District, Kaohsiung City from a related party. Chairman Chung, Yu-Lin is the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting. 4. The Company intends to sign a joint construction and subsale agreement with a related party. Chairman Chung, Yu-Lin and director Lee, Chung-His are the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting.
Board of Directors Meeting (28-05th) 11.20.2024	The Company intends to sign a joint construction and subsale agreement with a related party. Chairman Chung, Yu-Lin and director Lee, Chung-His are the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting.
Board of Directors Meeting (28-07th) 05.09.2025	Regarding the subscription of new capital increase shares of "Shanglin Real Estate Co., Ltd." Chairman Chung, Yu-Lin is the party involved and has avoided conflict of interest in accordance with the board meeting rules.The case was chaired by independent director Ku, Mu-Chin and approved with the consent of other directors who did not abstain from attending the meeting.

(3) Evaluation of Goals for Strengthening the Functions of the Board of Directors for the Current and Recent Years (such as establishing an audit committee, enhancing information transparency, etc.) and Execution Status:

A. Establishment of Compensation Committee, Audit Committee: The Company established the Compensation Committee on December 12, 2011. Independent directors were elected at the shareholders' meeting on July 22, 2021, and an Audit Committee was subsequently established.

B. Strengthening Corporate Governance: The Company has formulated and had the board of directors approve various regulations such as the "Ethical Corporate Management Best Practice Principles," the " Corporate Governance Best Practice Principles," the "Practical Guidelines for Sustainable Development," the "Methods for Evaluating the Performance of the Board of Directors," and the "Rules of Procedure for Board Meetings." Additionally, the Company constantly monitors legal compliance, conducts advocacy, and updates regulations to keep pace with changes in regulations and best practices.

(4) Board of Directors' Performance Evaluation Implementation Status:

The Company has established the "Methods for Evaluating the Performance of the Board of Directors" to enhance corporate governance and improve the effectiveness of the board and its functional committees. Annually, the performance is evaluated according to the established methods, and the results are reported to the board of directors.

A. Internal Evaluation:

Evaluation Cycle	Once a year
Evaluation Period	From January 01, 2024 to December 31, 2024
Evaluation Scope	Performance Evaluation of the Board of Directors, Individual Directors, and Functional Committees:
Evaluation Method	The evaluation process involves the collection of relevant information on the activities of the board of directors for the current year by the executing unit. This information is collected in a fair, objective, and independent manner. Subsequently, the "Board of Directors Performance Self-Assessment Questionnaire" is completed based on this information and submitted to the Chairman for assessment. Additionally, individual directors receive the "Director's Performance Self-Assessment Questionnaire" and the "Functional Committee Performance Self-Assessment Questionnaire" for self-assessment purposes.

Evaluation Aspects	1. The five aspects of performance evaluation of board of directors: the degree of Participation in the operation of the company; Improvement of the quality of the board of directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and Internal control, totaling 62 items. 2. The six aspects of the performance evaluation of individual members: Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; the director's professionalism and continuing education; and Internal control, totaling 23 items. 3. The five aspects of the performance evaluation of functional committee: Participation in the operation of the company; Awareness of the duties of the functional committee; Improvement of quality of decisions made by the functional committee; Makeup of the functional committee and election of its members and Internal control, totaling 24 items.
Evaluation Results	Both of the board of directors and the individual directors, as well as the functional committees, received positive evaluations regarding the efficiency and effectiveness of their operations across various indicators in 2024. The results of the 2024 performance evaluations for the board of directors and functional committees were reported to the board of directors on March 6, 2025.

B. External Evaluation:

The Company conducts external evaluation every three years in accordance with the "Board of Directors Performance Evaluation Method". The most recent external evaluation was in 2023, which was commissioned by the "Taiwan Corporate Governance Association.". By reviewing the current operation of the Board of Directors and obtaining objective evaluation reports from external professional organizations, the Company will refer to their recommendations to continuously strengthen the structure and operation of the Board of Directors, thereby maintaining rigorous and comprehensive effectiveness.

2.3.2 Audit Committee Meeting Status or participate in the operation of the Board of Directors:

The Company's Audit Committee consists of three independent directors, responsible for executing appropriate expression in auditing the Company's financial statements, selecting (or dismissing) the certifying accountants and ensuring their independence, effectively implementing internal controls within the Company, ensuring compliance with relevant laws and regulations, and managing the existence or potential risks of the Company.

1. The Audit Committee held 8 meetings in 2024, and the attendance of the committee members is summarized as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	Ku, Mu-Chin	8	0	100%	
Independent Director	Hung, Yin	8	0	100%	
Independent Director	Hsiao, Chin-Chung	7	0	87.5%	resigned on 25/2/2025

2. Other mentionable matters:

(1) In case of any of the following situations in the operation of the Audit Committee, the Audit Committee's convening date, period, proposal content, independent director's objection, reservation or major proposal content, the Audit Committee's resolution result and the Company's handling of the Audit Committee's comments shall be disclosed.

A. The Matters Requiring Consent referred to in Article in Article 14-5 of the Securities and Exchange Law: The company is involved in matters listed in Article 14-5 of the Securities and Exchange Act , all such matters have been unanimously adopted by the members present and reported to the Board Meeting for approval.

B. Apart from the aforementioned matters, there are no items that have not been approved by the Audit Committee but have been resolved by a two-thirds majority of all directors:None.

(2) Regarding the implementation status of independent directors' avoidance from conflicts of interest resolutions, it should specify the names of the independent directors, the content of the resolutions, the reasons for abstaining from conflicts of interest, and their participation in the voting:

Meeting Date (Term/Sitting)	Implementation Status of Independent Directors' Avoidance From Conflicts of Interest
Audit Committee Meeting (1-18) 2024.01.19	"Hung, Yin," an independent director, was involved as a party in the investment case of "Jia-xiang Development Construction Co., Ltd." According to the Audit Committee's organizational regulations, he is abstained from participation due to a conflict of interest. The proposal was approved with the agreement of other non-abstaining directors present at the meeting.
Audit Committee Meeting (2-1) 2024.07.15	"Hung, Yin," an independent director, was involved as a party in the investment case of "Increase Jia-xiang Development Construction Co., Ltd." According to the Audit Committee's organizational regulations, he is abstained from participation due to a conflict of interest. The proposal was approved with the agreement of other non-abstaining directors present at the meeting.

(3) Communication between Independent Directors and Internal Audit Managers and Auditors (including significant matters, methods, and outcomes of communication regarding the Company's finances and business conditions):

A. Communication between the Audit Committee and Auditors

(A) Communication Method: Independent directors and auditors hold regular meetings at least once per quarter. The auditor's report on the audit or review results of the financial statements for the quarter and other related matters required by laws and regulations. They also discuss significant adjustments or impacts of legal revisions on the financial statements. Additionally, the auditors provide updates on legal requirements or announcements to the independent directors annually. Independent directors also conduct an assessment of the independence of the services provided by the auditors. Meetings can be convened at any time for significant matters.

(B) Summary of 2024 Communication Matters:

Dates	Communication Highlights	Communication Results
2024.03.08	Discussion on the audit results of the 2023 unconsolidated and consolidated financial statements and discussion on legal updates.	No objection
2024.05.03	Discussion on the audit results of the 2024 Q1 consolidated financial statements	No objection
2024.08.09	Discussion on the audit results of the 2024 Q2 consolidated financial statements	No objection
2024.11.08	Discussion on the audit results of the 2024 Q3 consolidated financial statements and discussion on legal updates	No objection

B. Communication between the Audit Committee and the Internal Audit Manager:

(A) Communication Methods: In addition to submitting the annual audit plan and quarterly follow-up reports for review by the independent directors, the Internal Audit Manager regularly attends the quarterly Audit Committee meetings to explain the audit activities and results, as well as the status of their follow-up, to the independent directors. They also report the audit activities to the Board of Directors. Furthermore, the Internal Audit Manager communicates and discusses the execution status of internal audits and the operation of internal controls with each independent director through email, phone calls, and meetings.

(B) Summary of 2024 Communication Matters:

Date	Meeting	Communication Highlights	Results
2024.03.08	Audit Committee	Discussion on the 2023 Internal Control Statement	Submit to the board of directors after approval of the proposal
		Report the performance results of internal audit business.	Acknowledged without other suggestions
2024.05.03	Audit Committee	Report the performance results of internal audit business.	Acknowledged without other suggestions
2024.08.09	Audit Committee	Report the performance results of internal audit business.	Acknowledged without other suggestions
2024.11.08	Audit Committee	Report the performance results of internal audit business.	Acknowledged without other suggestions
		Discussion on the 2025 Internal Control Statement	Submit to the board of directors after approval of the proposal

2.3.3 Operation of the Remuneration Committee:

1. Information Regarding the Members of the Compensation Committee

Criteria / Name	Professional Qualifications and Experience	Independent Directors' Independence Status	Number of Other Public Companies Concurrently Serving as a Compensation Committee Member
Independent Director Convener Hung, Yin	Please refer to the relevant content of "Directors' Professional Qualifications and Independent Director's Independence Information Disclosure" in this annual report	The members of the Compensation Committee meet the following criteria: (1) They are not employees of the Company or its affiliated enterprises. (2) They are not directors or supervisors of the Company or its affiliated enterprises. (3) They, their spouses, minor children, or individuals holding more than 1% of the total issued shares of the Company, or within the top ten shareholders, are not natural person shareholders. (4) They, their spouses, relatives within the second degree of kinship, or relatives within the third degree of direct blood relationship of the persons listed in (1) or (2) are not managers, or relatives within the second degree of kinship or within the third degree of direct blood relationship of the persons listed in (2) or (3). (5) They are not directors, supervisors, or employees of legal person shareholders who directly hold more than 5% of the total issued shares of the Company, are among the top five shareholders, or have been appointed as directors or supervisors in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (6) They are not directors, supervisors, or employees of other companies where more than half of the director seats or voting rights of the shares are controlled by the same person who controls the Company. (7) They are not directors (trustees), supervisors (auditors), or employees of other companies or institutions where the Chairman or President of the Company holds the same position or is a spouse. (8) They are not directors (trustees), supervisors (auditors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions with financial or business transactions with the Company. (9) They are not professionals, sole proprietors, partners, directors (trustees), supervisors (auditors), managers, or spouses providing audit or related services to the Company or its affiliated enterprises and have not received cumulative compensation exceeding NT$500,000 in the last two years. (10) They do not have a spouse or relative relationship within the second degree with other directors.	1
Independent Director Ku, Mu-Chin			0
Independent Director Hsiao, Chin-Chung			0

2. Attendance of Members at Compensation Committee Meetings

In 2024, the company's Compensation Committee held three meetings, and the attendance of the committee members is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Hung, Yin	3	0	100%	
Committee Member	Ku, Mu-Chin	3	0	100%	
Committee Member	Hsiao, Chin-Chung	3	0	100%	resigned on 25/2/2025

3. Other Matters to be Recorded:

(1) If the Board of Directors does not adopt or amend the recommendations of the Compensation Committee, it shall specify the date, session, agenda content, Board resolution, and the Company's handling of the opinions of the Compensation Committee: None.

(2) If there are objections or reservations from members of the Compensation Committee regarding its decisions, and if there are records or written statements, it shall specify the date, session, agenda content, all members' opinions, and the handling of the members' opinions: None.

2.3.4 Operation Status of the Nomination Committee: Not applicable.

2.3.5 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the Reasons:

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the "Corporate Governance Best Practice Principles" which have been disclosed on the website of the Company.	None
2. Shareholding structure & shareholders' rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Company has established a spokesperson, deputy spokesperson, and shareholder service department to handle suggestions, doubts, disputes, and litigation matters from shareholders. When necessary, legal advice is sought for the most appropriate handling.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company confirms changes in shareholding of directors and major shareholders every month to understand their shareholding status.	None
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The Company's transactions with affiliated companies comply with relevant regulations.	None
(4) Does the Company have internal regulations to prohibit Company insiders from using unpublished information in the market to buy and sell securities?	V		(4) The Company has established a "Prevention of Insider Trading Management Procedures" to protect investors and safeguard the interests of the Company.	None
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	V		(1) The composition of the Board of Directors of the Company emphasizes diversity. Members generally possess the knowledge, skills, and qualities necessary to perform their duties, and the Company strictly adheres to the guidelines.	None
(2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?		V	(2) In addition to the Compensation Committee and the Audit Committee established in accordance with the law, the Company has not established any other functional committees.	Established as required in the future.

(3) Does the Company establish a standard to measure the performance of the Board, and implement it annually and submitted the results of performance evaluation to the Board of Directors for reference in the salary and remuneration of individual Directors and nomination for re-appointment?	V		(3) The Company has established the performance evaluation method and approach for the Board of Directors to review the effectiveness of the Board of Directors and conduct performance evaluations on a regular basis. The results of the performance evaluations are submitted to the Board of Directors and used as a reference for the remuneration and nomination of individual directors.	None
(4) Does the Company regularly evaluate the independence of CPAs?	V		(4) The Company's Audit Committee evaluates the independence and suitability of the certifying accountants every year. The evaluation includes: independence requirement review, independence operation review, and suitability review. To summarize the evaluation results, the independence, suitability and audit quality indicators of our company's certified public accountants and their firms all meet the standards. The results have also been submitted to the Audit Committee and the Board of Directors for approval on March 6, 2025. Please refer to Table 1.	None
4. Does the TWSE/GTSM listed companies have an appropriate number of corporate governance personnel, and appoint a corporate governance supervisor to be responsible for corporate governance-related affairs (including but not limited to providing information required by Directors and to carry out business, assisting Directors and to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting according to law, and making minutes of meetings of the Board of Directors and shareholders' meeting, etc.)?	V		The company's board of directors passed a resolution on May 5, 2023, in accordance with the "Main Points for the Establishment and Exercise of Powers of the Board of Directors of Listed Companies", to appoint a corporate governance director to be responsible for corporate governance-related matters, and to appoint a stock affairs specialist to assist in handling related matters, including the information required for directors and independent directors to perform their duties, matters related to the meetings of the board of directors and shareholders, company change registration, and the preparation of minutes of the board of directors and shareholders meetings.	None
5. Does the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), established a stakeholder area on the Company website, and properly respond to important corporate social responsibility issues that stakeholders are concerned about?	V		The Company’s website includes a section dedicated to stakeholders, and contact information for spokespersons and various relevant departments is provided on the Company’s website. This is to appropriately address stakeholders' concerns, including issues related to corporate social responsibility.	None
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed the Securities Agency Department of Agency Department of CTBC Bank to handle matters related to stock affairs and shareholders' meetings.	None
7. Information Disclosure				
(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance	V		(1) The Company has established a website to disclose financial and corporate governance information. The website is https://www.sandirealestate.com.tw.	None
(2) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure,	V		(2) The Company currently only has a Chinese website to disclose financial business and information related to corporate presentations, implementing a spokesperson system, and establishing a	None

creating a spokesman system, webcasting investor conferences)? (3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial reports of the first, second and third quarters and the operating conditions of each month before the prescribed time limit?		V	stakeholder section to provide a smooth communication channel. (3) Although the Company has not yet announced and filed its annual financial report within two months after the end of the fiscal year, it still announced its first, second and third quarter financial reports and monthly operating conditions before the statutory deadline.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' and training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for Directors and)?	V		1. Employee Rights and Interests, Employee Care: Please refer to page 46 of this annual report. 2.Investor Relations: The Company has designated personnel to promptly announce financial, operational, and insider trading information on the "Public Information Observation Platform" to achieve information transparency and openness. 3. Supplier Relations: The Company has established supplier audit and evaluation procedures, and only those who pass the audit can become cooperation partners. Additionally, the company has set up a complaint mailbox as a channel for communication and complaints. 4. Rights of Stakeholders: The company's website has a stakeholder area to provide a communication channel to safeguard the rights and interests of both parties. 5. Directors' further education status: Please refer to Table 2. 6. Implementation of risk management policies and risk measurement standards: The Company's major operational policies, investment projects, endorsements, guarantees, capital loans, bank financing and other major proposals are evaluated and analyzed by appropriate responsible departments and implemented in accordance with the resolutions of the Board of Directors. The audit department also formulates its annual audit plan based on the risk assessment results and implements it to implement the supervision mechanism and control the implementation of various resolutions. 7. Implementation of Customer Policies: The Company maintains close communication with customers at all times and promptly informs them of the smooth progress of executions. 8. The Company purchases liability insurance for directors and executives annually. The insured amount is evaluated regularly each year, and the status of directors' liability insurance renewal is reported to the board of directors.	None
9. Please refer to the results of the recent annual Corporate Governance Evaluation published by the Corporate Governance Center of Taiwan Stock Exchange to the situation where improvements have been made, and to the areas where improvements have not been made: The Company conducts reviews and develops feasible improvement plans based on evaluation results. For example, the main focus is on enhancing information transparency, mainly through website disclosure, to prioritize the maintenance of shareholder-related information and establish an English website.				

Table 1: The Standards for Evaluating CPA's Independence and Competency

Evaluation Item (Independence and Suitability)	Yes	No	Remarks
1. Does the CPA act as a director of The Company or a director of an affiliated Company?		V	
2. Is the CPA a shareholder of The Company or an affiliated enterprise?		V	
3. Is the CPA paid by The Company or an affiliate?		V	
4. Whether the CPA has confirmed that the external audit firm to which it belongs has complied with the relevant independence norms	V		
5. CPA has not served as Company Director, Manager, or in positions that have major impact on Company's audits within 1 year of termination.		V	
6. The CPA has never provided the Company with the audit service for consecutive 7 years.	V		
7. Whether the CPA meets the requirements about independence referred to in the Statement of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10, and whether the Company acquires the "Statement of Independence" issued by the CPA.	V		
8. Does the Accounting firm of CPA have sufficient scale and resources to handle Company audit services?	V		
9. Does the Accounting firm of CPA notify the management of any significant problems and developments in risk management, corporate governance, financial accounting and related risk control in a timely manner?	V		
Work Performance and Achievement			
1. Timely completion of financial reports for each period in the Company	V		
2. Provide financial and tax consulting services to the Company irregularly	V		
Evaluation Results: Financial for the year statements of the Company have been certified by the appointed CPAs of the audit firm KPMG, Taiwan by Mr. Kao, Yu-Lun and Mr. Chen, Yung-Hsiang, and the CPA's independence and competency have been evaluated be satisfactory.			

Table 2: Continuing Education of Directors in 2024

Title Name	Dates		Hosted by	Training/Speech Title	Duration (hours)
	From	to			
Chairman Chung, Yu-Lin	2024/7/3	2024/7/3	Taipei Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
	2024/9/20	2024/9/20	Securities and Futures Institute	2024 Insider Trading Prevention Promotion Conference	3
	2024/11/22	2024/11/22	Securities and Futures Institute	2024 Annual Insider Equity Transaction Legal Compliance Publicity Briefing	3
Director Chiang, Shih-Yuan	2024/4/30	2024/4/30	Taipei Exchange	Sustainable Knowledge and Capabilities to Create a New Carbon Age Promotion Conference	3
	2024/6/3	2024/6/3	Securities and Futures Institute	Institutional Investors' Perspectives Forum	3
	2024/9/6	2024/9/6	Securities and Futures Institute	2024 Insider Trading Prevention Promotion Conference	3
	2024/11/15	2024/11/15	Securities and Futures Institute	2024 Annual Insider Equity Transaction Legal Compliance Publicity Briefing	3
	2024/11/19	2024/11/19	Securities and Futures Institute	Sustainable Development Committee and Sustainable manager Seminar	3

Director Lee, Chung-His	2024/7/3	2024/7/3	Taipei Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
	2024/9/6	2024/9/6	Securities and Futures Institute	2024 Insider Trading Prevention Promotion Conference	3
	2024/11/22	2024/11/22	Securities and Futures Institute	2024 Annual Insider Equity Transaction Legal Compliance Publicity Briefing	3
Director Chuan,Chun-Yu	2024/7/3	2024/7/3	Taipei Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
	2024/9/6	2024/9/6	Securities and Futures Institute	2024 Insider Trading Prevention Promotion Conference	3
	2024/9/13	2024/9/13	Taiwan Corporate Governance Association	Seminar on the Net Zero Emissions- Tainan	3
	2024/11/22	2024/11/22	Securities and Futures Institute	2024 Annual Insider Equity Transaction Legal Compliance Publicity Briefing	3
Independent Director Ku, Mu-Chin	2024/1/12	2024/1/12	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Key points of the CFC system amendment	3
	2024/3/28	2024/3/28	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Key points and questions on business income tax declaration	7
	2024/6/21	2024/6/21	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	International development trends and practices in money laundering prevention	3
	2024/6/29	2024/6/29	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	A brief discussion on the legal liability for false financial statements in 2024	4
	2024/7/3	2024/7/3	Taipei Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
	2024/8/30	2024/8/30	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Practical discussion on the model of internal control and audit system for accountants to prevent money laundering and combat terrorist financing	3
	2024/10/9	2024/10/9	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Controlled Foreign Corporation (CFC) System - Business Person/Individual Part (including actual case analysis and declaration form explanation)	3
	2024/10/18	2024/10/18	Securities and Futures Institute	2024 Insider Trading Prevention Promotion Conference	3
Independent Director Hung, Yin	2024/1/12	2024/1/12	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Key points of the CFC system amendment	3
	2024/2/26	2024/2/29	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Greenhouse Gas Inventory Practice (Part 1)	6
	2024/2/29	2024/2/29	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Greenhouse Gas Inventory Practice (Part 2)	6

	2024/4/2	2024/4/2	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	International development trends and practices in money laundering prevention	3
	2024/6/29	2024/6/29	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	A brief discussion on the legal liability for false financial statements in 2024	4
	2024/8/21	2024/8/21	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	2024 Low-carbon and Smart Infrastructure Transformation Case Subsidy for Managed Factories	3
	2024/7/3	2024/7/3	Taipei Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
	2024/9/20	2024/9/20	Securities and Futures Institute	2024 Insider Trading Prevention Promotion Conference	3
	2024/10/24	2024/10/24	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	Training Seminar on ESG Financial Trends for SMEs	3
	2024/11/4	2024/11/5	The National Federation of CPA Associations of the R.O.C.(NFCPAA)	ISO 14064-1:2018 Greenhouse Gas 14-hour Internal Verification Staff Training Course	14
Independent Director Hsiao, Chin-Chung	2024/7/3	2024/7/3	Taipei Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
	2024/9/20	2024/9/20	Securities and Futures Institute	2024 Insider Trading Prevention Promotion Conference	3

2.3.6 Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons:

Evaluation item	Implementation Status			Non-Implementation and its reason(s)
	Yes	No	Abstract Explanation	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		The company has established a "Sustainability Project Team" with the general manager as chairman and the deputy general manager as vice chairman. It has seven functional groups to integrate the company's sustainability-related policies, systems or management guidelines and the proposal and implementation of specific promotion plans, and report to the board of directors regularly. The Board of Directors oversees the formulation of various short-, medium- and long-term strategies, goals, implementation plans and promotion results for sustainable development, and formulates review and improvement plans when necessary to implement sustainable principles and goals.	None
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to Company operation, and establish risk management related policy or strategy?	V		In 2024, the Company established the "Risk Management Policy and Procedures" and in the same year established the "Risk Management Team" under the "Sustainability Project Team" to be responsible for the promotion and implementation of the risk management system. We analyze and assess significant ESG sustainability issues and risk management projects based on the materiality principle of the sustainability report. Each risk management unit will identify and assess risks, formulate response strategies and specific action plans for issues that may cause operational impacts, conduct regular tracking and control, and keep risks within an acceptable range.	None
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	V		(1) The Company adheres to relevant regulations set by the competent authorities to establish measures for environmental pollution prevention, such as air pollution and runoff wastewater pollution reduction. We require contractors to operate in compliance and conduct daily environmental management advocacy at construction sites.	None
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		(2) A. Regarding environmental management system integration and promotion in office areas: (A) Temperature control without air leakage: Minimize air conditioning usage, increase natural ventilation, and set air conditioning temperature between 26-28°C without leakage. (B) Turning off lights and unplugging appliances when not in use: Turn off lights and power down appliances when not in use, review lighting needs to improve efficiency, and reduce the number of unnecessary light tubes. (C) Green procurement: Choose products with environmental, energy-saving, water-saving labels, and high Energy Efficiency Ratio (EER) to reduce carbon emissions and promote environmental protection. B. In terms of using recycled materials, we focus on the proportion of recycled materials in steel chopsticks and concrete raw materials. We select materials with green	None

			building material labels and water-saving and energy-saving equipment as much as possible without compromising safety and effectiveness to provide residential products with low environmental impact to customers.	
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take Procedures related to climate related topics?	V		(3) The Company assesses potential risks and opportunities of climate change in our main operational areas, Kaohsiung and Tainan, including physical risks such as rising temperatures and extreme weather, transition risks from government policies and regulatory trends, and their potential impact on operations and finances. We conduct scenario analyses for related issues.	one
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?		V	(4) According to the "Sustainable Development Roadmap for Listed Companies," The Company falls into the category of companies with a paid-in capital of less than NT$5 billion. We are required to conduct greenhouse gas inventory in the third phase and will continue to manage it according to the guidelines and regulations issued by the competent authority. We will also formulate relevant policies for disclosure in the sustainability report.	Formulate relevant policies in line with the timetable
4. Social Topic				
(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		(1) In compliance with relevant regulations and international human rights conventions, the Company has established management policies to safeguard the rights of employees.	None
(2) Has the Company established appropriately managed employee welfare Procedures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		(2) A. Employee Welfare Measures: Please refer to page 46 of this annual report. B. Reflecting business performance through employee compensation: (A) Salary standards: We participate in salary surveys to adjust salaries according to market trends. (B) Performance criteria: Employee salaries are adjusted based on Company performance and individual performance. (C) Promotion mechanism: We have established promotion mechanisms to provide opportunities for outstanding talents.	None
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		(3) The company regularly conducts public security inspections of electrical equipment and buildings, as well as fire safety inspections, maintenance, and upkeep to ensure workplace safety for employees. It also provides traffic safety and health education campaigns from time to time. It also purchases group insurance for each employee, covering life insurance, accident insurance, accidental injury medical insurance, and hospitalization medical insurance, so that employees can enjoy comprehensive protection without any worries.	None
(4) Has the Company established effective career development training plans?	V		(4) We conduct annual interviews between unit supervisors and employees to discuss career planning and development. Training programs cover various aspects such as new employee training, professional training, hierarchical (functional) training, and instructor training. We provide mechanisms for applying for relevant internal and external training courses.	None
(5) Does the Company's product and service comply with related regulations and international	V		(5) A. The confidential information exchanges between the company and its suppliers and customers due to business	None

rules for customers' health and safety, privacy, sales, labeling and set policies to protect consumers' or customers' rights and consumer appeal procedures? (6) Has the Company			needs are protected through the signing of information confidentiality contracts or confidentiality agreements to protect the rights and interests of both parties. B. The company has established "House Handover and Customer Complaint Handling Procedures". The relevant responsible units establish communication channels with customers based on this procedure, handle customer complaints promptly and effectively, and protect the rights and interests of customers. C. We have implemented a "Personal Data Protection Management Method" to regulate the collection, processing, and utilization of personal data, ensuring the confidentiality, integrity, availability, and legal compliance of personal data.	
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		(6) We have established supplier management policies for various categories such as building materials and engineering contracts, requiring suppliers to adhere to relevant regulations on environmental protection, occupational safety and health, or labor rights issues.	None
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquired third party verification or statement of assurance?		V	The Company will prepare a perpetual report in accordance with internationally accepted reporting standards, but has not yet completed the preparation and obtained confirmation or assurance from a third-party verification unit.	Will be carried out according to the scheduled schedule
6. If the Company has its own sustainable development code in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies", please describe the difference between its operation and the code: In March 2020, the Company established the "Corporate Social Responsibility (CSR) Practices Guidelines," which were approved by the Board of Directors. In April 2024, the Board of Directors approved the revision of the guidelines to the first edition of the "Sustainable Development Practices Guidelines." We regularly monitor revisions to relevant regulations, establish sustainable policies and ESG management mechanisms according to schedules, formulate specific action plans or projects annually, and disclose the implementation results in sustainability reports, on the Company website, and on public information platforms. Our operational practices are consistent with the Sustainable Development Practices Guidelines.				
7. Other important information that helps to understand the operation of corporate social responsibility: None				

2.3.7 Climate-related Information Implementation Status (TCFD Report)

<table>
<tr><th>Description</th><th>Implementation Status</th></tr>
<tr><td>1. Disclose the Board's oversight and the organization's governance around climate-related risks and opportunities.</td><td>To effectively response the climate change-related issues, the Company has established a Sustainability Project Team as the highest-level organization for climate change management. Operationally, it is overseen by the Risk Management Team, which assesses stakeholder requirements and trends related to climate issues. The Risk Management Team convenes relevant departments to assess and manage climate risks and develops strategies or objectives, reporting to senior management and confirming actions to be taken. The Sustainability Project Team reports to the board of directors at least once a year on: (1) climate change-related risk management; (2) progress of greenhouse gas inventory; (3) relevant action plans and implementation results. This allows board members to understand the progress of climate change mitigation efforts and to provide timely feedback and suggestions.</td></tr>
<tr><td>2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning identified over the short, medium, and long term.

3. Describe the financial impact of climate-related risks and transition risks.</td><td>The Company assesses climate change risks and opportunities based on a methodology that evaluates the impact/relevance level of risk items to the Company and the timing of their occurrence to generate a risk matrix. The results of climate risk and opportunity identification are as follows: Climate Change Risks (Medium to High Risk Levels):
<table>
<tr><th>Type</th><th>Risks</th><th>Timing</th><th>Financial Impacts</th></tr>
<tr><td rowspan="4">Transition Risks</td><td>Carbon fee collection</td><td>short-term</td><td>Government-imposed carbon fees will indeed lead to an increase in operational costs, as businesses will be required to pay for their carbon emissions.</td></tr>
<tr><td>Customer requirements for the use of renewable energy</td><td>short-term</td><td>Building renewable energy generation facilities or purchasing renewable energy will indeed increase capital expenditures or operational costs</td></tr>
<tr><td>Low carbon technology transition</td><td>short-term</td><td>1. Replacing energy-consuming equipment and purchasing carbon reduction equipment will indeed increase capital expenditures.
2. Business revenue may decrease due to not meeting customer demand for low-carbon production.</td></tr>
<tr><td>Increased climate-related information disclosure requirements</td><td>short-term</td><td>Verifying climate-related information disclosure will indeed increase management cost</td></tr>
<tr><td>Physical Risks</td><td>Buildings and facilities damaged by typhoons, strong winds and heavy rains</td><td>short-term</td><td>The repair costs resulted from facility and equipment damage</td></tr>
</table>
Climate-related Opportunities
<table>
<tr><th>Type</th><th>Opportunities</th><th>Financial Impacts</th></tr>
<tr><td>Energy Source</td><td>Expanding the use of renewable energy</td><td>1. Setting up renewable energy equipment can reduce the demand for purchased electricity, thereby lowering the expenditure on purchased electricity costs.
2. It can increase the diversity of power sources, reducing the risk of increased electricity costs due to rising international fuel prices.</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td>
<table>
<tr><th>Type</th><th>Opportunities</th><th>Financial Impacts</th></tr>
<tr><td>Resilience</td><td>Improving energy usage efficiency</td><td>1. Improving energy efficiency can reduce greenhouse gas emissions, enhancing the market competitiveness of the Company’s products.
2. Replacing old, energy-consuming equipment can lower electricity expenditure.
3. Reducing greenhouse gas emissions can decrease the operational costs generated by carbon fees.</td></tr>
<tr><td>Markets</td><td>Obtaining certification for sustainable management systems.</td><td>Meeting customer expectations for ESG (Environmental, Social, and Governance) can create strong collaborative relationships and seize opportunities for potential new customer partnerships.</td></tr>
</table>
</td></tr>
<tr><td>4. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</td><td>The Company conducts a materiality analysis through sustainability-themed surveys, which identified climate change as a significant theme. Therefore, in accordance with the "Risk Management Policy and Procedures," climate change risks have been included in the scope of management for progressive risk assessment and management.
In terms of process, the Company refers to the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify climate change risks and opportunities, devise response measures and target schemes, aiming to mitigate the impact of climate change risks on business operations and enhance the Company’s climate resilience.
The identification and assessment of climate risks are conducted by relevant departments convened by the Sustainability Project Team under the Risk Management Team. Through the collection of policy regulations, market trends, internal objectives, historical disaster records, and other internal and external issues, a list of climate change risk issues is compiled. Furthermore, future climate scenario conditions are set to identify and analyze potential risks the Company may face, and qualitative or quantitative analysis is performed on potential medium to high-risk items. The degree of impact these risks may have on financial aspects is assessed, and a climate change risk matrix is then drawn based on "impact/relevance level" and "likelihood/timing of occurrence" to complete the materiality assessment analysis.</td></tr>
<tr><td>5. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including parameters, assumptions, analysis factors, and major financial impacts.</td><td>The Company may not belong to industries with high carbon emissions intensity, but the impacts of climate change resulting from global warming are significant for key stakeholders. To promptly address market trends and potential customer demands, the Company conducts scenario analysis to identify climate change risks and opportunities.
The results of this assessment are thoroughly examined by business units and functional departments to serve as reference guidelines for daily operational adjustments.
Additionally, regular progress and outcome reports are submitted to the board of directors, serving as factors for consideration in group operations and decision-making processes.</td></tr>
<tr><td>6. Describe the index and targets used by the organization to identify and manage physical risks and transition risks and performance against targets.</td><td>None</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</td><td>Setting a shadow price involves establishing an internal carbon pricing mechanism to assess the potential risks that the organization may face in the future.</td></tr>
</table>

8. If climate-related goals are set, it should explain the activities covered, scopes of greenhouse gas emission, planning schedule, and the progress achieved each year, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, it should explain the source and quantity of carbon offsets or the number of RECs exchanged.	Not applicable
9. Describe the greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans.	Not applicable

2.3.8 Implementation Status of the "Ethical Corporate Management Best Principles for TWSE/GTSM Listed Companies, Deviations and Causes for the Difference

Assessment Item	Implementation Status (Note)			Deviations and Causes for the Difference
	Yes	No	Summary	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(1) Does the Company have a clear 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 commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(1) The Company has established the " Ethical Corporate Management Best Practice Principles" approved by the Board of Directors, and discloses the integrity management policies and practices on internal regulations, annual reports, and the Company's website. Both the Board of Directors and the management team actively implement the commitment to integrity management policies.	None
(2) 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 established a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies	V		(2) The Company requires directors, managers, employees, appointees, or those with substantial control capabilities to refrain from bribery and corruption, providing illegal political donations, improper charitable donations or sponsorships, offering or accepting unreasonable gifts, hospitality, or other undue benefits, infringing upon trade secrets, trademarks, patents, copyrights, and other intellectual property rights in the process of business activities. Additionally, the Company has established relevant operating procedures for employees to follow.	None
(3) Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	V		(3) The Company has established the "Operating Procedures and Behavioral Guidelines for Integrity Management" approved by the Board of Directors, which clearly define the patterns of various dishonest behaviors and the handling procedures. The Company also establishes a system for rewards and punishments, complaints, and disciplinary measures. A whistleblower mailbox is set up by the Company with dedicated personnel responsible for its operation and enforcement.	None
2. Ethic Management Practice				
(1) Whether the Company has assessed the ethics records of which it has business relationship with and includes business conduct and ethics related clauses in the business contracts?	V		(1) The Company conducts business activities in a fair and transparent manner, and before business transactions, it evaluates the relevant information of the parties with whom it is dealing, excludes those with records of dishonest behavior, and clearly stipulates the terms of honest behavior in the business contract.	None
(2) Whether the Company has established a unit which is dedicated to promoting the Company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	V		(2) The Company has set up a dedicated unit for integrity management and management, which is responsible for the formulation of regulations related to integrity management, and on March 6, 2025, the results of the implementation of issues related to integrity management were summarized and submitted to the board of directors in a report.	None
(3) Whether the Company has established policies to prevent conflict of interests, provide appropriate			(3) The Company has a reporting mailbox to provide a smooth channel for reporting. If any illegal	

communication and complaint channels and implement such policies properly?	V		behavior is discovered, you can report it directly to the Company and have it handled by a dedicated person.	None
(4) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	V		(4) The Company has established a complete accounting system and internal control system. The internal audit will conduct relevant inspections in accordance with the internal audit plan and internal audit implementation rules. If any major abnormality is discovered, the internal audit will immediately report to the Chairman and independent directors. and report it to the board of directors.	None
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		(5) The Company regularly holds internal and external publicity campaigns, arranging the Chairman, President or senior management to convey the importance of integrity to directors, employees and appointees; the Company has held events on integrity management, business ethics and insider prevention for 2024. A total of 10 person-times of internal education and training on trading and other related topics were provided for a total of 60 hours.	None
3. Implementation of Complaint Procedures				
(1) Does the Company establish specific complaint and reward procedures, established conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		(1) The Company has established a specific whistle blowing and reward system, and set up a whistle blowing mailbox managed by dedicated personnel.	None
(2) Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	V		(2) The Company has established operational procedures for handling whistle blowing matters; the relevant personnel handling the whistle blowing incidents are required to provide written assurances to maintain the confidentiality of the whistleblower's identity and the content of the whistle blowing.	None
(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	V		(3) The Company also commits in the operational procedures to protect whistleblowers from undue repercussions as a result of whistle blowing incidents.	None
4. Information Disclosure				
Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)	V		The Company has already disclosed relevant information regarding integrity management on its corporate website and the website of the Market Observation Post System (MOPS).	None
5. If the Company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: The " Ethical Corporate Management Best Practice Principles" established and operated by the Company complies with the regulation Integrity Management of Listed and Over-the-Counter Companies."				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the Company's corporate conduct and ethics policy): The Company has revised and reviewed the "Ethical Corporate Management Best Practice Principles" in accordance with the revisions to the "Ethical Corporate Management Best Practice Principles of Listed and Over-the-Counter Companies." We have established corporate governance practices, Ethical Corporate Management Best Practice Principles and ethical behavior standards. Please refer to our Company's website: http://www.sandirealestate.com.tw.				

2.3.9 Other important information that can enhance the understanding of corporate governance operation: Please refer to our website is: http/www.sandirealestate.com.tw

2.3.10 Internal Control System Execution Status

1. Statement of Internal Control System:
   Please refer to the Public Information Observation Station＞Single Company＞Corporate Governance ＞ Corporate Regulations ＞ Internal Control ／ Internal Control Statement Announcement, URL: https://mops.twse.com.tw/mops/#/web/t06sg20.
2. If a CPA is appointed to conduct a special audit of internal control system, provide its audit report: None.

2.3.11 Important resolutions adopted by the shareholders' meeting and the board meeting in the most recent year and up to the publication date of the annual report.

1. Major Resolutions of The Shareholders' Meeting

Name and Date of Meeting (Term/Sitting)	Major Resolutions
The 2024 Shareholders' Meeting 2024.06.26	Ratification Items: (1) Approved the Company's 2023 Business Report and Financial Statements. (2) Approved the Company's 2023 profit and loss appropriation account statement. Discussion Items: (1) Approved the Amendment to the "Procedures for Acquisition or Disposal of Assets" (2) Approved the Amendment to the "Procedures for Financial Derivatives Transactions" (3) Approved the Amendment to the "Procedures for Lending Funds to Others" (4) Approved the Amendment to the "Procedures for Endorsements and Guarantees" (5) Approved the Amendment to the "Articles of Incorporation" Election Matters: (1) Proposal for Re-election of Directors and Independent Directors of the Company Other Matters: (1) Approved releasing non-competition restriction on Directors and representative.

2.Summary of important resolutions of the Board of Directors Meeting:

Name and Date of Board Meeting (Term/Sitting)	Major Resolutions
2024.01.19 Board Meeting (27-19)	(1) Proposal for Investment in "Jiaxiang Development Construction Co., Ltd." (2) Proposal for Appointment the Legal Representative Director of "Jiaxiang Development Construction Co., Ltd." (3) Proposal for Applying for Credit Facilities from Banks.
2024.03.08 Board Meeting (27-20)	(1) Adoption of the 2023 Business Report and Financial Statements; (2) Adoption of the Operational Plan for 2024; (3) Assessment of the Effectiveness of Internal Control Systems for the Year 2023 and Issuance of the "Internal Control System Statement."; (4) Distribution of Directors' and Employees' Remuneration for the Fiscal Year 2023 (5) Adoption of the 2023 Deficit Compensation; (6) Proposal for Disposal of Land Use Rights for State-owned Land Parcel No. 32, Pingshi Section, East District, Tainan City; (7) Amendment to Certain Articles of the " Rules and Procedures of Board of Directors Meeting."; (8) Amendment to Certain Articles of the " Operational Procedures for Acquisition and Disposal of Assets."; (9) Amendment to Certain Articles of the " Procedures for Financial Derivatives Transactions "; (10) Amendment to Certain Articles of the "Procedure for Lending Funds to Others."; (11) Amendment to Certain Articles of the " Procedures for Endorsements and Guarantees "; (12) Proposal for Re-election of Directors and Independent Directors of the Company; (13) Proposal for the Nomination and Review of Director (including Independent Director) Candidates by the Board of Directors; (14) Proposal for Release the Restriction on Non-compete for Newly Elected Directors; (15) Proposal to Convene the 2024 Annual Shareholders' Meeting; (16) Proposal to Change the External Auditor from 2024 Q1; (17) Assessment of the Independence and Suitability of the Appointed Auditor; (18) Proposal for the Company to Sign a Joint Sale and Purchase Agreement for Ongoing Construction Projects with Related Parties; (19) Amendment to Certain Articles of the "Audit Committee Organizational Regulations."; (20) Proposal for the Company to issue new shares for cash to increase capital.

2024.04.11 Board Meeting (27-21)	(1) Proposal for the Company's Joint Collaboration with Jingcheng Construction Co., Ltd. to Develop the "Rende Smart Technology Park" and Apply for Credit Facilities from Financial Institutions as well as External Endorsement Guarantees. (2) Amendment to the "Corporate Social Responsibility Practices Guidelines" and Renaming to "Sustainable Development Practices Guidelines" (3) Proposal for Establishment of the "Procedure for Preparing the ESG Reports."
2024.05.03 Board Meeting (27-22)	(1) Adoption of the 2024 Q1 Financial Statements (2) Proposal for Establishment of the "Cyber Security Management Regulations." (3) Proposal for Establishment of the "Risk Management Policy and Procedures Regulations." (4) Proposal for Establishment of the "Complaints and Whistle blowing Handling Procedures." (5) Proposal for Signing Contracts for Joint Development and Sale, and Purchase of Ongoing Construction Projects with Related Parties. (6) Proposal for Signing the Project Management Contracts with Related Parties. (7) Proposal for Signing the Joint Development and Sale Agreements with Related Parties. (8) Proposal for Amendment Certain Articles of the "Articles of Association" of the Company. (9) Proposal for Updating the Reasons for Convening the 2024 Annual Shareholders' Meeting.
2024.06.26 Board Meeting (28-01)	(1) Proposal on the election of chairman.
2024.07.15 Board Meeting (28-02)	(1) The Company intends to sign a joint construction and subsale agreement with a related party. (2) The company intends to issue new shares through cash capital increase and issue the first domestic secured convertible corporate bonds. (3) The company intends to apply for financing lines from various banks. (4) Proposed plan to replace the stock agency. (5) Appointment of members of the Sixth Remuneration Committee. (6) Increase Jia-xiang Development Construction Co., Ltd.
2024.08.09 Board Meeting (28-03)	(1) Adoption of the 2024 Q2 Financial Statements (2) Signed the joint venture contract for the "R20 MRT Joint Development Project, Lot No. 11, Heping East Section, Nanzi District, Kaohsiung City".
2024.11.08 Board Meeting (28-04)	(1) Adoption of the 2024 Q3 Financial Statements (2) Proposal for Establishment of the Audit Plan for 2025 (3) Revise the "Cash Capital Increase Employee Stock Subscription Method". (4) Revise the "Regulations on Related Party Transactions" and rename it as the "Regulations on Related Party Financial Affairs Operations". (5) Revised the "Operational Procedures for the Preparation and Submission of Sustainability Reports" and renamed it "Operational Procedures for the Preparation and Validation of Sustainability Reports". (6) Revised the "General Principles of Pre-approval of Non-Confidential Services Policy". (7) Add and revise the management operation cases of internal control system and internal audit system. (8) The Company's 2024 manager year-end bonus distribution matter. (9) The Company handles the issuance of new shares in cash capital increase and the proposal for stock subscription by managers or directors who are employees. (10) The Company intends to land in the river embankment Section of Sanmin District, Kaohsiung City from a related party. (11) The Company intends to sign a joint construction and subsale agreement with a related party. (Dalao Ya Xiao Sub Section Project) (12) Apply for a credit line from the Sanmin Branch of the Land Bank of Taiwan. (13) Apply for a credit line from the Changhua Commercial Bank, Fengshan Branch.
2024.11.20 Board Meeting (28-05)	(1) Amend the "Regulations on the Issuance and Conversion of the First Domestic Secured Convertible Corporate Bonds". (2) The proposal on matters related to the 2024 cash capital increase and stock subscription base date was determined. (3) 2024 visa accountant appointment fee case. (4) The Company intends to sign a joint construction and subsale agreement with a related party.
2025.03.06 Board Meeting (28-06)	(1) Adoption of the 2024 Business Report and Financial Statements (2) Adoption of the Operational Plan for 2025 (3) Assessment of the Effectiveness of Internal Control Systems for the Year 2024 and Issuance of the "Internal Control System Statement."

	(4) Distribution of Directors' and Employees' Remuneration for the Fiscal Year 2024 (5) 2024 Profit and loss appropriation account statement. (6) Amendment to the “Articles of Incorporation” (7) Election of the company's one Independent Director. (8) Proposal for the Nomination and Review of Director (including Independent Director) Candidates by the Board of Directors (9) To Release non-competition restriction on Directors and representative. (10) Proposal to Convene the 2025 Annual Shareholders' Meeting (11) Assessment of the Independence and Suitability of the Appointed Auditor (12) Appointment of the Company’s Chief Financial Officer. (13) Appointment of the Company’s Accounting Manager.
2025.05.09 Board Meeting (28-07)	(1) Adoption of the 2025 Q1 Financial Statements. (2) Regarding the case of insurancing "Directors, Supervisors and Managers Liability Insurance". (3) Regarding the subscription of new capital increase shares of "Shanglin Real Estate Co., Ltd."

2.3.12 In the most recent year and as of the date of publication of the annual report, whether any director has different opinions on important resolutions passed by the Board of Directors with have recorded written statements, and its main content: None.

2.4 Audit Fee Information

2.4.1 The amount of audit fees and non-audit fees paid to CPA and its affiliated Accounting firm of CPA and the content of non-audit services are summarized as follows:

Unit: NT$ in Thousands

Audit Firm	Name of CPA	Audit Period	Audit Fee	Non-Audit Fee (Note)	Total
KPMG Taiwan	Kao, Yu-Lun	2024.01.01~2024.12.31	1, 730	287	2,017
	Chen, Yung-Hsiang				

Note: Non-auditing public expenses - refers to the translation fees for English financial report and the miscellaneous expenses and costs paid in advance.

2.4.2 If there is any change in the accounting firm and the audit fee for the fiscal year following the change is lower than the audit fee for the previous fiscal year, the amounts and reasons for the audit fee before and after the change should be disclosed: None.

2.4.3 If the audit fee decreases by more than ten percent compared to the previous fiscal year, the amount, percentage, and reasons for the decrease in the audit fee should be disclosed: None.

2.5 Information Regarding the Change of Accountant: None.

2.6 The Company’s Chairman, President, Chief Financial Officer or Chief Accounting Officer Who Has Worked for the CPA’s Firm or Its Affiliates during the Last Fiscal Year: None.

2.7 Status of any Transfer of Shareholdings and Changes in Equity Pledge from the Directors, Managers and Shareholder(s) Holding More Than 10% of the Shares up to the publishing date of the annual report in the Most Recent Years:

2.7.1 Changes in Shareholding of Directors, Managers and Major Shareholders:
Equity Transfers: Public Information Observatory > Single Company > Equity Changes/Securities Issuance > Equity Transfer Information Inquiry > Post-Facto Report Form for Insider Shareholding Changes, [URL:https://mops.twse.com.tw/mops/#/web/query6_1].
Equity Pledge: Public Information Observatory > Single Company > Equity Change/Securities Issuance > Dissolution of Insider Pledge > Announcement of Dissolution of Insider Pledge, [URL:https://mopsov.twse.com.tw/mops/web/STAMAK03_1].

2.7.2 Equity transfer information: Not applicable.

2.7.3 Equity pledge information: Not applicable.

2.8 Relationship Among the Top Ten Shareholders

April 25, 2025

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company 's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Note
	Shares	%	Shares	%	Shares	%	Shares	%	
San Cia Development Construction Co., Ltd. Representative: Chung, Yu-Lin	20,000,000	17.98%	-	-	-	-	Chung, Chia-Tsun	first-degree relative (FDR)	-
San Di Construction Co., Ltd. Person in Charge: Chung, Yu-Lin	15,977,907	14.37%	-	-	-	-	Chung, Chia-Tsun	first-degree relative (FDR)	-
Ba Fang Asset Management Co., Ltd Person in Charge: Chung, Yu-Lin	10,161,652	9.14%					Chung, Chia-Tsun	first-degree relative (FDR)	
Lou Ying Investment Representative: Chung, Chia-Tsun	7,419,689	6.67%	-	-	-	-	San Cia Development Construction Co., Ltd.	Person-in-harge of the Company is FDR	-
							San Di Construction Co., Ltd.	Person-in-harge of the Company is FDR	
							Ba Fang Asset Management Co., Ltd	Person-in-harge of the Company is FDR	
Chung, Chia-Tsun	5,908,001	5.31%	-	-	-	-	San Cia Development Construction Co., Ltd.	Person-in-harge of the Company is FDR	-
							San Di Construction Co., Ltd.	Person-in-harge of the Company is FDR	
							Ba Fang Asset Management Co., Ltd	Person-in-harge of the Company is FDR	
Chiang, Jia-ling	3,227,772	2.90%	-	-	-	-	-	-	-
Jia Hsueh Investment Co., Ltd.	2,966,160	2.67%	-	-	-	-	-	-	-
Chang, Chao-Fan	2,832,469	2.55%	-	-	-	-	-	-	-
Chiang, Shao-Fu	2,273,686	2.04%	-	-	-	-	-	-	-
Shen, Yi-Ru	2,061,699	1.85%	-	-	-	-	-	-	-

2.9 The Number of Shares Held by the Company, the Directors, Managers, and Businesses Directly or Indirectly Controlled by the Company in the Same Joint Venture, and the Combined Shareholding Percentage: Not applicable.

III. Capital and Shares

3.1 Capital and Shares (including Preferred Shares):

3.1.1 Capital and Shares

May 20, 2025

Year/ Month	Par Value (NT$)	Authorized Capital		Paid-up Capital		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Source of Capital (Shares)	Capital Increased by Assets Other than Cash	Others
1955.09.10	10	700,000	7,000,000	700,000	7,000,000	Fully Paid-Up	N/A	N/A
1956.06.15	10	900,000	9,000,000	900,000	9,000,000	Capital Increase 200,000	N/A	N/A
1960.05.02	10	1, 800,000	18,000,000	1, 800,000	18,000,000	Capital Increase 900,000	N/A	N/A
1962.07.08	10	2, 250,000	22, 500,000	2, 250,000	22, 500,000	Capital Transfer 450,000	N/A	N/A
1965.05.23	10	4,500,000	45, 000,000	4,500,000	45, 000,000	Capital Increase 2,110,000 Retained Earnings 140,000	N/A	N/A
1967.10.28	10	6,300,000	63, 000,000	6,300,000	63, 000,000	Capital Increase 1,800,000	N/A	N/A
1969.08.16	10	9,000,000	90,000,000	9,000,000	90,000,000	Capital Increase 1,510,000 Retained Earnings 1,190,000	N/A	N/A
1974.12.16	10	10,350,000	103, 500,000	10,350,000	103, 500,000	Retained Earnings 1,350,000	N/A	N/A
1976.02.11	10	20,000,000	200,000,000	20,000,000	200,000,000	Capital Transfer 9,650,000	N/A	N/A
1980.08.18	10	30,000,000	300,000,000	30,000,000	300,000,000	Retained Earnings 686,234 Capital Transfer 9,313,766	N/A	N/A
1987.05.27	10	42, 000,000	420,000,000	42, 000,000	420,000,000	Capital Increase 12,000,000	N/A	Note 1
1980.01.22	10	64,260,000	642, 600,000	64,260,000	642, 600,000	Capital Increase 21,000,000 Capital Transfer 1,260,000	N/A	Note 2
1996.03.18	10	70,686,000	706,860,000	66,637,620	666,376,200	Capital Transfer 2,377,620	N/A	Note 3
1998.04.21	10	110,686,000	1,106,860,000	84,637,620	846,376,200	Capital Increase 18,000,000	N/A	Note 4
1998.08.11	10	110,686,000	1,106,860,000	93,101,380	931,013,800	Capital Transfer 8,463,760	N/A	Note 5
1999.12.08	10	110,686,000	1,106,860,000	102,411,518	1,024,115,180	Capital Transfer 9,310,138	N/A	Note 6
2021.01.20	10	110,686,000	1,106,860,000	51,205,759	512,057,590	Capital Decrease 512,057,590	N/A	Note 7
2021.12.20	10	110,686,000	1,106,860,000	71,205,759	712,057,590	Capital Increase 20,000,000	N/A	Note 8
2022.12.28	10	150,000,000	1,500,000,000	91,205,759	912,057,590	Private placement 20,000,000	N/A	Note 9
2025.01.17	10	350,000,000	3,500,000,000	111,205,759	1,112,057,590	Capital Increase 20,000,000	N/A	Note 10

Note 1: Approved date on January 14, 1987 with an approval letter of Tai-Cai-Zheng (1) No. 00041
Note 2: Approved date on October 05,1989 with an approval letter of Tai-Cai-Zheng (1) No. 26210
Note 3: Approved date on January 03, 1986 with an approval letter of Tai-Cai-Zheng (1) No. 66631
Note 4: Approved date on January 16, 1988 with an approval letter of Tai-Cai-Zheng (1) No. 13079

Note 5: Approved date on June 11,1988 with an approval letter of Tai-Cai-Zheng (1) No. 51392
Note 6: Approved date on October 8, 1999 with an approval letter of Tai-Cai-Zheng (1) No. 89001
Note 7: Approved date on January 18, 2021 with an approval letter of Jin-Guan-Zheng-Fazi No. 1090379944
Note 8: Approved date on October 20, 2021 with an approval letter of Jin-Guan-Zheng-Fazi No. 1100359119
Note 9: Approved date on December 28, 2022 with an approval letter of Chu-Shang-Tzu No. 11101245080
Note 10: Approved date on January 17, 2025 with an approval letter of Chu-Shang-Tzu No. 11430003440

May 20, 2025

Type of Share	Authorized Capital			Remarks
	Issued Shares	Un-issued shares	Total Shares	
Common Stocks	111,205,759	238,794,241	350,000,000	Listed stock
Preferred Stocks	-	-	-	-
Total	111,205,759	238,794,241	350,000,000	-

3.1.2 List of Major Shareholders

May 20, 2025

Shares / Shareholder's Name	Shareholding (Shares)	Percentage
San Cia Development Construction Co., Ltd.	20,000,000	17.98%
San Di Construction Co., Ltd.	15,977,907	14.37%
Ba Fang Property Management Co., Ltd	10,161,652	9.14%
Lou Ying Investment	7,419,689	6.67%
Chung, Chia-Tsun	5,908,001	5.31%
Chiang, Jialing	3,227,772	2.90%
Jia Hsueh Investment Co., Ltd.	2,966,160	2.67%
Chang, Chao-Fan	2,832,469	2.55%
Chiang, Shao-Fu	2,273,686	2.04%
Shen, Yi-Ru	2,061,699	1.85%

3.1.3 Dividend Policy and Implementation Status

1. Dividend policy as specified under the Articles of Incorporation

(1) The conditions and timing of dividend distribution: The Company is responding to the increasingly competitive environment. The solid self-owned capital is actually the foundation for the Company's sustainable operation and steady development. For the purpose of supporting the growth of the enterprise, the Company distributes dividends to meet the needs of the future, the demand for working capital, and comprehensive consideration of factors such as sound financial structure, maintaining stable dividends, and ensuring reasonable returns to shareholders. According to the provisions of Article 32 of The Company's Articles of Incorporation, if the Company makes profits in the current year, it should distribute employee bonus not less than 1%, and the board of directors decides to distribute it in stock or cash, and its distribution targets include employees of subsidiaries who meet certain conditions. The Company can increase the amount of profit, and the board of directors decides to distribute director remuneration not higher than 3%, the proposal for distribution of the employee bonus and director remuneration should be submitted to Shareholders' Meeting report.

However, if the Company still has accumulated losses, it should reserve the compensation amount in advance, and then distribute the employee bonus and Director's remuneration according to the proportion of the previous item.

(2) If there is a surplus in the final accounts of each year, the profit-seeking enterprise income tax shall be paid in accordance with the law, and one-tenth of the previous year's losses shall be made up as the statutory surplus reserve. If the Board of Directors considers it is necessary, it may be raised through the Shareholders' Meeting. Afterwards, the special surplus reserve shall be withdrawn or reversed in accordance with the law; if there is any remaining balance, together with the accumulated undistributed surplus, the Board of Directors shall prepare a surplus distribution proposal and submit it to the Shareholders' Meeting for a resolution on the distribution of shareholder dividends.

(3) The cash dividends shall not be lower than 5% of the total shareholder dividends

distributed in the current year. If the cash dividends are less than one NT$ per share, they may not be distributed, but shall be distributed as stock dividends. The ratio to be distributed at that time shall be authorized by the Board of Directors. The Company's actual capital status and capital budget are drafted, and issued after approval by Shareholders' Meeting and the competent authority.

2. Proposed Distribution of Dividend at the shareholders' meeting: The Company has no dividend for distribution.
3. Explanation is required when there is a significant change expected in the dividend policy: None.

3.1.4 The Impact of Stock Grants to Be Proposed at the Shareholders' Meeting on the Company's Business Performance and Earnings Per Share:

The Shareholders' Meeting did not propose a gratuitous distribution of shares, so it is not applicable.

3.1.5 Employee Bonus and Directors and Remuneration

1. Information relating to employee bonus and the Directors' remuneration
   (1) According to the Articles of Incorporation, if the Company makes a profit in the year, no less than 1% should be appropriated as employee bonus, and no more than 3% should be distributed as Director's remuneration. However, if the Company still has accumulated losses, the amount of accumulated losses should be deducted first, and then the balance should be calculated for appropriation. The employee bonus can be offered in stock or in cash, and the recipients of the bonus may include employees of affiliated companies who meet certain conditions in addition to employees of The Company.
   (2) Matters related to employee bonus and the distribution of Director's remuneration are handled in accordance with relevant laws and regulations, and are decided by the board of directors meeting.
2. The Estimated Basis for Calculating the Employee Bonus and Directors' Remuneration of the period and if the actual distribution amount is different from the estimated amount, there is a discrepancy between the distribution amount and the estimated figure, the accounting treatment is as follows:

   The board of directors of the Company approves the distribution of cash remuneration to employees based on a certain ratio estimated according to the profit situation of the current year. Director's remuneration is paid based on the expected payout amount. If there is a difference between the estimated amount and the actual payout amount, it will be adjusted in the accounting estimate variation and recorded in the year of distribution.
3. Profit Distribution for Employee Bonus and Directors' Remuneration approved in Board of Directors Meeting:
   (1) The amount of cash distribution for employee remuneration and director's remuneration: No distribution is planned.
   (2) The amount of employee remuneration distributed in the form of stock and the ratio of this amount to the current period's net profit after tax and the total amount of employee remuneration: Not applicable.
4. The actual distribution of employee bonus and directors' remuneration in the previous year (including the number of shares distributed, the amount and the stock price), and if there is any difference between the employee bonus and directors' remuneration, the difference, the reason and the handling situation shall be stated: None.

3.1.6 The Company's Buyback (Repurchase) of Stock: None.

3.2 Issuance of Corporate Bonds:

3.2.1 Corporate Bonds

Corporate Bond Type		The 1st domestic secured convertible corporate bond in 2024
Issue date		December 19, 2024
Denomination		NT$100,000
Issue price		Issued at 117.63% of par value
Total price		NT$970,000,000
Coupon rate		Coupon rate 0%
Period		5 years Maturity: December 19, 2029
Guarantee agency		Taichung Commercial Bank Co., Ltd.
Trustees		Land Bank of Taiwan Co., Ltd.
Underwriting institution		President Securities Corporation
Licensing attorney		HANDSOME Law Firm attorney Qiu Ya-wen
CPA		N/A
Repayment method		The Company within seven business days from the day following the maturity date of the convertible bonds, repay in full the principal of the bonds in cash at 102.5251% of the face value (corresponding to an effective yield of 0.5%).
Outstanding principal		As of May 20, 2025, the outstanding principal was NT$970,000,000.
Terms of redemption or early liquidation		Please refer to Appendix 2 (Issuance and Conversion Methods) of the Company's First Domestic Secured Convertible Corporate Bond Public Prospectus.
Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		N/A
Other rights attached	Amounts of common stocks, overseas depositary receipts or other securities converted (exchanged or subscription) as of the date of printing of the annual report	As of the date of publication of the annual report (May 20, 2025), 0 shares of common stock had been converted.
	Method of issuance and conversion (exchange or subscription)	Please refer to Appendix 2 (Issuance and Conversion Methods) of the Company's First Domestic Secured Convertible Corporate Bond Public Prospectus.
Issuance and conversion, exchange or subscription methods, issuance terms on possible equity dilution and impact on existing shareholders' equity		Please refer to page 68 of the prospectus for the Company's first domestic secured convertible bonds.
Name of the entrusted custodian for the exchange of the subject		N/A

3.2.2 Information of Convertible bonds

Corporate bond type		The 1st domestic secured convertible corporate bond in 2024	
Item \ Year		2024	As of the printing date of this annual report(May 20, 2025)
Market price of the convertible bond	Highest	132.20	134.00
	Lowest	121.90	119.00
	Average	127.27	127.01
Convertible Price		NT$57.50	NT$55.88
Issue date and conversion price at issuance		Date of issuance: December 19, 2024 Conversion price at issuance: NT$57.5	
Manner of fulfilling the conversion obligation		Issue new shares in accordance with the issuance and conversion measures	

3.3 Preferred Shares: None.

3.4 Issuance of Global Depositary Shares: None.

3.5 Status of Employee Stock Option Plans: None.

3.6 Number of Employee Restricted Stock Granted: None.

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

3.8 Financing Plans and Implementation:

Please refer to Public Information Observatory > Single Company > Equity Change/Securities Issuance > Fundraising > Fundraising Plan Implementation. Website: https://mopsov.twse.com.tw/mops/web/bfhtm_q2

IV. Operational Highlights

4.1 Business Activities

4.1.1 Scope of Business:

1. Major scope of business:
   (1) C301010 Spinning of Year
   (2) F213030 Retail Sale of Computers and Clerical Machinery Equipment
   (3) E604010 Machinery Installation
   (4) EZ05010 Instrument and Meters Installation Engineering
   (5) EZ02010 Crane and Hoist Services Engineering
   (6) G801010 Warehousing
   (7) C703010 Printed Matter Binding and Processing
   (8) C307010 Clothing Accessories
   (9) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
   (10) CC01060 Wired Communication Mechanical Equipment Manufacturing
   (11) A301040 Recreational Fishery
   (12) E801010 Indoor Decoration
   (13) E801020 Doors and Windows Installation Engineering
   (14) E801030 Indoor Light-gauge Steel Frame Engineering
   (15) E801040 Glass Installation Engineering
   (16) I503010 Landscape and Interior Designing
   (17) E801070 Kitchenware and Sanitary Fixtures Installation Engineering
   (18) F203010 Retail Sale of Food, Grocery and Beverage
   (19) F203020 Retail Sale of Tobacco and Alcohol
   (20) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
   (21) F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
   (22) F206020 Retail Sale of daily commodities
   (23) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
   (24) F301020 Supermarkets
   (25) F201050 Retail sale of fishing article
   (26) F399010 Convenience Stores
   (27) F213990 Retail Sale of Other Machinery and Tools
   (28) G202010 Parking area Operators
   (29) H703100 Real Estate Leasing
   (30) I401010 General Advertisement Service
   (31) I301020 Data Processing Services
   (32) JE01010 Rental and Leasing
   (33) I301030 Electronic Information Supply Services
   (34) I103060Management consulting
   (35) I199990Other management consulting
   (36) I102010Investment consulting
   (37) IZ04010Translation services
   (38) JZ99020 Sauna business
   (39) J802010 Sports training
   (40) JZ99050 Intermediary service
   (41) J602010 Performing Arts Activities
   (42) J803010 Sports performance

(43) J701030 Audio-visual singing
(44) JB01010 Conference and exhibition service
(45) F501030 Beverage shop
(46) J801030 Competitive and leisure sports venue
(47) H701040 Development industry in specific professional areas
(48) JZ99120 General bathroom
(49) JZ99110 Slimming beauty
(50) J901020 General Hotel
(51) F399990 Other comprehensive retail trade
(52) F215010 Retailing of jewelry and precious metals
(53) H701010 Residential and building development leasing and sales
(54) JZ99080 Beauty and hairdressing service
(55) J701040 Leisure activity venue
(56) J701020 Amusement park
(57) F208040 Cosmetics retail trade
(58) F501060 Restaurant
(59) I301010 Information Software Service
(60) J601010 Arts and cultural services
(61) IZ99990 Other business services
(62) H701020 Industrial plant development, lease and sale
(63) H701060 New Town, New Community Development
(64) H701080 Urban renewal and reconstruction
(65) H701090 Urban Renewal, Construction and Maintenance
(66) H703090 Real estate business
(67) C199030 Ready-to-eat meal manufacturing
(68) F104110 Cloth, clothing, shoes, hats, umbrellas, clothing wholesalers
(69) F105050 Wholesale of furniture, bedding, kitchen utensils and decorations
(70) F106010 Hardware wholesale business
(71) F106020 Wholesale of daily necessities
(72) F106050 Ceramic and glassware wholesale business
(73) F107030 Wholesale of cleaning products
(74) F108040 Cosmetics wholesale business
(75) F109070 Wholesale of culture and education, musical instruments, and recreational products
(76) F115010 Jewelry and precious metal wholesale business
(77) F206010 Hardware retail trade
(78) F206050 Retailing of pet food and supplies
(79) F207030 Retailing of cleaning supplies
(80) F399040 Retail without storefronts
(81) F401010 International trade
(82) F501050 Hotel industry
(83) H703110 Housing for the Elderly
(84) IZ01010 Photocopying
(85) J701090 Video program broadcasting
(86) J702070 Wine shop
(87) J702080 Bar
(88) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Main Products, Revenue and Weight in 2024

Unit: NT$ thousands; %

Products	Amount	Weight
Construction Industry	1,166,647	100.00
Others	0	0.00
Total	1,166,647	100.00

3. Current products (services):
   (1) Entrusting construction companies to build commercial buildings, industrial buildings, and residential properties for rental or sale.
   (2) Real estate transactions.
4. New products (services) to be developed by the Company's planning:
   (1) Activate land for effective planning and utilization
   (2) Actively sell inventory (including lands for roads, idle lands etc.)
   (3) Promotion of the projects for construction of commercial and residential buildings
   (4) Promote the construction of commercial office buildings, factory office buildings, factories, and other products in response to market demands.

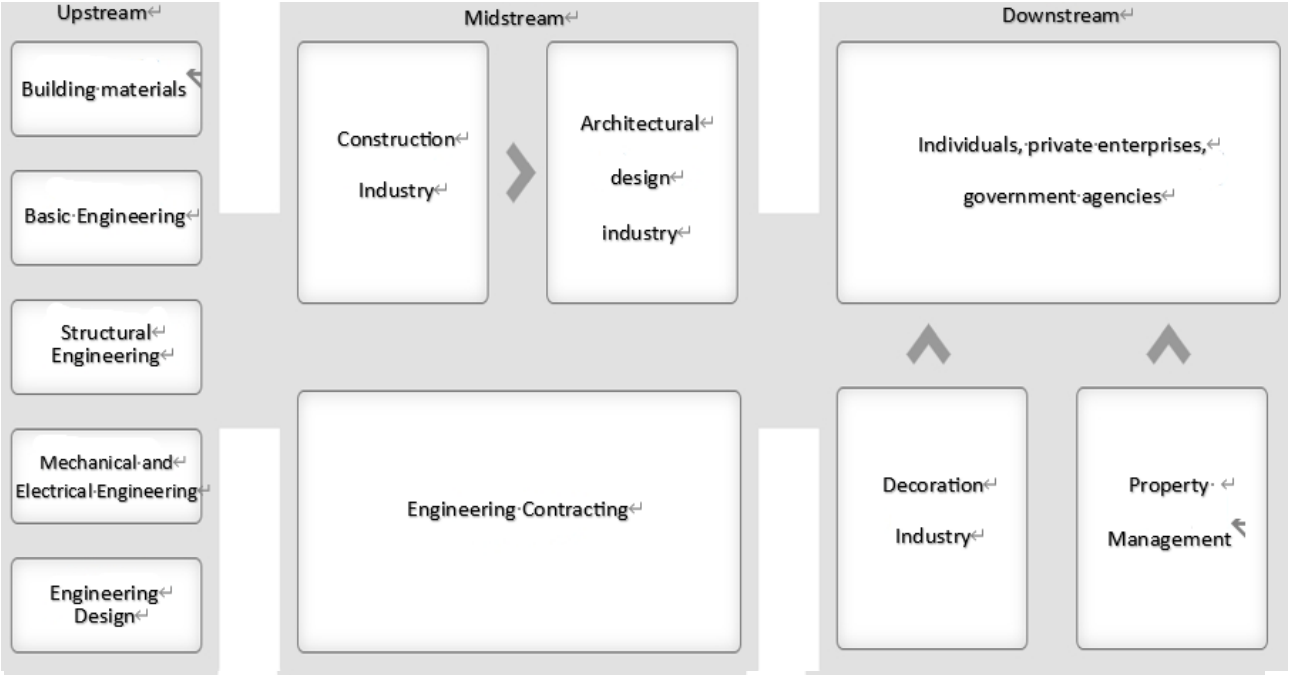
4.1.2 Industry Overview

1. Current status and development of the industry

   The real estate industry covers a wide range, and related industries include steel bars, cement, electromechanical, finance, furniture and home appliances, etc. Construction companies play a role in coordination and integration. The investment and development of new projects will drive the development of the entire industrial chain. A large amount of financial, human and material resources are required during the construction process, and it takes a long time to complete the construction of the building. The impact is deep and wide, so it is regarded as a "locomotive industry."

   According to the May 2024 report on the real estate development industry's business climate by the Taiwan Institute of Economic Research, given the improvement in the overall domestic economic situation, companies' demand for commercial real estate has increased. In addition, the introduction of the new youth can start a family with ease and buy a house with preferential loans mortgage policy has further boosted the recovery of domestic residential transactions, which will help manufacturers promote development projects and thereby drive improved operating performance.
2. Relationship with Up-, Middle- and Downstream Companies

   Our company belongs to the middle stream of the building materials and construction industry chain. The upstream includes landowners, building materials suppliers, foundation engineering, structural engineering, mechanical and electrical engineering and related construction engineering design; the midstream is construction, building and engineering contracting. Construction companies usually acquire land first and then design, contract and construct. Subsequent companies are responsible for undertaking turnkey projects for factories, residential or public works.; the downstream is mainly consumers who buy houses. In addition, after buying a house, related industries such as decoration and property management are derived.



3. Various development trends of products

(1) Major transportation projects drive residential development in new towns

In order to balance regional development, the government has continued to plan new towns and rezoning areas in recent years. It has also promoted major transportation projects to connect urban areas and new towns, shortened travel time between them, and gradually transferred the urban population to new towns. Therefore, new town housing will become another high-potential market in the future.

(2) Product diversification and refinement development

In recent years, homebuyers' demand for housing is no longer just focused on practicality. They are increasingly particular about living quality, regional living functions, exterior design, layout, and building material quality. In order to meet customer needs, developers have launched a variety of products tailored for specific consumers, such as boutique small luxury homes, MRT co-construction residences, leisure hot spring residences, fiber-optic second-generation homes, etc. Various customized products have emerged, so future product planning will be developed towards diversification and refinement.

(3) The structural safety of the house and the privacy of the residence are given importance

Due to the high frequency of earthquakes in our country, people's demand for the safety of housing structures is increasing. Various builders have launched earthquake-resistant and earthquake-resistant buildings. The higher the earthquake resistance coefficient, the more popular the building is with consumers. On the other hand, with the increasing awareness of protecting personal privacy, in addition to community security, security measures such as access cards and full-time video surveillance have become standard equipment in new homes.

4. Product Trends and Competition

Since real estate belongs to the local market, compared with other industries, the competition among construction companies in the overall market is not obvious. The main competitive behaviors are concentrated among construction projects in the same location. Even for the same project launch area, product planning and customer base considerations are different, and the products launched have their own characteristics. Therefore, it is difficult to distinguish the competitiveness of products, and the market is not greatly affected by the market share of a company.

4.1.3 Know-how and R&D Overview

1. Research and development expenditures and successfully developed technologies or products as of the date of publication of the annual report: None
2. Future annual research and development plan:
   (1) Discussion on Construction Laws and Building Laws
   (2) Development of existing housing market

4.1.4 Long-Term and Short-Term Business Development Plans

The Company's development team considers the housing with a higher return on investment, and will use strict quality control of building materials, focus on life functions, and at the same time position product differentiation to create a marketing niche and increase investment profits. The Company will provide professional service quality and the concept of sustainable development, smooth promotion of various long-term and short-term businesses, creating maximum benefits to reward shareholders.

4.2 Market and Sales Overview

4.2.1 Market Analysis

1. Sales (Service) Region:

Unit: NT$ thousand

(year) / (Area)	2023		2024	
	Amount	ratio (%)	Amount	ratio (%)
Taiwan	316,107	100.00	1,166,647	100.00

2. Market Share (%) of Major Product Categories in the Last Two Years:

Unit: NT$ thousand

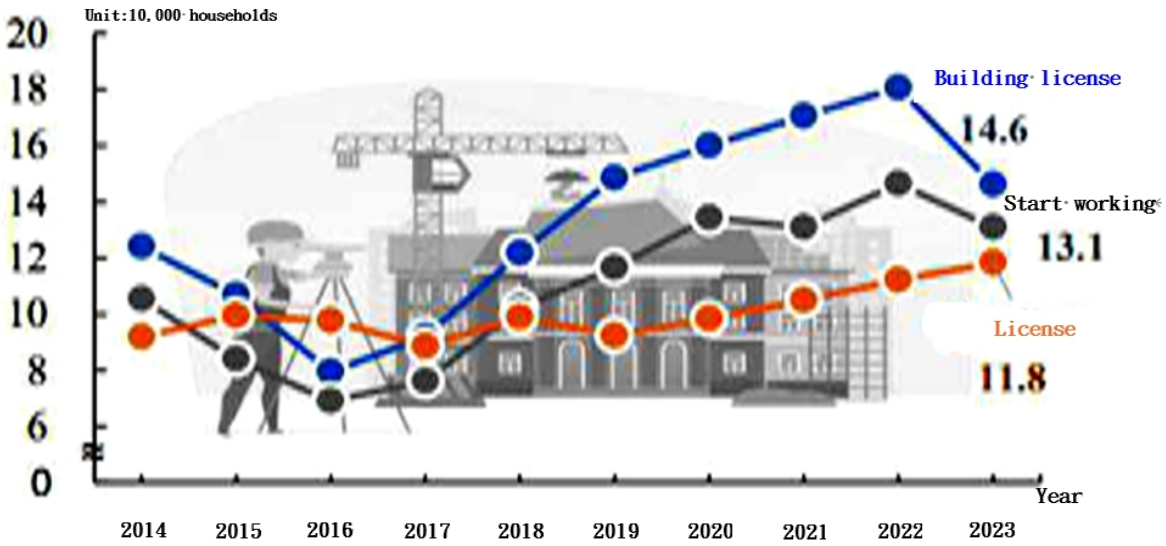
		2023		2024	
		Revenue	ratio (%)	Revenue	ratio (%)
Construction Industry	Listing	423,333,381	84.47	470,028,725	83.13
	OTC	77,834,207	15.53	95,364,255	16.87
	total	501,167,588	100.00	565,392,980	100.00
The Company		316,107	0.06	1,166,647	0.21

Source: Taiwan Stock Exchange Statistical Report and Public Information Observation Station

3. Market supply and demand and growth in the future
   (1) Supply

According to statistics from the Ministry of the Interior, the number of construction licenses and construction starts in recent years has been declining year after year since the highs of 2014-2016, and has slowly warmed up from 2017 to 2012, and has reversed upward. In 2013, the number of residential construction licenses issued nationwide totaled 146,000 units, a decrease of 19.1% from 2012, mainly due to unfavorable factors such as inflation in the domestic housing market, tightening of construction financing, financial market fluctuations, and the third reading of the amendment to the Equal Land Rights Ordinance. In addition, the number of use licenses was 118,000 units, an increase of 5.5% from 2012.

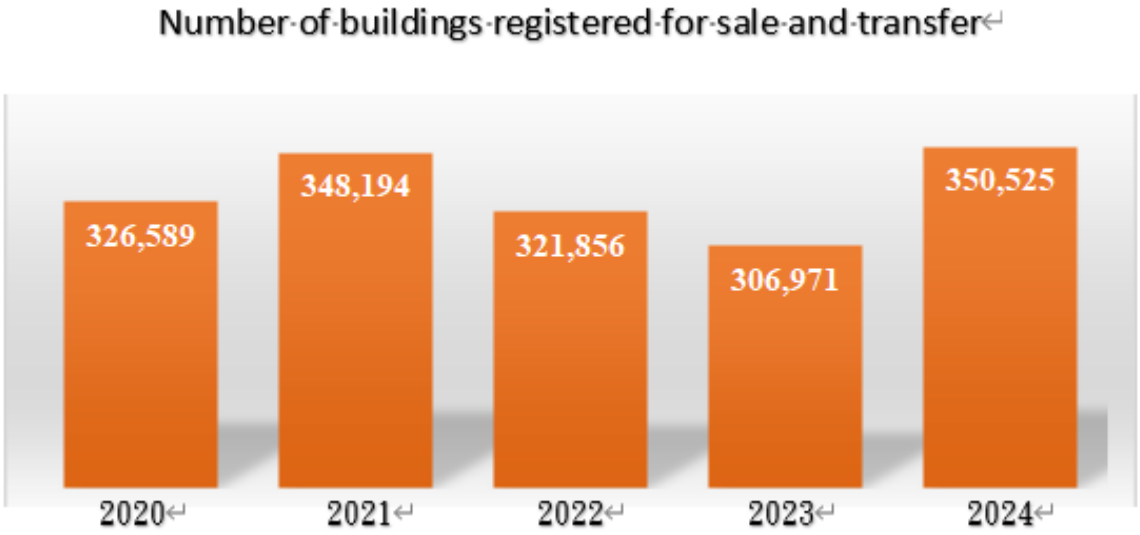
Number of residential(H-2) licenses issued and construction starts in the past 10 years



Source: Department of the Interior, Land Management
Note: "Household" is counted based on the number of households stated in the license.

(2) Demand

According to the 2024 Haofang.com News data, as the economic situation gradually stabilizes and the economy gradually recovers, coupled with the support of the new youth family-starting loan program, the actual demand for purchasing houses for self-use will increase. In addition, according to the residential price index for the fourth quarter of 2023 released by the Ministry of the Interior, the national residential price index was 136.2, an increase of 2.27% from the previous quarter and an increase of 6.81% from the same quarter of 2022. The Ministry of the Interior stated that the overall housing market in the country this quarter saw an increase in both volume and price. From a long-term trend perspective, the average quarterly increase in the residential price index in 2023 was 1.66%, showing a continuous increase. According to the analysis of the " Number of buildings registered for sale and transfer " in the past five years, the number of buildings sold and transferred in the country has remained above 300,000 each year, indicating that the demand for housing has been constant and stable.



Source: Ministry of the Interior Real Estate Information Platform

4.2.2 Important fields of application and production processes of major products:

1. Important fields of application of major products:

Actively plan and utilize the existing land, and invest in the construction of various types of products according to the different needs of customers from all walks of life. The main products can be roughly divided into two categories: residential buildings and commercial buildings. Residential buildings are for people to live in, including single-family villas, high-quality elevator mansions and high-end elevator buildings, etc.; while commercial buildings are buildings whose main function is to provide commercial activities, such as shops and general offices, etc.

2. Production Process:

(1) Construction industry:

Land Development→Market Research and Survey→Planning and Design →Planning and Sales→Advertising Planning→Business Sales→Construction and Contracting →Construction Management→Acceptance→Completion and Delivery→After-Sales Service

4.2.3 Supply Status of Main Raw Materials

The Company's main demand is land. In addition to purchasing land or joint development between affiliated companies, the Company also actively participates in public auctions of land by government units, and is also actively involved in development projects of superficial rights and urban renewal investment promotion projects, however, the consideration is mainly on areas with convenient transportation and perfect living functions.

4.2.4 List of Major Suppliers in the Last Two Calendar Years

Unit: NT$ Thousands

Item	2023				2024			
	Company Name	Amount	% of Total Purchases	Relation with Issuer	Company Name	Amount	% of Total Purchases	Relation with Issuer
1	National Property Administration, MOF, Southern Region Branch	1,428,766	53.41%	None	Shangfa Construction Co., Ltd	430,814	29.22%	None
2	Shangfa Construction Co., Ltd	296,153	11.07%	None	China Steel Structure Co., Ltd.	122,695	8.32%	None
3	Others	950,404	35.52	-	Others	920,706	62.46	-
	Net Purchase	2,675,323	100.00		Net Purchase	1,474,215	100.00	

Explanation:
(1) In the previous period (2023), we acquired the land rights owned by the Southern District Branch of the National Property Administration of the Ministry of Finance. However, this did not happen in the current period (2024).
(2) As construction projects commenced, the construction fees paid to Shangfa Construction and China Steel Structure Corporation also increased.

4.2.5 List of Major Customers in the Last Two Calendar Years

Unit: NT$ Thousands

Item	2023				2024			
	Company Name	Amount	% of Total Sales	Relation with Issuer	Company Name	Amount	% of Total Sales	Relation with Issuer
1	(Note 1)	316,275	100.00	None	Jiaxian Development Co., Ltd.	1,164,987	99.86	Joint venture entities under the Company's joint venture agreement.
2					Shangfa Construction Co., Ltd	1,660	0.14	None
	Net Sales	316,275	100.00		Net Sales	1,166,647	100.00	

Note 1: The main scope of the Company is the sales customers are individuals, so the sales amount is not disclosed separately but combined and listed.
Explanation: In this period (2024), part of the land surface rights were resold to Jiaxiang Development and Construction Co., Ltd.

4.3 Number of Employees, Average Service Years, Average Age and Educational Background Distribution Ratio of Employees in The Past Two Years and As of The Publication Date of The Annual Report

Year		2023	2024	As of May 20.2025
Number of Employees	Managers & Officers	7	5	6
	General Staffs	0	0	0
	General Employees	5	5	6
	Total	12	11	14
Average Age		42	44	43
Average Years of Service		2.58 Years	2.03ears	1.63 Years
Education %	Doctorates	-	-	-
	Masters	17%	10%	7%
	Colleges and Universities	81%	90%	93%
	Senior High School	-	-	-
	Below Senior High School	-	-	-
	Total	100%	100%	100%

4.4 Environmental Protection Expenditure

4.4.1 The total amount of losses (including compensation) and disposals due to environmental pollution in the most recent year and up to the date of publication of the annual report, and an explanation of future countermeasures (including improvement measures) and possible expenditures (including possible losses if no countermeasures are taken, Estimated amount of disposition and compensation): None

4.4.2 Future countermeasures and possible losses:

1. The construction projects invested and constructed by the Company are undertaken by the construction Company, and the contractor is responsible for environmental protection in the production process. There is no need to apply for a pollution facility installation permit, a pollution discharge permit, pay pollution prevention fees, or set up a special responsibility for environmental protection Person in charge of the unit.
2. For environmental protection work such as reducing construction noise and preventing dust flying or falling sand and stones, the construction factory is strictly required to take the most complete measures, and the manufacturer is required to fulfill the responsibility of environmental protection.
3. Carry out pre-construction neighbor house identification and traffic assessment, hold neighbor house coordination meetings when necessary, and reduce the possible impact on the work and rest of surrounding communities through adjustment of construction operation time.
4. Possible future expenses: None
5. The Company's impact on the Company's financial business in response to the implementation of the European Union's Restriction of Hazardous Substances Directive (RoHS): None

4.5 Labor Relations

4.5.1 Labor Relations

1. Employee benefits measure:

   The Company's overall compensation includes base salary, allowances, bonuses, and employee compensations. The salary offered to new employees is determined based on the requirements of their job responsibilities, regardless of gender, age, race, religion, or political stance. Factors such as the complexity of the job, level of expertise, experience, skills, and industry standards are taken into consideration to determine a fair and competitive salary that exceeds legal requirements.

   In addition to providing statutory benefits, the Company also offers several non-statutory benefits, including:

   (1) Free group insurance for employees (including life insurance, accident insurance, injury medical expenses, hospitalization insurance, cancer insurance, and health insurance).

   (2) Employee Welfare Committee: Holiday bonuses (Labor Day, Dragon Boat Festival, Mid-Autumn Festival), gift vouchers or welfare points, birthday vouchers or welfare points, education subsidies, employee travel or travel subsidies, marriage allowances, childbirth subsidies, employee hospitalization subsidies, funeral subsidies, year-end banquets, emergency assistance, and club activity subsidies.

   The Company has always focused on providing a good working environment and welfare system. In addition to labor insurance, national health insurance, group insurance, and year-end bonuses, we also prioritize meeting the needs of our employees and improving their quality of life. Therefore, our company has set up an Employee Welfare Committee to handle activities such as providing bonuses or gifts for Dragon Boat Festival, Mid-Autumn Festival, and New Year, as well as supporting employees during weddings, funerals, celebrations, employee trips, and eating a meal together etc.
2. Employee education and training:

   (1) Learning Objectives and Promotion:

   Each year, the Company conducts interviews between unit supervisors and employees to discuss their career planning and development. The training programs cover various aspects including but not limited to new employee training, professional training, hierarchical (functional) training, and trainer training. The Company also provides mechanisms for applying for relevant internal and external training courses."

(2) Implementation Status of The Company's Educational Training in 2024

Training Period	Hours	Expenses (NT$)	Average training hours per person (hrs)
January 2024 ~ December 2024	60	6,000	6

3. Pension System and its Implementation:
   The Company, in accordance with the provisions of the "Labor Pension Act", contributes 6% of the employee's total monthly salary as a pension, and deposits it in the labor pension personal account established by the Labor Insurance Bureau.
4. Measures of labor-management agreement and measures to protect employee's rights and interests:
   The Company has been established for more than 60 years. During the period, it was deeply felt that the management of the enterprise was not easy, and it was entirely up to all employees to be sympathetic to the difficulties, and uphold the concept of enterprise co-creation and sharing, and work together to create a new future for the Company and hope that the labor relations will be more harmonious.

4.5.2 Losses suffered by the Company due to labor disputes in the most recent year and up to the date of publication of the annual report None

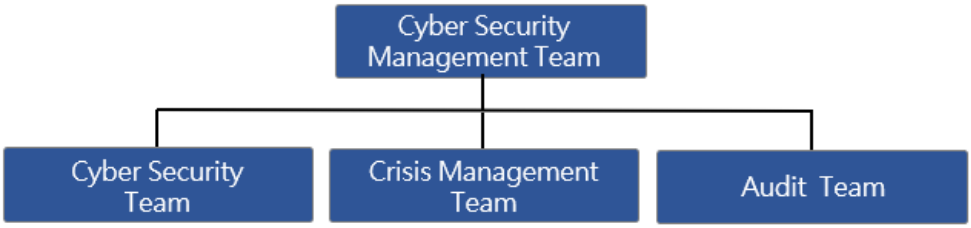
4.5.3 Estimated amount and response measures that may occur at present and in the future: None

4.6 Cyber Security Management

As information technology (IT) advances, enterprises face increasingly severe cyber security challenges. To mitigate the risks associated with information security, the Company has established an information security risk management framework and formulated information security policies. We have also implemented specific management measures to protect the Company's critical assets and information.

4.6.1 Describe the information security risk management framework, information security policies, specific management plans and resources invested in Cyber Security Management, etc.

1. The framework of risk management of Cyber Security:



(1) In order to enhance Cyber Security Management, the Company established an Information Security Team in 2024. This team is responsible for executing information operation security management plans, establishing and maintaining an Cyber Security Management system, coordinating the formulation and implementation of information security and protection-related policies, as well as conducting risk management and compliance audits.
(2) The Information Security Team is chaired by the President, Mr. Chuan, Chun-Yu, members of the team include the Information Technology Department (including infrastructure, information systems, software development, etc.). The team is subdivided into the Information Security Execution Team, Crisis Management Team, and Audit Team based on the information security tasks. Regular management review meetings are held annually to ensure the continuous operation of the Cyber Security Management system.
(3) To ensure the sustainable operation of business activities and to prevent threats such as viruses, intrusion, leakage, and disaster damage to information security, the team compiles reports, conducts discussions, and makes decisions regarding adjustments to information security policies and execution strategies.

(4) The status of information security execution is reported to the Board of Directors annually. The most recent report was submitted on March 8, 2024.

2. The Policy of Cyber Security:
   (1) Regulatory Compliance: The Company must comply with relevant government regulations and standards related to cyber security and personal data protection when conducting business operations.
   (2) Security Education: Regular cyber security training sessions are conducted to promote awareness of cyber security policies and implementation guidelines.
   (3) Resource Planning: Establishing mechanisms for information asset management to coordinate the allocation and effective utilization of resources in addressing security issues.
   (4) Proactive Prevention: Cyber security factors should be incorporated into the planning of new information systems or services before their implementation or launch to prevent potential security breaches.
   (5) Security Monitoring: Establishing cyber security monitoring and protection measures and conducting regular reviews.
   (6) Authorization Management: Clearly defining the permissions for the use of information systems, network services, and sensitive information to prevent unauthorized access.
   (7) Review and Improvement: Implementing internal and external audit activities to ensure the effective implementation of cyber security management systems and addressing areas for improvement.
   (8) Business Continuity: Developing and practicing cyber security business continuity plans to ensure timely response to unforeseen incidents.
   (9) Cyber security Culture: All personnel are responsible for cyber security, and they should understand and adhere to relevant cyber security regulations while implementing them in their job responsibilities.
3. Specific Management Solution:
   (1) Cyber Security Management:
      A. Implement enterprise-grade firewalls to prevent unauthorized intrusion by hackers.
      B. Utilize IPSecVPN private network lines with enterprise firewalls for operations, employing data encryption methods to access and exchange confidential data, thus preventing unauthorized interception during data transmission.
      C. Deploy electronic data control systems to manage internal and external network communications, monitor network traffic conditions, enhance network security, block access to harmful or policy-restricted URLs and content, prevent improper bandwidth consumption, and control data transmission to prevent data leakage and virus intrusion.
   (2) System Access Control:
      A. Access to various application systems within the Company requires submission through the information service request process. Upon approval by the responsible manager, the Information Technology (IT) department creates user accounts, and system administrators grant the requested functional access permissions.
      B. Passwords for user accounts must meet specified strength requirements and include a combination of alphanumeric characters.
      C. When employees depart from the Company, the IT personnel in the management department must be consulted to perform account deletion operations across various systems.
   (3) Implementation of Cyber security Training:
      A. Periodically conduct email awareness campaigns to enhance employees' awareness of information security risks, simulate social engineering attacks, and periodically conduct phishing simulations.

B. Provide on-the-job training for employees, with special training sessions held quarterly for those who violate cyber security regulations.

C. Conduct cyber security education and advocacy courses for the entire group.

(4) Virus Protection and Management:

A. Install endpoint protection software on servers and employee computer equipment, with automatic virus code updates to ensure the blocking of the latest virus threats.

B. Configure email servers with spam filtering mechanisms to prevent viruses or junk emails from entering user PCs.

(5) Ensuring System Availability:

A. Implement hardware virtualization systems to enhance system availability and fault tolerance.

B. Establish a backup management system, with regular "offline backups" retaining data from Monday to Friday in the data center, and regular "offsite backups" storing daily backup data in remote locations (branch office data centers) for mutual backup.

C. Regularly conduct disaster recovery drills, select restoration baseline points, and restore backups from backup files to the system host.

(6) Computer Equipment Security Management:

A. All of the Company’s computer hosts, application servers, etc., are located in dedicated computer rooms. The computer rooms are always locked and strictly controlled, with access by personnel recorded and monitored.

B. The information room is equipped with independent air conditioning and uninterrupted power supply systems to maintain computer equipment at suitable temperatures for operation, ensuring that computer application systems remain operational during power outages.

C. Establish equipment management systems that require company-certified mobile devices and USB devices to be connected to the internal network and access data.

4.6.2 Indicate the losses suffered due to major information security incidents in the most recent year and as of the date of publication of the annual report, the possible impacts and countermeasures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained: None

4.7 Important Contracts:

Nature of Contract	Counterparty	Contract Period	Major Content
Construction Contract	Shangfa Construction Co., Ltd	2021.09.01～ Warranty Period Expired	Construction project (Foundation-related engineering of consolidate housing at land lot No. 1617, Guoan Section, Annan District, Tainan City)
Construction Contract	Shangfa Construction Co., Ltd	2021.09.01～ Warranty Period Expired	Construction project (congregate housing foundation related works at land lot No. 35, Mingyi Section, Xiaogang District, Kaohsiung City)
Construction Contract	Weiyang Construction Co., Ltd	2024.07.29～Acceptance completed	Construction project (The East District Tainan City of Pingshi section Lot 23 Congregate Housing New Construction Project.)
Construction Contract	Shangfa Construction Co., Ltd	2024.09.02～Acceptance completed	Construction project (collective housing project in land lot nos. 1260, 1261, 1261-135, Sankuaicuo Section, Sanming District, Kaohsiung City)
Construction Contract	Shangfa Construction Co., Ltd	2024.12.17～ Warranty Period Expired	Construction project (General contracting project for the new construction of collective housing project at Lot No. 119, Hougang East Section, Renwu District, Kaohsiung City.)
Construction Management Contract	San Cia Development	2023.04.20～Hand over of public facilities	Construction Work-In-Process, Construction project (collective housing project at land lot No. 1617, Guoan Section, Annan District, Tainan City)
Construction Management Contract	Construction Co., Ltd	2023.03.15～Hand over of public facilities	Construction Work-In-Process, Construction project (collective housing project in land lot no. 35, Minyi Section, Hsiaokang District, Kaohsiung City)
Construction Management Contract	San Cia Development	2023.10.17～Hand over of public facilities	Construction Work-In-Process, Construction project (collective housing project in land lot nos. 1260, 1261, 1261-135, Sankuaicuo Section, Sanming District, Kaohsiung City)
Construction Management Contract	Shang Wei Real Estate Co., Ltd.	2023.01.10～Hand over of public facilities	Construction Work-In-Process, Construction project (The East District Tainan City of Pingshi section Lot 23 Land Surface Rights Congregate Housing Project.)
Construction Management Contract	San Cia Development	2024.05.28～Hand over of public facilities	Construction Work-In-Process, Construction project (Tainan City West Central District Wusheng Section 2534 Four-lot collective housing project.)
Credit Contract	Land Bank of Taiwan Kaohsiung Branch	2020.07.08～2025.07.08	Land financing credit line, with land as collateral
Credit Contract	Land Bank of Taiwan Kaohsiung Branch	2020.08.05～2025.08.05	Land financing credit line, with land as collateral
Credit Contract	Mega Bank Lingya Branch	2024.04.22～2026.10.22	Mid-term loan credit line, with land as collateral
Credit Contract	Land Bank of Taiwan Tainan Branch	2021.10.18～2028.10.18	Mid-term loan, with land as collateral
Joint Credit Contract	Bank SinoPac Etc. 5 Banks	2022.06.30～2027.06.30	Mid-term loan credit line, with land as collateral
Credit Contract	Chang Hua Bank, Fengshan Branch	2023.07.07～2028.01.07	Mid-term loan credit line, with land as collateral
Credit Contract	Land Bank of Taiwan Sanmin Branch	2023.08.30～2027.08.30	Mid-term loan credit line, with land as collateral
Guarantee Contract	Taichung Bank Fengshan Branch	2024.12.19～2029.12.19	Issued the first domestic secured convertible corporate bond, using land as collateral.

V. Review and Analysis of Financial Status and Financial Performance and Risk Matters

5.1 Financial Position Analysis

Unit: NT$ Thousands; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	8,209,787	6,821,726	1,388,061	20.35
Non-current Assets	4,583,976	4,046,664	537,312	13.28
Total Assets	12,793,763	10,868,390	1,925,373	17.72
Current Liabilities	4,727,869	4,535,622	192,247	4.24
Non-Current Liabilities	5,113,137	4,474,994	638,143	14.26
Total liabilities	9,841,006	9,010,616	830,390	9.22
Capital Stock	1,112,058	912,058	200,000	21.93
Capital Surplus	1,710,226	674,317	1,035,909	153.62
Retained Earnings	130,473	271,399	(140,926)	(51.93)
Total Stockholders' Equity	2,952,757	1,857,774	1,094,983	58.94

Analysis of Changes Exceeding 20%:

1. Increase in current assets and total assets: Mainly due to continued investment in construction inventory this period and strong sales performance of construction projects, leading to a significant increase in pre-sale payments received.
2. Increase in share capital: mainly due to the cash capital increase in 2024.
3. Increase in capital reserve: mainly due to the sharel premium from the cash capital increase in December 2024.
4. Decrease in retained earnings and total equity: Mainly due to the company's net loss in 2024.

5.2 Financial Performance Analysis

5.2.1 The main reasons for significant changes in operating income, net operating profit and net profit before tax in the most recent two years:

Unit: NT$ Thousands; %

Item \ Year	2024	2023	Increase (Decrease)	Percentage of Change %
Operating revenue, net	1,166,647	316,107	850,540	269.07
Operating cost	1,166,372	255,835	910,537	355.91
Operating Gross Profit	275	60,271	(59,997)	(99.54)
Operating costs	29,248	35,498	(6,250)	(17.61)
Operating profit, net	(28,973)	24,774	(53,747)	(216.95)
Non-operating income and expenses	(112,131)	(82,538)	(29,593)	35.85
Net profit before tax	(141,104)	(57,764)	(83,340)	144.28
Earnings per Share	(1.54)	(0.71)	(0.83)	116.90

Analysis of Changes Exceeding 20%:

1. Net operating income and operating costs increased compared to 2023, mainly due to the higher proportion of superficies sold in 2024.
2. The gross operating profit and net operating profit decreased compared with 2023: mainly due to the equivalent sale of superficies in 2024, which resulted in the decrease of the gross operating profit and net operating profit in this period compared with 2023.
3. Non-operating income and expenses increased compared to 2023, mainly due to the increase in financial costs.
4. The net loss before tax and loss per share increased compared with 2023:mainly due to has no gross profit from the sale of surface rights in 2024 and increased interest expense.

5.2.2 Projected sales volume and its basis, possible impact on the company's future financial operations, and response plans: The Company does not publish financial forecasts and therefore does not intend to disclose expected sales figures.

5.3 Cash flow analysis

5.3.1 Analysis of ash flow changes in the last two years

Unit: NT$ Thousands; %

Item \ Year	2024	2023	Difference	
			Amount	%
Operating Activities	373,484	(1,112,738)	1,486,222	(133.56)
Investment Activities	(688,027)	(5,758)	(682,269)	11,849.06
Financing Activities	1,913,073	765,823	1,147,250	149.81
Net Cash Flow	1,598,530	(352,673)	1,951,203	(553.26)

Analysis of cash flow changes in 2024:

Operating activities: Mainly due to the increase in contract liabilities such as project payments paid by customers as the construction projects progress.

Investing activities: Mainly due to the increase in acquisition of equity and other non-current financial assets from investments in other companies.

Financing activities: The main reason is the company's cash capital increase, issuance of new shares and issuance of guaranteed convertible corporate bonds.

5.3.2 Cash Flow Analysis for the Coming Year

Unit: NT$ Thousands

Cash Balance, Beginning of Year	Estimated Net cash flow from operating activities	Estimated Cash Outflow of the Year	Cash Balance (Insufficiency) Amount	Remedial Measures for Cash Insufficiency	
				Investment Plan	Financing Plan
1,653,916	3,098,827	3,309,413	1,443,330	-	-

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

(1) Cash balance at the beginning of the year: cash and cash equivalents as of December 31, 2024.

(2) Operating activities: Mainly due to expenditures such as construction projects, sales expenses and joint construction deposits invested in each construction project.

(3) Investing activities: The company expects to invest in subsidiaries in addition to expanding its core business in the future.

(4) Financing activities: It is expected that cash inflows will be generated from the issuance of securities in the financial market and construction financing for projects under construction.

2. Remedy measures and liquidity analysis for expected cash shortage: N/A.

5.4 Major Capital Expenditure Items on the Financial Operations during the Last Fiscal Year: Not applicable.

5.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plan for the Coming Year

The Company currently has established the "Operational Procedures for Acquisition and Disposal of Assets " for the management and control of reinvested enterprises in order to understand the financial and business status of reinvested enterprises. The Company has also formulated relevant regulations on "Operational Procedures for Supervising the Subsidiary’s Business Operations" in the internal control system, in order to urge each subsidiary to formulate relevant operating procedures for major financial and business matters, supervise their implementation or handling in accordance with the law, and establish a subsidiary operational risk management mechanism to maximize operating performance.

5.6 Analysis of Risk Management and Assessment up to the Date of Publishing the Annual Report:

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Procedures:

1. Interest rate: It has a direct impact on consumers' willingness to purchase houses and the Company's financing activities. However, interest income and expenses only account for a small proportion of the annual net operating income, and changes in interest rates have not had a significant impact on the Company. In addition, the Company's financial position is stable and its credit record is sound. We will maintain close contact with banks to collect relevant financial information to understand interest rate trends and strive for the most favorable borrowing interest rates.
2. Exchange rate: 100% of the Company's products are sold domestically, and there are not many imported raw materials. Payments are all calculated in Taiwan dollars, so exchange rate changes have not had a major impact on the Company.
3. Inflation: Inflation has caused an increase in construction costs. We will establish good cooperative relationships with relevant third parties to ensure the availability of raw materials and obtain stable prices. At the same time, we will actively seek more diversified supplier resources to reduce the impact of inflation.

5.6.2 The main reasons for policy gains or losses in high-risk, highly leveraged investments, loans to others, endorsement guarantees and derivatives trading and future countermeasures:

Based on the sound principles and pragmatic business philosophy, the Company focuses on the development of its own industry and does not engage in high-risk, high-leverage investments and derivatives transactions.

In accordance with the Financial Supervisory Commission and relevant laws and regulations, the Company has formulated internal management methods and operating procedures based on sound finance and operations, including the "Procedures for Financial Derivatives Transactions ", the " Procedures for Lending Funds to Other Parties", the "Operational Procedures for Acquisition and Disposal of Assets " and the " Procedures for Endorsements and Guarantees" in order to manage and control related transaction risks.

5.6.3 Future R&D plan and estimated R&D expenses:

The Company engages mainly in the construction investment business, and all house constructions are undertaken by professional construction companies. The Company itself has no need for research and development of construction technology. As for research and development in land development, product planning and design, and improvement of service quality, it is all carried out by current personnel. No additional research and development expenses were incurred.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:

The Company complies with the relevant laws and regulations published by the competent authorities, and keeps an eye on important domestic and foreign policy and legal changes, and continues to improve the collection and understanding of business information in major domestic markets, in order to better understand its impact on the Company's business and finance.

5.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales:

The Company has not engaged in the transfer of ownership of properties through the internet or other electronic means, therefore, the impact of technological changes on the Company's financial operations is limited.

With the increasing development of the internet and technology tools, the threats to internet and information security are also increasing. The Company has established a comprehensive information security risk management organization and system framework in accordance with the "Cyber Security Management Regulations". Through the formulation of risk management policies, the development of management regulations, information security education and training, and advocacy, as well as regular risk assessments, potential information security risks are identified. Furthermore, improvement goals are established, and action plans are formulated to ensure the effective operation of the Company's operations, finance, and other related important systems. For detailed execution and response measures, please refer to this year's annual report under "Cyber Security Management".

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Procedures:

The Company has a comprehensive emergency response plan in place, with a crisis management team composed of management personnel. In the event of a major incident, the response mechanism is immediately activated. This enables the mobilization of necessary resources to ensure the implementation of response measures and solutions. Additionally, correct event information is conveyed through a spokesperson.

The Company adheres to the principles of integrity and prudence as its operating philosophy, aiming to provide customers with the best service and maintain a good corporate image to expand its business. There have been no significant changes in corporate image or major impacts on the Company's financial operations due to corporate crisis events.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: The Company did not consummate any merger and acquisition, thus not applicable.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None.

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, or Shareholders with Shareholdings of over 10%: None.

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

5.6.12 Litigation or Non-Litigation Matters, the Company’s Directors, , President, substantial person in charge, major shareholders holding more than 10% of the shares, and major lawsuits that have been confirmed or are still pending in the subordinate Company, non-litigation or administrative disputes, the outcome of which may have a significant impact on shareholders' rights or securities prices, the facts in dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the litigation and the handling status as of the publication date of the annual report: None.

5.6.13 Other important risks and countermeasures: None.

5.7 Other important matters: None.

VI. Special Disclosures

6.1 Summary of Affiliate Companies in the Last Years:

According to the assessment in accordance with the special chapter on affiliated companies, the Company does not have any affiliated companies, so there is no need to prepare consolidated financial statements of affiliated companies, consolidated business reports and relationship reports of affiliated companies.

6.2 Private Placement Securities during the Last Fiscal Year and Until the Publishing date of the Annual Report: None.

6.3 Other Necessary Supplementary Explanations: None.

6.4 Any matter that has material effect on the shareholders' equity or the price of securities as set out in Article 36, Paragraph 3, Item 2 of the Company Law during the last fiscal year and until the publishing date of the annual report: None.

San Di Properties Co., Ltd.

Chairman: Chung, Yu-Lin

President: Chuan, Chun-Yu