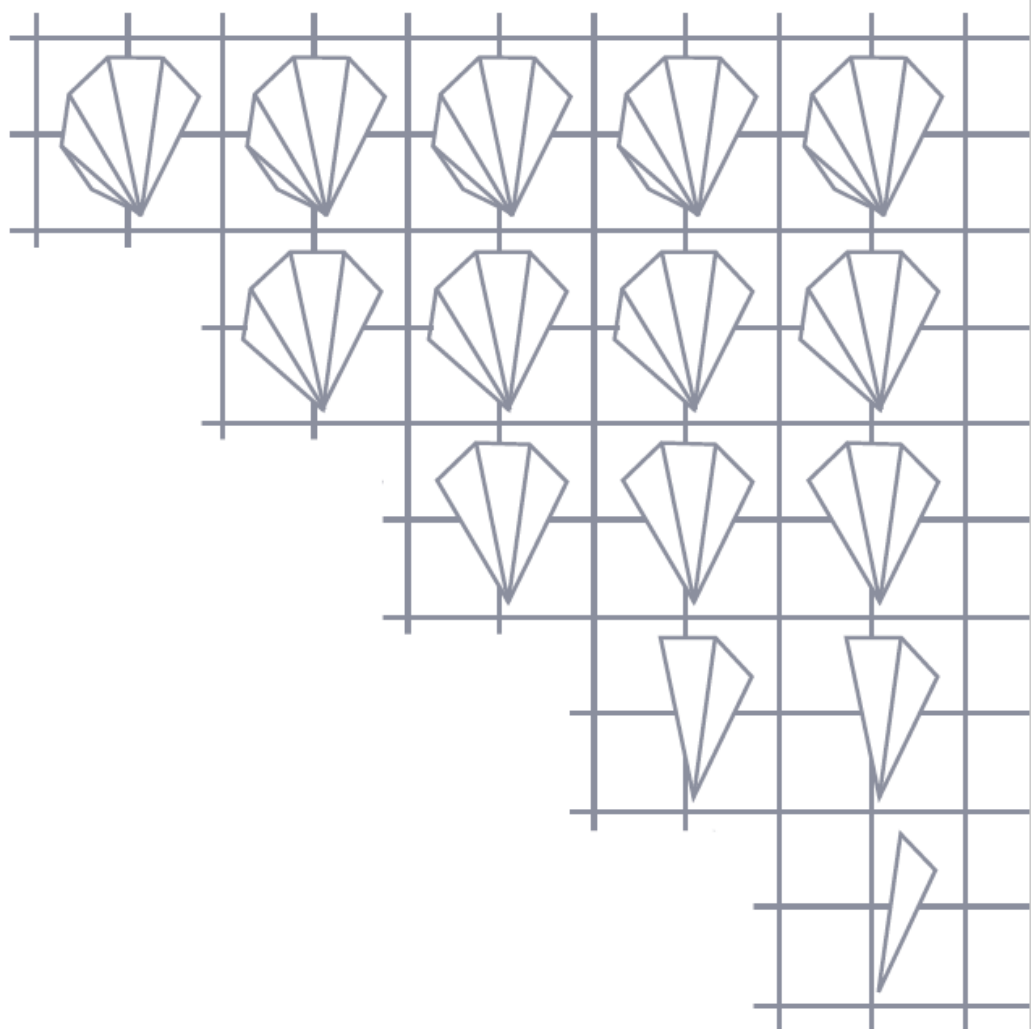


Stock Code: 2530



Delpha Construction



2024 Annual Report

Printed on: April 30, 2025

Taiwan Stock Exchange Market Observation Post System:

[http:// mops.twse.com.tw](http://mops.twse.com.tw)

Annual Report is available at: <https://www.delpha.com.tw/en/shareholders>

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【Letter to Shareholders】

1. Preface:

Dear Shareholders,

In 2023, Delpha Construction achieved good operating results by actively engaging in land development projects in conveniently located areas in urban areas across Taiwan, focusing on first-time and second-time buyers, as well as having its own manufacturing plant to carry out construction projects.

As of the end of 2023, the Company had eight pending development projects, namely “Huaisheng Urban Renewal Project” and “Taiyuan Road Urban Renewal Project” in Taipei, “Sanzuowu Section”, “Lejie Section B”, “Lejie Section C”, and “Fuxi Section” in Taoyuan, “Yixin Section” in Taichung, and “Qing’an Section” in Tainan; eight development projects, namely “Metro Building”, “Delpha Jing”, “Rising City”, “Centre for the Future”, “Delpha Fortune”, “One and Only”, “Gorgeous Mansion”, and “Emerald Building” have started online sales.

Looking ahead to 2025, the international situation and the effects of policies such as the seventh selective credit control will continue to exert an impact on the market. Delpha Construction will expand the scale of project launches and engineering capacity in a steady manner to achieve the goal of a significant growth in project launches and completions year by year. In addition to continuing to carry out in-depth development in Taoyuan City and Taichung City, it will also continue its development strategy of rail economy, and actively deploy regions along the high-speed rail, such as Miaoli.

In addition, Delpha Construction continues to pursue profit growth while moving forward with the three main objectives of “integration of corporate resources,” “sound corporate governance,” and “participation in social welfare,” and actively faces the challenges brought upon by global climate changes. Delpha Construction incorporates sustainable operations into its long-term policies of corporate development, and through the promotion of ESG, integrates information security risks and climate change issues into its risk management. Further, the Company puts forward a carbon emission examination mechanism in compliance with laws and regulations, so as to implement sustainable development jointly with its peers in the supply chain. For more than sixty years, Delpha Construction has never forgotten its original intention to focus on every detail, and continues to create happy homes that carry memories for the people of Taiwan.

Thank you for your support.

Chairman : Cheng, Ssu-Tsung

2. 2024 Operating Performance of Delpha Construction

(1) Implementation status of the operation plan in 2024:

1 . Implementation status of the operation plan in 2024

Parent company

Unit: NT\$1,000

Item	2024	2023	Difference compared to the previous year	Remarks
Operating revenue	6,086,904	1,943,183	4,143,721	
Profit(Loss) before tax	2,029,924	648,058	1,381,866	

Consolidated

Unit: NT\$1,000

Item	2024	2023	Difference compared to the previous year	Remarks
Operating revenue	6,095,261	1,951,453	4,143,808	
Profit(Loss) before tax	2,032,959	649,822	1,383,137	

(2) 2024 Annual Operating Revenue

Parent company

Unit: NTD \$ 1,000

Individual Case	Amount	Remarks
Xinbi Section Case A (Metro Building)	1,519,956	Housing Income
Lejie Section case A (Rising City)	2,342,408	Housing Income
Qingxi Section case A (Delpha Jing)	1,238,049	Housing Income
Xinzhan Section (Delpha Fortune)	986,050	Housing Income
Ruanqiao Section	1	Rental income
Reading the European Case	314	Rental income
Shulin Case	34	Rental income
Shitan Section case A (Tianqin)	92	Rental income
Total	6,086,904	

Consolidated

Individual Case	Amount	Remarks
Xinbi Section Case A (Metro Building)	1,519,956	Housing Income
Lejie Section case A (Rising City)	2,342,408	Housing Income
Qingxi Section case A (Delpha Jing)	1,238,049	Housing Income
Xinzhan Section (Delpha Fortune)	986,050	Housing Income
Ruanqiao Section	1	Rental income
Shulin Case	34	Rental income
Shitan Section case A (Tianqin)	92	Rental income
Taiyuan Road Urban Renewal Project	8,671	Rental income
Total	6,095,261	

C. Implementation of budget

According to Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company doesn't need to publish its 2024 financial forecast.

D. Financial revenue and expenditure, and profitability analysis

Parent company

Item		2024	2023
Financial structure %	Debt to assets ratio	62.51	54.23
	Long-term funds to property, plant and equipment ratio	22,198.97	20,787.72
Solvency %	Current ratio	174.79	194.07
	Quick ratio	18.28	18.70
	Times interest earned ratio (times)	7.18	2.96
Profitability %	Return on Assets	6.41	2.43
	Return on Equity	15.56	4.93
	Ratio of pre-tax net profit to paid-in capital	24.17	7.72
	Net profit (loss) rate	26.77	26.30
	Earnings per share (NT\$)	1.94	0.61

Consolidated

Item		2024	2023
Financial structure %	Debt to assets ratio	63.12	55.00
	Long-term funds to property, plant and equipment ratio	11,366.83	10,729.43
Solvency %	Current ratio	184.13	208.25
	Quick ratio	18.90	19.29
	Times interest earned ratio (times)	6.66	2.81
Profitability %	Return on Assets	6.23	2.36
	Return on equity	15.16	4.75
	Ratio of pre-tax net profit to paid-in capital	24.20	7.74
	Net profit (loss) rate	26.62	25.81
	Earnings per share (NT\$)	1.94	0.61

2. Overview of the 2025 Business Plan

(1) Business Strategy

The Company is dedicated to achieving the following four goals with integrity and responsibility:

- A. Enhance corporate governance by eradicating all dishonest acts such as illegal activities and breaches of fiduciary duties, and strengthen the Company's operational structure.
- B. Guided by fundamental demand for self-use and property investment, our development strategy focuses on land located near industrial zones throughout Taiwan, as well as sites along high-speed rail, MRT, and Taiwan Railway corridors.
- C. Actively respond to international environmental protection trends and social needs, and make sustainable management a long-term policy for corporate development.
- D. Share resources and maintain corporate symbiosis with the Company's subsidiaries Huajian Construction Co., Ltd. (grade-A manufacturing company) and Huachien Development Co., Ltd. (land development company) to establish a comprehensive and meticulous integration of construction resources and strengthen competitiveness.

(2) Business Goals

- A. Stable profits and sustained growth:
Continue to maintain a stable level of profitability and focus on long-term development in order to further increase the

Company's profits and driving sustainable growth in the stock prices.

B. Improved customer satisfaction:

Improve product quality and service level, actively respond to customer needs, improve customer satisfaction, and expand the customer base.

(3) Important Production and Sale Policies

A. Production policies are as follows:

a. Operating Areas:

i. Land in metropolitan areas with good transportation across Taiwan.

ii. High-quality and profitable locations in the Greater Taipei area.

b. Development approaches:

i. Development through buying, selling, and joint construction.

ii. In line with the government's strong push for urban renewal, actively participate in urban renewal projects in the Greater Taipei area with high investment potential, as well as the renovation of old and dangerous buildings.

c. Product types: High-tech commercial buildings and high-quality residential buildings.

B. Sales policies:

a. Product differentiation: Strive to develop products with competitive advantages, focusing on improving design, quality, and functionality to attract more customers.

b. Technological innovations: Introduce new technologies and materials to improve construction efficiency and quality, while continuously optimizing product structure and reducing production costs.

c. Market positioning: Further subdivide the target customer groups and formulate customized marketing and sales strategies for different customer groups to increase the market entry threshold and market share.

2. Company's Future Development Strategies, and the Impact of External Competitive Circumstances, Regulation Circumstances and Overall Operation Circumstances:

(1) Analysis of External Competitive Environment

A. Trading Market Overview

According to statistics of the Ministry of the Interior, the number of buildings transferred in building sales across the country was 350,525 in 2024, an increase of 14.19% from 2023. It has returned to the high point of 2021, with an annual growth rate of over 10%,

indicating robust transactions in the housing market. However, the Cathay Real Estate Index for the fourth quarter of 2024 showed that the housing market was experiencing a trend of "price stability and volume contraction". Transaction prices stabilized or even rose, but transaction volumes generally declined, indicating a divergence in market activity. The rapid rise in prices in the early stages of the market has led to a decrease in affordability of buyers, and the high housing prices have led to a deferral of rigid purchases or wait-and-see sentiment.

B. Construction and Supply

In 2024, 156,800 residential building permits were issued, an increase of 7% over the same period last year. The total floor area exceeded 20.58 million square meters, representing a certain scale in the supply side. However, the difficulty in acquiring land remained, especially in core urban areas such as Taipei, where developers have shifted to urban renewal and reconstruction projects of urban unsafe and old buildings as the main source of project launches. In addition, the seventh credit control has imposed restrictions on the loan-to-value ratio of unsold homes and tightened controls on the purchase of homes by legal entities, which has increased the pressure on developers' capital deployment and may limit the scale of project launches in the short term.

C. Competition

Brand developers have maintained their leading position in market competition by virtue of their financial management capabilities and marketing strategy advantages. In response to the effect of the substantial increase in transaction prices in the previous period, the mainstream products in the market are currently dominated by products with small and medium-sized areas, low total prices, and flexible payment plans. Furthermore, due to policy guidance, the developers have focused on the rigid demand market. However, market activity is still concentrated in specific areas, with potential along the high-speed rail in the central and southern regions and around the Tainan Science Park. Moreover, regional competition has intensified due to the shrinking transaction volumes.

(2) Regulatory Environment Analysis

A. Impact of Credit Control Measures

In September 2024, the central bank launched the seventh credit control, including the reduction of loan-to-value ratio for multiple homeowners and legal entities, as well as the cancellation of grace periods, which significantly tightened mortgage conditions and exerted a direct impact on investment and house-changing purchases. These measures effectively suppressed investment demand and cooled the market, which had been reflected in the

significant decline in transaction volume in the fourth quarter.

B. The Equalization of Land Rights Act and the House Hoarding Tax 2.0

The House Hoarding Tax 2.0 was implemented in July 2024, imposing higher holding taxes on multiple homeowners, further suppressing investment demand for home purchases. The market structure will accelerate its shift towards rigid demand and self-occupancy. Although policies such as the "Preferential Housing Loans for the Youth" have stabilized rigid demand, the initial effect of regulations on market structure adjustments has emerged, along with an exit of investment demand. The housing market will return to fundamentals in the future.

C. Urban Unsafe and Old Buildings and Urban Renewal Policies

The central and local governments have continued to promote urban renewal and reconstruction of urban unsafe and old buildings. Tax incentives and building bulk ratio bonus policy will be implemented until 2027, leading to an increase in the number of urban renewal projects in northern Taiwan, especially in Taipei City. Due to continuous tightening of land supply, urban renewal has become an important source of supply for the housing market. However, the implementation progress is subject to private coordination and regulatory procedures, and the supply will not witness a significant increase in the short term.

(3) Analysis of the Macro Business Environment

A. Robust Economic Environment

Taiwan's exports continued to grow in 2024, with the annual GDP growth rate estimated at 4.25%. The Directorate General of Budget, Accounting and Statistics estimates it to be 3.14% in 2025. The record highs of the Taiwan stock market and the development of the technology industry have provided support for economic momentum. Corporate and personal funds are relatively abundant and there is still a demand for capital allocation. However, there is also a trend for some funds to be diverted to the stock market or other asset markets.

B. Interest Rates and Funding Environment

The central bank kept the policy interest rate unchanged. The negative real interest rate environment is conducive to maintaining low housing costs. However, the tightening of credit control and stringent tax policies have resulted in weaker liquidity in the housing market. Stricter mortgage reviews have also affected homebuyers' access to funds and purchasing power.

C. Buying Sentiment and Market Outlook

In the first half of 2024, the market saw a rise in both prices and volumes due to strong performance of the stock market and

inflation expectations. However, in the second half of the year, the tightening of credit control and more stringent reviews on the Preferential Housing Loans for the Youth have resulted in a significant drop in buying sentiment. It is expected that the housing market will move towards a trend of "price stability and volume contraction" in the short term in 2025, and there will still be support for the rigid demand market. However, the pressure of high housing prices and credit policies will make market transactions more conservative. The long-term trend will depend on interest rates, regulatory adjustments and changes in regional supply and demand.

【Corporate Governance Report】

1. Information on the Directors, President, Deputy President, Department Heads and Branch Officers

(1) Information on the Directors

April 28^h, 2025 Unit: Share

Remarks (Note5)	Managers, Directors or Supervisors who are spouses or within two degrees of	Ratio	Name	Title	Concurrent Positions at Other Companies	Education & Experience (Note 4)	Holding Shares in Other Names		Current Shares of Spouse and Minors	Present Holding		Holding at Election		Initial Elected Date	Term	Date Elected	Gender Age (Note 2)	Name	Nationality/ Place of Incorporation	Title (Note 1)
							%	Shares		%	Shares	%	Shares							
		--	--	--	Director, China Bills Finance Corporation Chairperson, Huajian Construction Co., Ltd. Representative, Hung Yi Investment Co., Ltd. Chairperson, Yuan Tung Investment Co., Ltd. Chairperson, Jui Cheng Hong-Yi Investment Co., Ltd. Pao-Hsin Investment Co., Ltd.	Education: Department of Finance and International Business, Fu Jen Catholic University Experience: Director, China Bills Finance Corporation COTA Commercial Bank representative as a director	-	-	-	-	1.90%	16,000,000	1.43%	12,000,000	3 years	2023. 06.28	Male 41-50 age	Hong-Yi Investment Limited Company	R.O.C.	Chairperson
							-	-	-	-	-	-	-					Cheng, Ssu-Tsung		
		--	--	--	-	Education: Architecture Department, Chinese Culture University Experience: President, Delpha Construction Co., Ltd	--	--	0.01%	101,033	0.01%	100,434	0.01%	100,434	3 years	2006. 06.15	Male Over 71age	Lee, Chin-Yi	R.O.C.	Director
		--	--	--	Chairperson, Everbrite Technology Co., Ltd. Chairperson, Everdura Technology Co., Ltd. Chairperson, Everdura Energy Co., Ltd. Chairperson, MASADA Technology Co.,Ltd	Education: M.A. in Finance, National Taiwan University Experience: Executive Vice President, Wealth Management Department, Taipei Branch, UBS Taiwan	--	--	--	--	0.10%	800,000	0.10%	800,000	3 years	2020. 06.23	Male 41-50 age	Yan, Ming-Hung	R.O.C.	
		--	--	--	-	Education: Master from Management Institute of National Taiwan University of Science and	--	--	--	--	2.03%	17,040,773	2.01%	16,888,773	3 years	2017. 05.31	Male 61-70 age	Dajie Investment Co., Ltd.	R.O.C.	Representative of Director

		Representative: Tseng, Ping-Joung					--	--	80,000	0.01%	--	--	--	--	Technology Experience: President, Radium Kagaya International Hotel					
Independent director	R.O.C.	Chen Shih-Yang	Male 61-70 age	2023. 06.28	3 years	2023. 06.28	--	--	380,000	0.05%	380,323	0.05%	--	--	Education: Bachelors' degree in Accounting, Soochow University Experience: Chief of Tax Affair Department, Acer Group Independent Director of Hitachi Yungtay Elevator Co., Ltd.	Certified public accountant at Chungsun Prime Certified Public Accountants and responsible person of Taipei Branch Chairman of Tax Regulation Committee, The National Federation of CPA Associations of the R.O.C. (NFCPAA) Director of Hkssteel Technology Corp. Director of Taiwan Chinsan Electronic Group Director of Wonderful technology Co., Ltd.	--	--	--	--
	R.O.C.	Yeh, Chien-Wei	Male 41-50 age	2023. 06.28	3 years	2020. 06.23	250,000	0.03%	250,000	0.03%	--	--	--	--	Education: Bachelor of Law, Ming Chuan University Experience: Integration Law Group Attorney, Y.R Lee & Partners Attorneys-at-Law	Attorney, Galaxy Attorneys-at-Law	--	--	--	--
	R.O.C.	Yu, Hung-Da	Male 51-60 age	2023. 06.28	3 years	2023. 06.28	-	--	--	--	-	-	--	--	Education: Department of Civil Engineering, Affiliated Institute of Continuing Education, National Kaohsiung University of Science and Technology Experience: President Director of Qingdao Baojia Real Estate Co., Ltd. Executive Vice-Chairman of Qingdaoshi Taiwan Investor and Enterprise Association Chairman of Heng Peng Construction Co., Ltd.	Chairman of Hefa International Investment Co., Ltd. Chairman of Kaicheng Construction Co., Ltd. Director of Crowell development Co.	--	--	--	--

Note 1: As for the institutional shareholders, it should list the name of shareholder and its representative (For the representative of institutional shareholder, it should list the name of institutional shareholder as well), and fill out Table 1 as below.

Note 2: Please list the actual age and express it in a range, such as 41~50 years old or 51~60 years old.

Note 3: It should fill out the first time when he was appointed as the director or supervisor of the Company. In case of interruption, it should add remarks.

Note 4: It refers to the experience related to the current position. If he worked in the accounting firm or its related party during the last disclosure period, it should specify his title and the responsibilities.

Note 5: If the President or the equivalent (top management) are the Chairperson are the same person or spouses or the relative within the first degree of kinship, it shall disclosure the related information such as the cause, rationality, necessity and measures taken (such as adding seats of independent directors or requiring more than half of the directors not working as the employee or managers concurrently).

1. Major shareholders of institutional shareholders

(1) Dajie Investment Co., Ltd.

Major shareholders of institutional shareholders	Shareholding ratio
Weng, Chu-Chih	17.86%
Lin, Hui-Chuan	16.52%
Lin, Hsing-Hsiung	14.57%
Lin, Chao-Hsiang	10.71%
Su, Pei-Ti	7.32%
Lin, Wen-Liang	7.14%
Lin, Chien-Liang	6.61%
Lin, Wan-Shan	6.10%
Lin, Wan-Hsin	6.10%
Lin, Wei-Pang	1.70%

(2) Hong-Yi Investment Limited Company

Major shareholders of institutional shareholders	Shareholding ratio
Cheng, Ssu-Tsung	100.00%

Note 1: If the director or supervisor is the representative of institutional shareholder, it should specify the name of the institutional shareholder.

Note 2: It should specify the major shareholders (with the top 10 shareholdings) of the institutional shareholder and the shareholding rate. If the major shareholder is a corporation, it should fill out Table 2 as below.

Note 3: For the institutional shareholder not a company, it shall disclose the name and shareholding rate, namely, the name of funder or contributor, and the funding rate of contributing rate.

2. Major Shareholders of the corporations listed as major shareholders: None.

Note 1: If the major shareholder listed in Table 1 is a corporation, it should specify the name of that corporation.

Note 2: It should specify the major shareholders (with the top 10 shareholdings) of the corporation and the shareholding rate.

Note 3: For the institutional shareholder not a company, it shall disclose the name and shareholding rate, namely, the name of funder or contributor, and the funding rate of contributing rate.

(2) Professional Qualifications of Directors and Independence of Independent Directors :

Name \ Criteria	Professional Qualifications and Experience (Note 1)	Independence Attribute (Note 2)	Number of Holding Concurrent Independent Director Position in Other Public Companies
Hong Yi Investment Ltd. Representative: Cheng, Ssu-Tsung	Chairperson of the Board, Cheng, Ssu-Tsung, has more than five years of working experience in business, law, finance, accounting or corporate business, and is currently a director of China Bills Finance Corporation, and has not been subject to the provisions of Article 30 of the Company Act.	-	N/A
Lee, Chin-Yi	Director Lee, Chin-Yi has more than five years of experience in business, law, finance, accounting or corporate business. He is the former Chairperson of the Company and has served as the President of the Company for more than 19 years and is familiar with the operations of the Company and has not been subject to the provisions of Article 30 of the Company Act.	-	N/A
Yan, Ming-Hung	Director Yan, Ming-Hong has more than five years of experience in business, law, finance, accounting or corporate business, and is currently the Chairperson of the Board of Directors of Everbrite Technology Co., Ltd., and has not been subject to the provisions of Article 30 of the Company Act.	-	N/A
Representative of Dajie Investment Co., Ltd.: Tseng, Ping-Joung	Director Tseng, Ping-Joung has more than five years of experience in business, law, finance, accounting or corporate business, and has served as an independent director and the convener of the Audit Committee and the Compensation Committee of the Company and has not been subject to the provisions of Article 30 of the Company Act.	-	N/A
Chen Shih-Yang	Independent Director Chen Shih-Yang has more than five years of working experience in business, law, finance, accounting or corporate business and is qualified as an accountant. Mr. Chen, is currently practicing at Chungsun Prime Certified Public Accountants and responsible person of Taipei Branch. Chairman of Tax Regulation Committee, and has not been subject to the provisions of Article 30 of the Company Act.	Fulfilled the independence qualification. Note3	1
Yeh, Chien-Wei	Independent Director Yeh, Chien-Wei has more than five years of working experience in business, law, finance, accounting or corporate business and is qualified as a lawyer, currently is the presiding attorney of Galaxy Attorneys-at-law and has not been subject to the provisions of Article 30 of the Company Law.	Fulfilled the independence qualification. Note3	N/A

Yu, Hung-Da	Independent Director Yu, Hung-Da has more than five years of experience in business, law, finance, and is currently the Chairperson of the Board of Directors of. Kaicheng Construction Co., Ltd., and has not been subject to the provisions of Article 30 of the	Fulfilled the independence qualification. Note3	1
-------------	--	--	---

Note 1: Professional Qualifications and Experience: The professional qualifications and experience of individual directors and supervisors shall be described, and if they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they have not been subject to the provisions of Article 30 of the Company Act.

Note 2: The independent director shall state the circumstances of independence, including but not limited to whether he or she, his or her spouse or second degree relatives are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by him or her, his or her spouse or second degree relatives (or using the names of others); and whether he or she is an independent director of a company with specific ties to the Company (refer to Article 3-1 of the Rules Governing the Establishment and Compliance of Independent Directors of Public Companies). Note 3: Please refer to Article 3, Paragraph 1, Paragraphs 5~8 of the Rules Governing the Establishment of Independent Directors of Public Companies, and the amount of remuneration received for the provision of business, legal, financial and accounting services to the Company or its affiliates in the last two years.

Note 3: Independence Attributes are as follows.

- (1) Not employees of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliated companies.
- (3) Not a natural person shareholder who holds more than 1% of the total issued shares of the Company or the top ten shares in the name of himself/herself, his/her spouse, minor children or others.
- (4) A person who is not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity of a person listed in (2) or (3).
- (5) A director, supervisor or employee of a corporate shareholder who does not directly hold more than 5% of the total number of issued shares of the Company, or who is among the top five holders of shares, or who has designated a representative as a director or supervisor of the Company in accordance with Article 27(1) or (2) of the Company Act.
- (6) A director, supervisor or employee of another company who is not controlled by the same person as the company's directorship or more than half of the voting shares.
- (7) A director, supervisor, or employee of another company or organization who is not the same person or spouse of the Chairperson, president, or equivalent of the Chairperson of the company.
- (8) Not a director, supervisor, manager, or shareholder holding more than 5% of the shares of a specific company or organization with which the Company has financial or business dealings.
- (9) Professionals, sole proprietors, partners, directors, supervisors, managers, and their spouses who do not provide audit or remuneration to the Company or its affiliates for business, legal, financial, or accounting related services with an accumulated amount of less than NT\$500,000 in the last two years.

(3) The Diversity and Independence of the Board of Directors :

Article 20 of the Company's Corporate Governance Best Practice Principles stipulates that Board composition shall take diversity into consideration. In addition to the requirement that Directors concurrently serving as Company managers shall not exceed one-third of the total number of Directors, the Company shall also formulate appropriate diversity policies based on its business operations, organizational model, and development needs.

The current Board members (including Independent Directors) possess diverse professional backgrounds such as law, accounting, construction, finance, marketing, and technology, as well as a wide range of professional skills and industry experience. Consideration is also given to their overall capabilities, including operational judgment, accounting and financial analysis, managerial competence, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability.

The Company's diversity policy stipulates that female Directors should account for at least one-third of the Board seats, and that at least one Director shall have a professional background in law, accounting, or construction.

The Company's Board of Directors currently consists of seven members, including three Independent Directors. Among them, six Directors possess professional backgrounds in construction, law, and accounting. The remaining Directors also bring extensive experience and expertise in areas such as finance and business management.

Furthermore, the Company is committed to fostering a culture of diversity and inclusion. In the upcoming Board election at the 2026 Annual General Meeting, the Company plans to further increase the proportion of female Directors to enhance the quality of corporate governance, optimize decision-making processes, and align with global trends. This initiative is expected to contribute to improving the Company's profitability, international competitiveness, and corporate image.

Please refer to the following table for details on implementation progress.

Name	Basic Structure							Industrial Experience		Professional Skills				
	Gender	Background	Age			Years of Appointment as independent directors		Construction	Finance	Accounting	Law	Architecture	Operation Management	Risk Management
			Age 41-50	Age 51-60	Over Age 61	Less than 3 years	3-9 years							
Cheng, Ssu-Tsung	Male	Management / Finance	V					V	V				V	V
Lee, Chin-Yi	Male	Management / Construction			V			V					V	V
Yan, Ming-Hung	Male	Management / Finance	V						V				V	V
Tseng, Ping-Joung	Male	Management / Hotels			V			V					V	V
Chen Shih-Yang	Male	Accounting			V	V				V			V	V
Yeh, Chien-Wei	Male	Law	V				V	V			V		V	V
Yu, Hung-Da	Male	Construction		V		V		V				V	V	V

2. Independence of the Board of Directors :

The Board of Directors of the Company consists of seven directors (including three independent directors), with 43% of the Board members being independent. The Board of Directors is independent (please refer to the disclosure of the professional qualifications of directors and the independence of independent directors on page 13-14), and each director has been verified to be free from the requirements of Items 3 and 4 of Article 26-3 of the Securities and Exchange Act. No member of the Board of Directors is related to each other as spouses or relatives within the second degree of consanguinity.

(4) Information on the President, Deputy President, Department Heads and Branch Officers

April 27th, 2024 Unit: Share

Title	Nationality	Name	Gender	Date elected (employed)	Shareholding		Current Shares of Spouse and Minors		Holding Shares in Other Names		Experience (Education)	Concurrent Positions at Other Companies	Managers who are spouses or within two degrees of kinship			Notes
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C.	Huang, Jyh Jen	Male	2022.12.27	50,000	0.01%	10,000	-	-	-	Education: Master's degree, Department of Water Resources and Environmental Engineering Tamkang University Experience: Director, Hong-Cheng Construction Co., Ltd.	Director, Hong- Cheng Construction Co., Ltd Huachien Construction Co., Ltd..	-	-	-	-
Vice president	R.O.C	Lee, Jun-Xian	Male	2016.08.09	203,136	0.02%	-	-	-	-	Education: Department of Land Economics, National Chung Hsing University Experience: Associate VP, Huyi Construction Co., Ltd	Supervisor, Huachien Construction Co., Ltd.	-	-	-	-
Vice president	R.O.C	Hou,Po-Yao	Male	2024/09/13	910,000	0.11%	208,000	0.02 %			Education: Dept. of Construction Engineering of NTUST Experience: Assistant manager, Hong-Zhu Construction Co., Ltd	-	-	-	-	-
Section Chief of Finance & Accounting Dept. (Accounting Manager)	R.O.C.	Wu, Sing-Suei	Female	2007.03.15	505,862	0.06%	-	-	-	-	Education: Accounting Dept., Ming Chuan University Experience: Chief Accountant, Delpha Construction Co., Ltd	-	-	-	-	-

Deputy Manager, Finance and Accounting Department (Finance Manager)	R.O.C.	Chien, Lin-Chin	Female	2020.08.01	315,000	0.04%	-	-	-	-	Education: Department of Accounting, Soochow University Experience: Deputy Manager of Finance, Delpha Construction Co., Ltd.	Accounting Manager, Huachien Construction Co., Ltd.	-	-	-	-
Manager, Corporate Governance Officer and Legal Affair Dept.	R.O.C.	Wang, Chen Kang	Male	2021.03.30	714,000	0.09%	-	-	-	-	Education: Department of Law, Fu Jen Catholic University Experience: Qualified in the high-level Bar Examination	-	-	-	-	-

Note 1: It shall include the information of the President, Deputy President, Assistant Vice President, Department Heads and Branch Officers, as well as those on the equivalent posits regardless of the titles, which shall be all disclosed.

Note 2: It refers to the experience related to the current position. If he worked in the accounting firm or its related party during the last disclosure period, it should specify his title and the responsibilities.

Note 3: If the President or the equivalent (top management) are the Chairperson are the same person or spouses or the relative within the first degree of kinship, it shall disclosure the related information such as the cause, rationality, necessity and measures taken (such as adding seats of independent directors, or requiring more than half of the directors not working as the employee or managers concurrently).

2. Remuneration Paid to Directors (Including the Independent Directors), President and Deputy President during the Most Recent Year

(1) Remuneration Paid to Directors and the Independent Directors (Name and Remuneration of Individual Personnel Disclosed):

Unit: NT1,000

Title	Name	Remuneration Paid to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income				Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income				Compensation Paid to Directors by Nonconsolidated Affiliates		
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowance (D)		The company		Consolidated		Salary, Bonuse s and Allowa nce (E)		Severanc Pay (F)		Employee Compensation (G)				The company		Consolidated				
		The company	Consolidated	The company	Consolidated	The company	Consolidated	The company	Consolidated	(A+B+C+D) Total Remuneration	Ratio of (A+B+C+D)	(A+B+C+D) Total Remuneration	Ratio of (A+B+C+D)	The company	Consolidated	The company	Consolidated	Cash	Stock	The comp	Consolidated	Cash	Stock	Total Remuneration (A-G)	The company		(A-G) Total Remuneration	Consolidated
Chairman	Hong Yi Investment Ltd.	960	960	0	0	286	286	55	55	1,301	0.08%	1,301	0.08%	0	0	0	0	0	0	0	0	0	0	1,301	0.08%	1,301	0.08%	None
	Representative: Cheng, Ssu-Tsung	-	-	-	-	-	-	-	-	-		10	-										-	-	-	-	None	
Director	Lee, Chin-Yi	960	960	0	0	286	286	55	55	1,301	0.08%	1,604	0.08%	0	0	0	0	0	0	0	0	0	1,301	0.08%	1,301	0.08%	None	
Director	Yan, Ming-Hung	120	61	0	0	286	286	50	50	456	0.03%	397	0.03%	0	0	0	0	0	0	0	0	0	456	0.03%	456	0.03%	None	
Director	Dajie Investment Co., Ltd.	120	61	0	0	286	286	45	45	451	0.03%	397	0.03%	0	0	0	0	0	0	0	0	0	451	0.03%	451	0.03%	None	
	Representative: Tseng, Ping-Joung	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None	
Independent director	Chen Shih-Yang	300	300	0	0	286	286	135	135	721	0.04%	721	0.04%	0	0	0	0	0	0	0	0	0	721	0.04%	721	0.04%	None	
	Yeh, Chien-Wei	300	300	0	0	286	286	135	135	721	0.04%	721	0.04%	0	0	0	0	0	0	0	0	0	721	0.04%	721	0.04%	None	
	Yu, Hung-Da	300	300	0	0	286	286	135	135	721	0.04%	721	0.04%	0	0	0	0	0	0	0	0	0	721	0.04%	721	0.04%	None	

- Please explain the policy, system, criteria and structure of remuneration paid to independent directors, and describe the correlation with the amount of remuneration based on the factors such as responsibilities, risks, and time spent:
The Independent Directors' remuneration is composed of attendance fees, fixed monthly salary and Director remuneration, and the amounts are as resolved at the Remuneration Committee meetings. The aforementioned remuneration are based on the remuneration level in the industry while taking into consideration the Company's business operation, directors' contribution to the Company, future risks, and results of board performance evaluation.
- Except the sheet disclosed above, the remuneration to all the directors served for all the companies within the consolidated financial statement (such as a consultant not an employee) in the most recent year: None.

Note 1: The names of directors should be listed respectively (For the institutional shareholder, it should list its name and representative respectively), and the general directors and independent directors should be listed separately. The total amount paid in each item should be disclosed. If the director concurrently holds the position of President or deputy President, it should fill out this table and the table below (3-1) or (3-2-1) and (3-2-2).

Note 2: It refers to the compensation of directors in the most recent year (including the salary, pay rise, severance allowance, various bonuses and dividends).

Note 3: It refers to the amount of remuneration distributed to the directors upon the resolution of the board meeting in the most recent year.

Note 4: It refers to the allowance related to business of the directors in the most recent year (including the transportation expense, special subsidiary, various allowances, dormitory, vehicle, and other materialistic provisions). If the director is

provided with house, automobile or other vehicle or exclusive expenditures, it should disclose the nature and cost of the capital, rental paid actually or estimated based on the fair price in the market, fuel expense or other payments. If a driver is assigned, it should also specify the salary paid by the Company, which should be excluded from the remuneration.

Note 5: It refers to the amount received by the directors by holding the concurrent position in the most recent year (including President, deputy President, other managerial officer or employee), which includes the salary, pay rise, severance allowance, various bonuses and dividends, as well as transportation expense, special subsidiary, various allowances, dormitory, vehicle, and other materialistic provisions. If the director is provided with house, automobile or other vehicle or exclusive expenditures, it should disclose the nature and cost of the capital, rental paid actually or estimated based on the fair price in the market, fuel expense or other payments. If a driver is assigned, it should also specify the salary paid by the Company, which should be excluded from the remuneration. In addition, the remuneration expense recognized based on IFRS 2[Stock-based Payment], including the stock option certificate, the restricted new shares and the shares subscribed through capital increase by cash, should be included in the remuneration.

Note 6: It refers to the amount (including cash and stock) received by the directors by holding the concurrent position in the most recent year (including President, deputy President, other managerial officer or employee). It should disclose the amount distributed to the employees upon the resolution of the board meeting in the most recent year. If it can't be estimated, it should calculate the amount to be distributed based on the amount and percent actually distributed in the last year, and fill out the Table 1-3 in the Appendix.

Note 7: It should disclose the total amount of various compensations paid to the directors by all companies in the consolidated financial statement (including the Company).

Note 8: For the total amount of various remunerations paid to each director by the Company, it should disclose the director's name under that range.

Note 9: It should disclose the total amount of various remunerations paid to each director by all companies in the consolidated financial statements (including the Company) and disclose the director's name under that range.

Note 10: The after-tax net profit refers to the amount of net profit after tax specified in the individual financial report in the most recent year.

Note 11: a. The field should list the amount received by the director from any re-invested company other than the subsidiaries or the parent company (If no such amount is received, please fill in "None").

b. If the director of the Company has received the payment from the re-invested company other than the subsidiaries or the parent company, it should include the said payment in Column 1 in the table of remuneration range.

Moreover, the column name should be changed into "The Parent Company and All Re-investment Companies".

c. The remuneration refers to the compensations, remunerations (including the remuneration paid to the employees, directors and supervisors), and the allowances received by the director of the Company by serving as the director, supervisor or managerial officer of the re-invested company other than the subsidiaries or the parent company

* The remuneration disclosed in this table is different from the concept of income defined in the Income Tax Act. Thus, this table is for information disclosure only, which can't be used for tax collection.

Remuneration Paid to General Directors, Independent Directors, Supervisors, President and Deputy President

1. Under any of the following circumstances, it should disclose the name of each individual director or supervisor and the corresponding remuneration amount, or opt to disclose aggregate remuneration information, with the name(s) indicated for each remuneration range, or to disclose the name of each individual and the corresponding remuneration amount (If it adopts disclosure by individual, please fill in the title, name and amount without listing the remuneration range):

- (1) A company that has posted after-tax deficits in the financial reports for the recent three fiscal years, shall disclose the name and remuneration paid to individual directors and supervisors. However, it doesn't apply if there is any profit after-tax in the financial report of the most recent year that is sufficient to make up the accumulated loss.
- (2) A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual supervisors [Note 2].
- (3) A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month [Note 3].
- (4) If the remuneration received by all directors and supervisors exceeds 2% of the after-tax net profit of the remuneration paid for the directors and supervisors of all companies in the financial statement, and the amount of remuneration paid for individual director or supervisor exceeds NT\$15 million, it should disclose the remuneration of individual directors or supervisors. (Remarks: The remuneration of directors and supervisors is calculated based on the "director's remuneration" plus the "supervisor's remuneration" in the table attached, which doesn't include the related remuneration received by serving as employees concurrently.)
- (5) A listed company that is ranked in the last range according to the corporate governance assessment result in the most recent year, or is involved in changes in trading methods, suspension of trading, termination of listing on the counter in the most recent year and as of the date of publication of the annual report or is in other conditions that the corporate governance assessment committee approves exclusion from the assessment.
- (6) The average annual remuneration of a full-time employee of a listed company who doesn't hold a manager position has not reached NT \$ 500,000 in the most recent year.
- (7) If the net profit after tax of a TWSE/TPEX-listed company increased by 10% or more the most recent year, but the average annual salary of full-time employees in non-managerial positions did not increase compared with the previous year. (Note 6)
- (8) If the after-tax profit of a TWSE/TPEX-listed company in the most recent year declined by 10% and exceeded NT\$5 million, but the average remuneration of each director (excluding compensation as an employee) increased by 10% and exceeded NT\$100,000. (Note 7)

2. Under the circumstance 1 or 5 listed above, the remuneration information of the top five paid remuneration executives (such as President, deputy President, CEO or CFO) should be disclosed individually.

[Note 1] For example: When preparing the 2019 Annual Report during the 2020 shareholders' meeting, it should disclose the information of individual ones if the Company was in after-tax loss as specified in Individual Financial Statement for any year between 2017~2019. However, disclosure of individual directors may not be adopted if the after-tax net profit specified in 2019 Individual Financial Statement was sufficient to make up the accumulated loss even if it was in after-tax loss as specified in 2017/2018 Individual Financial Statement.

[Note 2] For example: When preparing the 2009 Annual Report during the 2010 shareholders' meeting, it should disclose the information of individual ones if the Company has had an insufficient director/supervisor shareholding percentage for 3 consecutive months or longer during January, 2009~December, 2009. In addition, it should disclose the information of individual ones if the Company has had an insufficient director/supervisor shareholding percentage for 3 consecutive months or longer in January, 2009 (namely, November and December, 2008 and January, 2009).

[Note 3] For example: When preparing the 2009 Annual Report during the 2010 shareholders' meeting, it should disclose the remuneration paid to each individual director having a ratio of pledged shares in excess of 50 percent for each of the three months if the company has had an average ratio of share pledging by directors in excess of 50 percent in February, May and August, 2009. In addition, it should disclose remuneration paid to each individual supervisor having a ratio of pledged shares in excess of 50 percent for each of the three months if the company has had an average ratio of share pledging by supervisors in excess of 50 percent in three months.

※Monthly pledge ratio of all directors: Shares pledged by all directors/shares held by all directors (including the No. of shares under trust with discretion reserved); Monthly pledge ratio of all supervisors: Shares pledged by all supervisors/shares held by all supervisors (including the No. of shares under trust with discretion reserved).

- 【Note 4】 For example, since the results of corporate governance evaluation mostly announced in April of each year, if the results of corporate governance evaluation are not yet announced for the most recent year (i.e., fiscal year 2021), the annual report of the shareholders' meeting for fiscal year 2022 should be based on the most recent results of corporate governance evaluation (e.g., fiscal year 2020). After the announcement of the results of the most recent annual corporate governance review, if it is the last level of the corporate governance review and the remuneration was originally disclosed by aggregating the names with the level of disclosure, the annual report of the shareholders' meeting shall be revised and uploaded to the Market Observation Post System in order to fulfill the integrity of information disclosure.
- 【Note 5】 For example, if a listed company prepares its annual report for 2021 after the end of the most recent year (i.e., fiscal 2021), it should use the most recent year (fiscal 2021) to assess whether it has not reached NT\$500,000 and should disclose the remuneration of individual directors and supervisors for the most recent year (fiscal 2021).
- 【Note 6】 For example: When preparing the 2023 annual report for the 2024 shareholders' meeting, if the net profit after tax in the 2023 financial statements of a TWSE/TPEx-listed company increased by 10% or more compared with 2022 (also applicable if the company has a loss in 2022 and a profit in 2023), but the average annual salary of full-time employees in non-managerial positions did not increase compared with 2022, the remuneration of individual directors must be disclosed. Net profit after tax refers to the net profit after tax in the most recent standalone financial statements. The definition and calculation method of full-time employees and their salaries are in accordance with the provisions on reporting "salary information of full-time employees in non-managerial positions" set forth in the "Taiwan Stock Exchange Corporation Principles for Handling Information Disclosure on the Key Financials and Transactional Information Section of the Market Observation Post System" and the "Taipei Exchange Rules Governing Information Reporting by Companies with TPEx Listed Securities."
- 【Note 7】 For example: When preparing the 2023 annual report for the 2024 shareholders' meeting, if the after-tax profit in the 2023 financial statements of a TWSE/TPEx-listed company declined by more than 10% compared with 2022, and the amount reaches NT\$5 million and above (this is applicable regardless of whether the company has an after-tax net profit or loss), but the average remuneration of each director (excluding compensation as an employee) increased by 10% and exceeds NT\$100,000, the remuneration of individual directors must be disclosed. Net profit after tax refers to the net profit after tax in the most recent standalone financial statements.

(2) Remuneration paid to the President and the Deputy President Name and Remuneration of Individual Ones Disclosed

Unit: NT\$1,000

Title	Name	Base Remuneration (A) (Note 2)		Severance Pay (B)		Bonus and Allowance(C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 8)				Compensation paid to President and Deputy President from a reinvested company other than the subsidiary or the parent company (Note 9)
		The Company	All companies in the consolidated financial statement (Note 5)	The Company	All companies in the consolidated financial statement (Note 5)	The Company	All companies in the consolidated financial statement (Note 5)	The Company		All companies in the consolidated financial statement (Note 5)		The Company		All companies in the consolidated financial statement (Note 5)		
								Cash	Stock	Cash	Stock	A+B+C+D) Total	Ratio of Total Remuneration (A+B+C+D) to Net Income (%)	(A+B+C+D)	Ratio of Total Remuneration (A+B+C+D) to Net Income (%)	
President	Huang, Chih-Chen	2,850	2,850	0	0	18	28	700	0	700	0	3,568	0.22%	3,578	0.22%	
Vice President (VP)	Lee, Jun-Xian	2,074	2,074	0	0	113	123	1,174	0	1,174	0	3,361	0.21%	3,371	0.21%	
Vice president (VP)	Hou, Po-Yao	1,541	1,541	0	0	38	38	3,091	0	3,091	0	4,670	0.29%	4,670	0.29%	

Note 1: The names of Presidents and deputy Presidents should be listed respectively. The total amount paid in each item should be disclosed. If the director concurrently holds the position of President or deputy President, it should fill out this table and the table above (1-1) or (1-2-1) and (1-2-2).

Note 2: It refers to the salary, pay rise, and severance allowance of President and deputy President in the most recent year.

Note 3: It refers to the various bonuses and dividends, as well as transportation expense, special subsidiary, various allowances, dormitory, vehicle, other materialistic provisions, and other compensations received by the President and deputy President in the most recent year. If he is provided with house, automobile or other vehicle or exclusive expenditures, it should disclose the nature and cost of the capital, rental paid actually or estimated based on the fair price in the market, fuel expense or other payments. If a driver is assigned, it should also specify the salary paid by the Company, which should be excluded from the remuneration. In addition, the remuneration expense recognized based on IFRS 2[Stock-based Payment], including the stock option certificate, the restricted new shares and the shares subscribed through capital increase by cash, should be included in the remuneration.

Note 4: It refers to the amount (including cash and stock) distributed to the employees received by the President and the deputy President upon the resolution of the board meeting in the most recent year. If it can't be estimated, it should calculate the amount to be distributed based on the amount and percent actually distributed in the last year and fill out the Table 1-3 in the Appendix. The after-tax net profit refers to the amount of net profit after tax in the most recent year. For those that adopt IFRS, the after-tax net profit refers to the amount listed in the individual financial statement in the most recent year.

Note 5: It should disclose the total amount of various compensations paid to the President and the deputy President by all companies in the consolidated financial statement (including the Company).

Note 6: For the total amount of various remunerations paid to each President and deputy President by the Company, it should disclose the name of President and deputy President under that range.

Note 7: It should disclose the total amount of various remunerations paid to each President and deputy President by all companies in the consolidated financial statements (including the Company), and disclose the name of President and deputy President under that range.

Note 8: The after-tax net profit refers to the amount of net profit after tax in the most recent year. For those that adopt IFRS, the after-tax net profit refers to the amount listed in the individual financial statement in the most recent year.

Note 9: a. The field should list the amount received by the President and deputy President from any re-invested company other than the subsidiaries or the parent company (If no such amount is received, please fill in “None”).

b. If the President and deputy President of the Company has received the payment from the re-invested company other than the subsidiaries or the parent company, it should include the said payment in Column E in the table of remuneration range. Moreover, the column name should be changed into “The Parent Company and All Re-investment Companies”.

c. The remuneration refers to the compensations, remunerations (including the remuneration paid to the employees, directors and supervisors), and the allowances received by the President and deputy President of the Company by serving as the director, supervisor or managerial officer of the re-invested company other than the subsidiaries or the parent company.

* The remuneration disclosed in this table is different from the concept of income defined in the Income Tax Act. Thus, this table is for information disclosure only, which can't be used for tax collection.

(3) The remunerations of the top five paid executives (Name of individuals and remuneration methods disclosed)

(4) Name of Managerial officers Distributed with Employee Dividend and Distribution Situation:

Unit: NT\$1,000; March 26th, 2025

	Title (Note 1)	Name (Note 1)	Amount of stock dividend	Amount of cash dividend	Total	Percent of sum in the after-tax net profit (%)
Managerial Officers	President	Huang, Jyh Jen	0	6,773	6,773	0.42%
	Vice President	Lee, Jun-Xian				
	Vice President	Hou, Po-Yao				
	Assistant Vice President, Corporate Governance Office and Legal Affair Dept.	Wang, Chen-Kang				
	Manager, Finance and Accounting Department (Finance Manager)	Chien, Lin-Chin				
	Manager, Finance & Accounting Dept. (Accounting Manager)	Wu, Sing-Suei				

Note 1: It should disclose names and title of individuals, but it may disclose the profit distribution situation in summary.

Note 2: It refers to the amount (including cash and stock) distributed to the employees received by the managerial officers upon the resolution of the board meeting in the most recent year. If it can't be estimated, it should calculate the amount to be distributed based on the amount and percent actually distributed in the last year. The after-tax net profit refers to the amount of net profit after tax in the most recent year. For those that adopt IFRS, the after-tax net profit refers to the amount listed in the individual financial statement in the most recent year.

Note 3: If application scope of the managerial officers, according to the official document Tai Zheng III No. 0920001301 released by the Association on March 27th, 2003, includes the following:

- (1) President and the equivalents.
- (2) Vice President and the equivalents.
- (3) Assistant Vice President and the equivalents.
- (4) Manager of Finance Dept.
- (5) Manager of Accounting Dept.
- (6) Others authorized to manage the affairs of the Company and sign on behalf of the Company

Note 4: If the remuneration distributed to the employees is received by the directors, President and deputy President (including stock and cash), it should fill in this table in addition to the Table 1-2 in the appendix.

(5) Analysis of the proportion of the total remuneration of directors, supervisors, Presidents, and vice Presidents of the Company paid by the Company and all companies in the consolidated financial statement to the net profit after tax in individual financial statements of the recent two years. Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Analysis of the proportion of the total remuneration paid to directors, supervisors, President and deputy Presidents of the Company to the net profit after tax of the individual financial statement of the recent two fiscal years:

Year	2024				2023			
	Individual		Consolidated		Individual		Consolidated	
	Total amount (NT\$1,000)	Percent (%) in the net profit after tax	Total amount (NT\$1,000)	Percent (%) in the net profit after tax	Total amount (NT\$1,000)	Percent (%) in the net profit after tax	Total amount (NT\$1,000)	Percent (%) in the net profit after tax
Directors (including independent directors)	5,669	0.35%	5,679	0.35%	5,824	1.14%	5,834	1.14%
President and Vice President	11,599	0.71%	11,619	0.71%	4,733	0.93%	4,753	0.93%

2. Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance:

(1) Directors

- A. Pursuant to the Company's Articles of Incorporation, the remuneration of directors and independent directors shall be based on the recommendations of the Remuneration Committee, referring to the results of the Board of Directors' self-evaluation on the five key aspects set out in the Company's Board Performance Evaluation Procedures, namely the level of involvement in operations, improvement of the quality of decision-making, composition and structure, appointment and training, and internal control, and taking into account general industry standards, and shall be determined by the Board of Directors.
- B. The Company's Articles of Incorporation also stipulate that no more than 2% of the Company's annual profits shall be paid as Directors' remuneration. Such remuneration shall also be based on the recommendation of the Remuneration Committee, referring to the results of the self-evaluation of the Board of Directors, and approved to be issued by the Board of Directors in accordance with the law.
- C. The Company's Directors and Independent Directors shall also receive fixed business execution fees on a per-time basis according to their actual attendance at meetings of the Board of Directors, Audit Committee, and Special Committee.

(2) Managers

The remuneration paid to managers by the Company can be mainly divided into salary and bonuses, as explained below:

- A. Salary is paid according to the Company's "Measures for Managing Employee Salaries/Positions" and references industry standards, job title, job level, education/experience, professional abilities, and responsibilities.
- B. Bonuses are based on the following items while taking into account other special contributions, and are approved by the chairman and subject to a resolution by the Remuneration Committee and Board of Directors.
- 1) Bonus: Various bonuses are paid based on the performance and contribution of business items employees are responsible for (such as land development and sales completion).
 - 2) Remuneration: The Company conducts performance evaluations regularly (middle and end of the year) to measure the degree of performance achievement. The evaluation results are used as the basis for promotion or bonuses. Evaluation contents include practice of the Company's core values and business management abilities, financial and business performance indicators and general management indicators, and participation in continuing education and in sustainable operation.
 - 3) The compensation of senior executives and department heads is linked to ESG-related performance, which accounts for 10% of their annual salary. This linkage is cascaded down to their respective supervisory levels to ensure the effective implementation of various ESG initiatives. These include areas such as operational performance, construction quality and safety, risk management, corporate governance, ethical business conduct, talent development, and supply chain management, all of which are aligned with material ESG issues.
The Company remains committed to strengthening its ESG-related policies and will continue refining its performance-linked compensation mechanisms to encourage active participation in sustainability efforts. This approach aims to enhance the Company's brand value and market competitiveness while ensuring long-term sustainable development.

3. Implementation of Corporate Governance

(1) The operations of the Board of Directors:

The Board of Directors held 11 (A) meetings in the most recent year (2024). The attendance of the directors is as follows:

1. The current Board of Directors (term of office from June 28rd, 2023 to June 27nd, 2026) convened 11 board meetings (A) in the current year (2024).

Title	Name (Note 1)	Attendance (Presence) in Person B	Attendance by Proxy	Attendance (Presence) Rate (%) 【B/A】 (Note 2)	Remarks
Director	Hong-Yi Investment Limited Company Representative: Cheng, Ssu-Tsung	11	0	100%	-
Director	Lee, Chin-Yi	11	0	100%	-
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	10	1	91%	-
Director	Yan, Ming-Hung	9	2	82%	-
Independent Director	Yeh, Chien-Wei	11	0	100%	-
Independent Director	Wang, Mu-Fan	11	0	100%	-
Independent Director	Chen, Rei-Li	11	0	100%	-

Other Noticeable Particulars:

1. Should any of the following circumstances occur at the Board of Directors meeting, the date of the board meeting, term, proposal content, opinions of all independent directors and the Company's handling of such opinions, should be specified:

(1) Matters specified in Article 14-3 of the Taiwan Securities and Exchange Act:

Date of board meeting	Proposal content
2024/1/25 1st meeting in 2024	1. The hiring and remuneration of the Company's certified public accountants. 2. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Lejie Section. 3. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section.
2024/3/15 2nd meeting in 2024	1. The Company's 2023 financial statements. 2. The services provided by Ernst & Young and its affiliated enterprises. 3. The 2023 performance bonuses for the Company's managers and Chief Auditor.
2024/3/29 3rd meeting in 2024	1. The 2023 business report and financial statements. 2. The 2023 dividend distribution proposal. 3. The amounts allocated for director's remuneration and employee bonuses in 2023. 4. The distribution method of remuneration for directors, managers, the chief auditor, and employees in 2023. 5. The date of and reasons for convening the Company's annual shareholders' meeting in 2024. 6. Set the ex-dividend date for the distribution of the 2023 Q4 cash dividends. 7. Review of the effectiveness of the internal control system in 2023. 8. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section. 9. Amendments to the Company's Rules of Procedure for Board of Directors Meetings. 10. Amendments to the Company's Audit Committee Charter.
2024/5/10 4rd meeting in 2024	1. The Company's 2024 Q1 business report and consolidated financial statements. 2. Proposal for the 2024 Q1 earnings distribution. 3. Set the ex-dividend date for the distribution of the 2024 Q1 cash dividends. 4. Proposal to establish the "Pre-Approval Procedure for Non-Assurance Services Provided by the CPA." 5. Amendments to the Company's "Workplace Sexual Harassment Prevention, Grievance, and Disciplinary Measures."

2024/6/25 5rd meeting in 2024	1. The Company entered into an additional construction contract with its subsidiary, Huajian Construction Co., Ltd., for a project located in Lejie Section Case B.
2024/7/19 6rd meeting in 2024	Proposal for the Company to provide an endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., in applying for financing from International Bills Finance Corporation.
2024/8/13 7rd meeting in 2024	1. The Company's 2024 Q2 business report and consolidated financial statements. 2. Proposal for the 2024 Q2 earnings distribution. 3. Set the ex-dividend date and related matters for the 2024 Q2 cash dividends. 4. Proposed sale of pre-sale houses from the 'One and Only' project to a related party. 5. Authorization for the Chairperson to decide on investment amounts in response to land development timeliness. 6. Proposal for the 2024 Mid-Autumn Festival bonuses for the Company's managers and Chief Auditor. 7. Amendment to the 'Approval Authority Table'.
2024/9/13 8rd meeting in 2024	1. Proposed sale of pre-sale houses from the 'Delpha Brilliant' project to a related party. 2. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for a new housing project located at No. 692, Fuxi Section, Guanyin District, Taoyuan City. 3. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for new housing projects on three plots including No. 165, Lejie Section, Guishan District, Taoyuan City. 4. Approval of the 2023ESG Report. 5. Amendments to the 'Property Management Procedures for Real Estate, Plant, and Equipment'. 6. Amendments to the 'Internal Audit Implementation Rules'. 7. Appointment of the Company's managers. 8. Establishment and adjustment of job grades and compensation for managers and the Chief Auditor.
2024/10/29 9rd meeting in 2024	1. Application for supplementary public issuance and listing of the Company's second and third private placement of common shares in 2021. 2. Resolution on the adjustment of managerial compensation.
2024/11/12 10rd meeting in 2024	1. The Company's 2024 Q3 business report and consolidated financial statements. 2. Proposal for the 2024 Q3 earnings distribution. 3. Set the ex-dividend date and related matters for the 2024 Q3 cash dividends. 4. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for the new housing project (decoration phase) at Nos. 332 and other four parcels in Qing'an Section, Shanhua District, Tainan City. 5. Approval of the Company's 2025 Internal Audit Plan.
2024/12/19 11rd meeting in 2024	1. Proposal for the Company to raise and issue the third domestic unsecured convertible corporate bonds. 2. Proposal for the Company to raise and issue the fourth domestic unsecured convertible corporate bonds. 3. The Company entered into an additional construction contract (decoration part) with its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing project located in Zone B of the Lejie Section. 4. The Company entered into an additional construction contract with its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing project located in Zone A of the Xinbi Section. 5. Proposal to establish the Company's "Sustainable Information Management Guidelines."
2025/01/16 1rd meeting in 2025	1. Proposal for the Company to provide an endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., in applying for financing from International Bills Finance Corporation. 2. Proposal for the Company to continue to provide an endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., in applying for financing from Mega Bills Finance Corporation. 3. Proposal for the sale of the Company's property under the "Metro Building" project to a related party. 4. Discussion of the 2024 performance bonuses for the Company's managers and Chief Auditor.
2025/01/23 2rd meeting in 2025	Resolution on the 2024 employee remuneration for the Company's managers and Chief Auditor.
2025/03/14 3rd meeting in 2025	1. Proposal for the Company's self-assessed consolidated financial information for 2024. 2. Proposal for the appointment and remuneration of the Company's CPA. 3. Proposal to review the effectiveness of the internal control system for 2024.
2025/03/26 4rd meeting in 2025	1. Proposal for the Company's 2024 business report and financial statements. 2. Proposal for the distribution of earnings for Q4 2024. 3. Proposal for a cash distribution from capital surplus. 4. Proposal for the allocation of 2024 directors' and employees' remuneration. 5. Discussion of the three traditional festival bonuses for the Company's managers. 6. Proposal to amend the Company's Articles of Incorporation. 7. Proposal for convening the Company's 2025 Annual Shareholders' Meeting. 8. Set the ex-dividend date for the distribution of Q4 2024 cash dividends. 9. Application for supplementary public issuance and listing of the Company's first private placement of

	common shares in 2022.
10.	The Company entered into a construction contract with its subsidiary, Huajian Construction Co., Ltd., for a new housing project located at No. 1115, Yisin Section, Fengyuan District, Taichung City.
Opinions of all independent directors and the Company's handling of opinions : Approved by all independent directors.	

(2) Unless otherwise stated, other independent directors who expressed dissenting or qualified opinions that were recorded or declared in writing: None

2. As for the execution situation that directors avoid the proposal for conflict of interest, items like director name, proposal content, reason for avoiding conflict of interest and participation in the voting process shall be detailed:

Date of Board of Directors' meeting	Name of Directors	Agenda	Reason for recusal	Participation in voting
2024/3/29 3th meeting in 2024	Cheng, Ssu-Tsung; Yan, Ming-Hung; Lee, Chin-Yi; Tseng, Ping-Joung; Chen Shih-Yang Yeh, Chien-Wei Yu, Hung-Da	The distribution method of remuneration for directors, managers, the chief auditor, and employees in 2023.	A conflict of interest.	1. Chairperson Cheng, Ssu-Tsung recused himself during discussions and voting, and Independent Director Chen, Shih-Yang temporarily acted as chairperson of the meeting. After the chairperson consulted the remaining directors present to express their opinions on the director's remuneration of Chairperson Cheng, Ssu-Tsung, the proposal was approved as proposed by all directors without objection. 2. Director Lee, Chin-Yi, Director Tseng, Ping-Joung, Director Yan, Ming-Hung, Independent Director Chen, Shih-Yang, Independent Director Yeh, Chien-Wei, and Independent Director Yu, Hung-Da each recused themselves from discussion and voting one by one. After the chairperson consulted the remaining directors present to express their opinions on the remuneration of the director who recused him/herself, the proposal was approved as proposed by all directors without objection.

3.The public companies shall disclose the evaluation cycle, period, scope, method and content for the self (peer) evaluation of the directors and fill out Table 2 Board Evaluation Implementation Situation.

(1) The Company's Board of Directors passed the amendment of the "Regulations Governing the Evaluation of the Performance of the Board of Directors and Functional Committees" and related self-evaluation surveys on November 12th. The results of the evaluation for fiscal 2024 were reported to the Board of Directors on March 14, 2025 and reported on the Market Observation Post System.

(2) The contents of the evaluation report were as follows:

Evaluation cycle	Once every year (if an election is implemented in the same year, the performance of the previous term and the current term shall be completed before the election and at the end of the year)
Evaluation period	January 1 st to December 31 st , 2024

Evaluation scope and method	Scope of the evaluation: The performance evaluation of the board as a whole, individual Directors, and functional committees. Evaluation methods: Self-evaluation of the Board of Directors, self-evaluation of the Directors, appointment of external professional institutions or experts, or other appropriate methods for performance evaluation.
Evaluation procedures	The units responsible for the evaluation shall collect information about the activities of the Board of Directors and distribute the "Self-Evaluation Questionnaire on the Performance of the Board of Directors", "Self-Evaluation Questionnaire on the Performance of the Director", "Self-Evaluation Questionnaire on the Performance of the Audit Committee", "Self-Evaluation Questionnaire on the Performance of the Remuneration Committee", and "Self-Evaluation Questionnaire on the Performance of the Integrity Management Committee" for the performance evaluation of the Board of Directors. After the data are recovered, the Company records the evaluation results in accordance with the scoring standards for evaluation indicators in the Regulations, and reports to the Board of Directors for review and improvements.

● **2024 evaluation indicators and options**

Board performance evaluation	Self-evaluation of the performance of Directors	Performance evaluation of functional committees			
		Functional Committee	Audit	Remuneration	Integrity Management
Level of participation in the Company's operations Improvement of the quality of the Board of Directors' decision making Board composition and structure Election and continuing education of Directors Internal control	Familiarity with the goals and missions of the Company Awareness of the duties of Directors Level of participation in the Company's operations Management of internal relations and communication Directors' professional and continuing education and training Internal control	Level of participation in the Company's operations	V	V	V
		Understanding of duties of the functional Committee	V	V	V
		Improvement of the quality of the functional Committee' decision making	V	V	V
		Composition of the functional Committee and selection of committee members	V	V	V
		Internal control	V	V	V
25 evaluation indicators	20 evaluation indicators	20 evaluation indicators			

Excellent (5.00 to 4.01 points), good (4.00 to 3.01 points), and improvements required (less than 3 points)

● **2024 evaluation results**

Board performance evaluation	Self-evaluation of the performance of Directors	Performance evaluation of functional committees		
		Audit Committee	Remuneration Committee	Integrity Management Committee
Evaluation results: Excellent	Evaluation results: Excellent	Evaluation results: Excellent	Evaluation results: Excellent	Evaluation results: Excellent

4. Strengthening the functions of the Board in the current and recent years (such as setting up the Audit Committee, promoting information transparency, etc.) and conducting performance assessment:

- (I) The Company established the Audit Committee on May 31st, 2017 to replace Supervisors. The Committee convened 11 meetings in 2024 to strengthen internal monitoring and control mechanisms and help the Board of Directors implement decisions.
- (II) The Company strengthens the new Directors' awareness of laws and regulations and holds at least one meeting of the Board of Directors each quarter. The Company also rigorously abide by the recusal system for conflicts of interest involving Directors and related parties in the "Rules of Procedure for Board of Directors Meetings", "Related Party Transaction Management Regulations".
- (III) The Company's Board of Directors approved the additions to the Regulations Governing the Evaluation of the Performance of the Board of Directors and Functional Committees and the related self-evaluation surveys on November 12, 2019. We have already filed the results of the 2023 evaluation and commissioned the Taiwan Corporate Governance Association to conduct an external performance evaluation of the Board

of Directors in December 2024 and issue the Board performance evaluation report. Please visit the Company's website for more information regarding the report.

(IV) The Company's Board of Directors approved the establishment of a "Corporate Governance Officer" on March 30, 2021 to assist the Board in promoting corporate governance.

(V) The Company formed the Integrity Management Committee in May 2022. The committee convened one meeting in 2024.

(VII)The Company has set up a corporate website in English.

(VII)The 2024 directors' liability insurance was purchased on December 2nd, 2024.

Note 1: If the director or supervisor is a company, it should disclose the names of its shareholders and the name of its representative.

Note 2: (1) If any director/supervisor resigns before the end of the year, it shall specify the resignation date in the Remarks field. As for the attendance rate (%), it shall be calculated based on the board meetings held during his service period and the times that he attended such meeting in person.

(2) If any director/supervisor is re-elected before the end of the year, it shall specify both the old and the new director/supervisor and add comments in the Remarks field to distinguish the old and new ones and the re-election date. As for the attendance rate (%), it shall be calculated based on the board meetings held during his service period and the times that he attended such meeting in person.

(2) The operations of the Audit Committee:

A total of 10 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

The current Board of Directors (term of office from June 28rd, 2023 to June 27nd, 2026) convened 10 meetings of the Audit Committee (A)

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance ratio (%) (B/A)(Note)	Remarks
Independent director	Chen Shih-Yang	10	0	100%	
Independent director	Yeh, Chien-Wei	10	0	100%	
Independent director	Yu, Hung-Da	10	0	100%	

● Summary of key work items of the year:

The Audit Committee assists the Board of Directors in its supervisory duties its responsibilities for tasks specified in the Company Act, Securities and Exchange Act, and other related regulations. The Company established the Audit Committee on May 31st, 2017. It consists of all three Independent Directors. Committee meetings are convened at least once each quarter, and a total of 10 meetings were convened in 2024. The Committee reviewed the following items:

1. Review of financial statements:

The Board of Directors has prepared the business report, financial statements, and earnings distribution proposal, of which the financial statements have been audited by Ernst & Young Global Limited which has submitted an audit report. The aforementioned business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee and deemed as correctly portraying the Company's business activities.

2. Evaluation of the effectiveness of internal control system:

The Audit Committee evaluates the effectiveness of the policies and procedures of the Company's internal control system.

3. Major asset transactions

4. Private placement or issuance of securities

5. Related-party transactions

6. Assessment of independence of the CPAs

Other Noticeable Particulars:

1. Should any of the following circumstances occur at the operations of Audit Committee, the date of the Audit Committee meeting, term, proposal content, opinions of all independent directors and the Audit Committee's handling of such opinions, should be specified:

(1) Matters specified in Article 14-5 of the Taiwan Securities and Exchange Act

The current Board of Directors (term of office from June 28rd, 2023 to June 27nd, 2026)

Date of board meeting	Proposal content
2024/1/25 1st meeting in 2024	1. The hiring and remuneration of the Company's certified public accountants. 2. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Lejie Section. 3. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section.
2024/3/15 2nd meeting in 2024	The services provided by Ernst & Young and its affiliated enterprises.

2024/3/29 3rd meeting in 2024	1. The 2023 business report and financial statements. 2. The 2023 dividend distribution proposal. 3. Review of the effectiveness of the internal control system in 2023. 4. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section. 5. Amendments to the Company's Rules of Procedure for Board of Directors Meetings. 6. Amendments to the Company's Audit Committee Charter.
2024/5/10 4rd meeting in 2024	1. The Company's 2024 Q1 business report and consolidated financial statements. 2. Proposal for the 2024 Q1 earnings distribution. 3. Proposal to establish the "Pre-Approval Procedure for Non-Assurance Services Provided by the CPA." 4. Amendments to the Company's "Workplace Sexual Harassment Prevention, Grievance, and Disciplinary Measures."
2024/6/25 5rd meeting in 2024	The Company entered into an additional construction contract with its subsidiary, Huajian Construction Co., Ltd., for a project located in Lejie Section Case B.
2024/7/19 6rd meeting in 2024	The Company entered into an additional construction contract with its subsidiary, Huajian Construction Co., Ltd., for a project located in Lejie Section Case B.
2024/8/13 7rd meeting in 2024	1. The Company's 2024 Q2 business report and consolidated financial statements. 2. Proposal for the 2024 Q2 earnings distribution. 3. Proposed sale of pre-sale houses from the 'One and Only' project to a related party. 4. Authorization for the Chairperson to decide on investment amounts in response to land development timeliness. 5. Amendment to the 'Approval Authority Table'.
2024/9/13 8rd meeting in 2024	1. Proposed sale of pre-sale houses from the 'Future lifestyle' project to a related party. 2. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for a new housing project located at No. 692, Fuxi Section, Guanyin District, Taoyuan City. 3. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for new housing projects on three plots including No. 165, Lejie Section, Guishan District, Taoyuan City. 4. Amendments to the 'Property Management Procedures for Real Estate, Plant, and Equipment'. 5. Amendments to the 'Internal Audit Implementation Rules'.
2024/11/12 9rd meeting in 2024	1. The Company's 2024 Q3 business report and consolidated financial statements. 2. Proposal for the 2024 Q3 earnings distribution. 3. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for the new housing project (decoration phase) at Nos. 332 and other four parcels in Qing'an Section, Shanhua District, Tainan City. 4. Approval of the Company's 2025 Internal Audit Plan.
2024/12/19 10rd meeting in 2024	1. Proposal for the Company to raise and issue the third domestic unsecured convertible corporate bonds. 2. Proposal for the Company to raise and issue the fourth domestic unsecured convertible corporate bonds. 3. The Company entered into an additional construction contract (decoration part) with its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing project located in Zone B of the Lejie Section. 4. The Company entered into an additional construction contract with its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing project located in Zone A of the Xinbi Section. 5. Proposal to establish the Company's "Sustainable Information Management Guidelines."
2025/1/16 1rd meeting in 2025	1. Proposal for the Company to provide an endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., in applying for financing from International Bills Finance Corporation. 2. Proposal for the Company to continue to provide an endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., in applying for financing from Mega Bills Finance Corporation. 3. Proposal for the sale of the Company's property under the "Metro Building" project to a related party.
2025/03/14 2rd meeting in 2025	1. Proposal for the appointment and remuneration of the Company's certified public accountants. 2. Proposal to review the effectiveness of the internal control system for 2024.
2025/03/26 3rd meeting in	1. Proposal for the Company's 2024 business report and financial statements. 2. Proposal for the distribution of earnings for Q4 2024.

2025	3. Proposal for a cash distribution from capital surplus. 4. Proposal for the allocation of 2024 directors' and employees' remuneration. 5. Discussion of the three traditional festival bonuses for the Company's managers. 6. Proposal to amend the Company's Articles of Incorporation. 7. Proposal for convening the Company's 2025 Annual Shareholders' Meeting. 8. Set the ex-dividend date for the distribution of Q4 2024 cash dividends. 9. Application for supplementary public issuance and listing of the Company's first private placement of common shares in 2022. 10. The Company entered into a construction contract with its subsidiary, Huajian Construction Co., Ltd., for a new housing project located at No. 1115, Yisin Section, Fengyuan District, Taichung City.
Opinions of all independent directors and the Company's handling of opinions : Approved by all independent directors	

(2) Except for the matters stated above, any resolution rejected by the Audit Committee but approved by more than two thirds of the directors: None

2. As for execution, in the event of independent directors' avoidance of the proposal due to conflict of interest, the name of the director, proposal content, reason for conflict of interest and participation in the voting process shall be specified: None.

3. Communication between independent directors, Internal Chief Audit Executive and CPA (which should include materials, methods and results pertaining to corporate finance and business conditions):

(1) Communication between independent directors and Internal Chief Audit Executive:

1. The Chief Auditor organizes at least one meeting of the Audit Committee or a seminar each year to independently communicate with the Independent Directors regarding the internal audit items and follow up on the implementation of the Audit Report.
2. The main communication items with the Chief Auditor in 2024 are summarized in the table below:

Date	Name	Communication content	Opinion of independent directors
2024/11/22 Internal audit report meeting	Independent director Chen Shih-Yang Independent director Yu, Hung-Da Independent director Yeh, Chien-Wei, Chief auditor Li, Mei-Chan	Preparation of the 2025 annual audit plan based on risk assessment results.	No opinions
		Recent efforts to revise the internal control systems of the Company and its subsidiaries across departments: (1) Amendments made in accordance with regulatory requirements. (2) Amendments required due to changes in the Authority Approval Matrix affecting relevant internal control procedures.	No opinions
		Description of the implementation method for the 2025 self-assessment of the internal control systems of the Company and its subsidiaries.	No opinions
		Explanation of the internal audit personnel arrangement, including the recruitment of additional internal audit staff.	No opinions

(2) Communication between independent directors and CPA:

The Independent Directors and the Company's CPAs meet at least once a year for face-to-face communication. Where necessary, they communicate and discuss in writing on issues including the review of the Company's financial statements or audit results, and related legal communications. The Independent Directors also review the independence for the selection of CPAs and the audit and non-audit services provided by the CPAs.

Date	Key communication points	Opinions of the Independent Directors
2024/03/29 Individual meeting	- The CPA provided an explanation of the audit results of the Company's 2023 financial statements and addressed matters of heightened attention, including key audit matters. - Updates on recent amendments to significant tax regulations and developments in sustainability disclosure standards. - Discussions and communications between the CPA and the Independent Directors.	No opinions
2024/08/13 Individual meeting	- The CPA presented the review results of the Company's Q2 2024 financial statements. - Updates on recent securities regulatory changes and key amendments to the Sustainability Report.	No opinions
2024/11/12 Individual meeting	- The CPA presented the review results of the Company's Q3 2024 financial statements. - Updates on recent securities regulatory changes. - Planning and scope of the audit for the 2024 annual financial statements.	No opinions
2025/03/26 Individual meeting	- The CPA explained the audit results of the Company's 2024 financial statements and addressed matters of heightened attention, including key audit matters. - Updates on recent changes in securities and tax regulations, as well as IFRS developments. - Discussions and communications between the CPA and the Independent Directors.	No opinions

Notes:

*If any independent director resigns before the end of the year, it shall specify the resignation date in the Remarks field. As for the attendance rate (%), it shall be calculated based on the audit committee meetings held during his service period and the times that he attended such meeting in person.

*If any independent director is re-elected before the end of the year, it shall specify both the old and the new independent director and add comments in the Remarks field to distinguish the old and new ones and the re-election date. As for the attendance rate (%), it shall be calculated based on the audit committee meetings held during his service period and the times that he attended such meeting in person.

(3) The operations of corporate governance, its discrepancy with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons:

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
I. Has the Company established and disclosed Corporate Governance Best Practice Principles in accordance with [Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies]?	V		The Company has formulated the “Corporate Governance Code”, which is disclosed on the website of the Company.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
II. Corporate equity structure and shareholders' equity				
(1) Has the Company established internal operating procedures to handle shareholder proposals, questions, disputes and litigation, and acted accordingly?	V		(1) The Company has established spokesperson and acting spokesperson system, and also entrusts professional stock transfer agency to handle the shareholder proposals and questions. Moreover, the investor’s and stakeholder’s window is set upon the website of the Company.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
(2) Does the Company maintain a list of major shareholders and a final list of controlling shareholders?	V		(2) The Company is capable of maintaining the list of major shareholders and the final list of controlling shareholders.	
(3) Has the Company established and executed a risk control mechanism and firewall with its affiliates?	V		(3) The Company complies with the relevant laws and regulations, and has established the Operation Procedures for the supervision and management of the subsidiaries and the management of the transaction with related parties.	
(4) Has the Company established internal policies that prohibit corporate insiders from trading of securities using undisclosed information?	V		(4) The Company has established the “Operation Procedures for the Processing of Material Information”, and the “Operation Procedures for Prevention of Insider Trading” to prohibit corporate insiders from trading of securities using undisclosed information.	
III. Structure and duties of the Board of Directors.				
(1) Does the Board of Directors have a diversity policy, specific management objectives and implementation?	V		(1) In accordance with Article 20 of the Company’s Corporate Governance Best Practice Principles, the composition of the Board of Directors shall consider diversity. In addition to the requirement that Directors concurrently serving as Company managers shall not exceed one-third of the total Board seats, the Company shall also formulate appropriate diversity policies based on its operations, business model, and development needs.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
(2) Apart from the Remuneration Committee and Audit Committee, has the Company voluntarily set up other functional committees? (3) Has the Company established standards to assess the Board's performance annually, reported the result of performance evaluation to the Board as reference for remuneration paid to the directors and their nomination for succession? (4) Does the Company regularly evaluate the CPA's independence?	V		For details on implementation, please refer to page 17. (2) The Company has set up the Remuneration Committee and the Audit Committee. The "Integrity Management Committee" was to be established in May 2022. (3) The Company's Board of Directors passed the Regulations Governing the Evaluation of the Performance of the Board of Directors on November 12th, 2019 and reported the evaluation results of the performance of the Board of Directors for 2024 to the Board of Directors on March 26, 2025. The results will be used as references for determining the remuneration for individual Directors, their nomination, and reappointment. (Refer to P.27-28 for information on the operations of the Board of Directors) (4) . On January 25, 2024, and March 14, 2025, the Audit Committee and the Board of Directors resolved to assess the independence and competence of CPAs Mr. Chien-Tse Huang and Ms. Su-Wen Lin (Note 1). Additionally, the Company obtained the 13 Audit Quality Indicators (AQIs) provided by the accounting firm, along with the CPA's Declaration of Independence. In accordance with the "Guidelines for the Interpretation of Audit Quality Indicators (AQIs)" issued by the competent authority, the Company conducted an evaluation of the audit quality of the accounting firm and its audit engagement team.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
IV. As a TWSE/TPEx-listed company, has the Company established adequate and competent corporate governance personnel, and assigned a corporate governance manager in charge of corporate governance affairs (including but not limited to providing data required by directors and supervisors for business implementation, assisting directors and supervisors in regulatory compliance, dealing with matters	V		The Company, following the resolution passed by the Board of Directors' meeting on March 30, 2021, appointed Wang, Chen-Kang to serve as the Company's Corporate Governance Officer and take charge of the Company's corporate governance affairs. The scope of duties includes: 1. Provide the data need by the directors when implementing business, and pay attention to the latest regulatory developments related to the operation of the Company to assist the directors in regulatory compliance and assistance to the Directors in taking office and continuing education.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
relating to board meetings and shareholders' meetings, handling corporate registration and change in registration, preparing minutes of the board meetings and shareholders' meetings)?			2. Handle matters related to the Audit Committee, Remuneration Committee, Integrity Management Committee and the Board of Directors and the Shareholders' Shareholders' Meeting, and assist the Company in regulatory compliance. 3. Handle the shareholders' meeting related affairs, including pre-registration before the date of the Shareholders' Meeting, make a meeting notice and handbook before the deadline, meeting minutes, and handle the reporting and announcements as required by laws. 4. The Company organizes performance evaluations of the Board of Directors on a regular basis each year and reports the results to the Board of Directors. 5. Promote corporate governance matters such as the preparation of ESG reports, integrity management education and training, and the implementation of corporate governance evaluations. 6. The Corporate Governance Officer completed 12 hours of continuing education in 2024.	
V. Has the Company established communication channels with interested parties (including but not limited to shareholders, employees, customers, and suppliers), set up a special zone on the website for stakeholders, and responded to critical CSR issues that concern interested parties?	V		The Company has established the spokesperson and acting spokesperson system. Moreover, the investor's and stakeholder's window is set up on the website of the Company to respond to the issues concerned by the stakeholders properly.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
VI. Has the Company appointed a professional transfer agent to handle affairs pertaining to the shareholders' meeting?	V		The Company entrusts the professional Transfer Agency Department of CTBC Bank to handle the stock affairs of the Company.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
VII. Information Disclosure				
(1) Has the Company set up a website to disclose information regarding the Company's finance and corporate governance?	V		(1) The Company has constructed www.delpha.com.tw to disclose the information related to finance and corporate governance.	In conformation to the regulations of Corporate Governance Best Practice
(2) Does the Company have other information disclosure channels (e.g.	V		(2) The Company has appointed designated personnel to handle information collection and finish the reporting operation as required by the competent	

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
creating an English website, appointing designated personnel to handle information collection and disclosure, developing a spokesman system, webcasting investor conferences)? (3) Does the Company announce and file its annual financial reports within 2 months from the end of the fiscal year? Does the company announce and file the financial reports for Q1, Q2 and Q3, as well as the operation status of each month before the due date?		V	authority. Moreover, it has practiced the spokesman system as required. The Company holds a corporate presentation at least once a year and discloses the relevant information on the Company's website and the Market Observation Post System. (3) The Company announces and files the annual financial report audited by the CPA within 3 months after the end of the fiscal year as required by the provisions of Article 36, Securities Exchange Act. The financial reports for Q1, Q2 and Q3, as well as the operation status of each month are announced within the required period. As for announcing before the due date, it depends on the board approval date and the operation time of the Company.	Principles for Listed Companies It will evaluate the operation time and the board operation for this issue.
VIII. Does the Company have any other important information to facilitate better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, implementation of risk measures, implementation of customer relations policies, and purchase of liability insurance for directors and supervisors)?	V		(1) Rights, benefits and care for employees: The Company has set up a staff welfare committee, and set asides pensions under laws. Moreover, it purchases group insurance for employees, and conducts health check-ups regularly, so as to protect employee rights and get the employee's health status. (2) Investor's relations: The Company discloses the corporate information on the MOPS under laws, so as to provide transparent information for the investors in real time. Moreover, a spokesperson is set up to handle the advice made by the spokesperson. (3) Supplier's relations: The Company establishes long-term partnership with the suppliers, and keep good interaction. (4) Continuing education situation of directors: The Company provides the course information for directors randomly. The continuing education situation of directors is disclosed in the Annual Report and the MOPS. (5) Implementation of customer policies: The Company sets up a customer service line and Email to provide comprehensive after-sale service. (6) Purchase of liability insurance for directors: The Company purchases liability insurance for directors in accordance with the Articles of Association of the Company.	In conformation to the regulations of Corporate Governance Best Practice Principles for Listed Companies
IX. Based on the latest Corporate Governance Assessment System result from the Corporate Governance				

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary	
Center of the TWSE, describe the improvements and propose priority measures to strengthen unimproved aspects. (not applicable to companies that were not subject to evaluation)				
*Improvements:				
1. Added an Integrity Management Committee in 2022.				
2. The Q1 and Q3 financial reports were approved by the Audit Committee and reported to the Board of Directors for resolution.				
3. Added an English corporate website.				
4. Conducted an external performance evaluation of the Board of Directors.				
5. Provided regular reports to the Board of Directors on communication details with stakeholders.				
6. Obtained third-party verification for the corporate sustainability report.				
7. Disclosed information about the greenhouse gas emissions, water consumption, and total weight of waste in the last two years.				
8. The continuous audio and video recordings of the Annual General Meeting was uploaded to the Company's YouTube channel.				
9. The Board of Directors regularly evaluates the independence and competence of the signing CPA by referencing Audit Quality Indicators (AQIs).				

Note 1: Criteria to evaluate the CPA independence:

Item	Evaluation item (during the two years before being elected and during the term of office)	Evaluation result
1	The tenure of the CPA did not exceed 7 years.	Yes
2	There are no direct or indirect material financial interests between the CPA and the Company.	Yes
3	The CPA firm does not rely excessively on a single customer (the Company) for its source of remuneration.	Yes
4	The CPA and the Company do not have significant or close business relations.	Yes
5	There are no potential employment relations between the CPA and the Company.	Yes
6	The CPA is unrelated to the audit cases or audit fees.	Yes
7	No CPA or member of the audit service team currently serves or had served as the Company's Director, manager, or other positions that could seriously affect the audit in the most recent two years.	Yes
8	The non-audit services provided by the CPA to the Company did not directly impact critical items in the audit.	Yes
9	The CPA does not promote or serve as the intermediary for the stocks or other securities issued by the Company.	Yes

10	The CPA does not represent the Company in defense against third-party legal cases or other disputes.	Yes
11	No CPA or member of the audit service team is related to the Company's Director, manager, or individuals in other positions that could seriously affect the audit.	Yes
12	The certifying accountant has not held any position as a director or manager of the Company or had any significant influence on the audit within one year of his or her retirement.	Yes
13	The certifying accountant receives no gifts or special privileges of significant value from the Company or its directors, officers, or substantial shareholders.	Yes

(4) If a Remuneration Committee is set up, it should disclose the composition, responsibilities and operations:

1. Information on the members of Remuneration Committee

Condition Identity (Note 1) Name		Professional Qualifications and Experience (Note 2)	Independence Attributes (Note 3)	Number of members of compensation committees of other public companies
Independent director (Convener)	Chen Shih-Yang	Refer to the Disclosure of Professional Qualifications of Directors and Independence of Independent Directors on page15.		None
Independent director	Yeh, Chien-Wei			None
Independent director	Yu, Hung-Da			1

Note 1: Please specify the relevant years of service, professional qualifications and experience, and independence of each member of the Compensation Committee in the form. Please indicate the identity of an independent director or other (if you are a convener, please add a note).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of each member of the Compensation Committee.

Note 3: Independence attributes: Specify the independence attributes of the members of the Compensation Committee, including but not limited to whether they are directors, supervisors or employees of the Company or its affiliates; the number and percentage of shares held by them (or in the name of others); and whether they hold positions in companies with specific relationships with the Company (refer to stock listings or stock exchanges). The amount of remuneration received from the Company or its affiliates for the provision of commercial, legal, financial and accounting services in the last two years.

Note 4: Please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange for disclosure methods.

2. Information on the Operations of Remuneration Committee

The Remuneration Committee of the Company is composed of 3 persons.

(1) The current Remuneration Committee (term of office from June 28rd, 2023 to June 27nd, 2026) convened 5 (A) meetings of the Remuneration Committee in the most recent year (2024).

The attendance of Directors was as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Remarks
Committee Member	Chen Shih-Yang	5	0	100%	
Committee Member	Yeh, Chien-Wei	5	0	100%	
Committee Member	Yu, Hung-Da	5	0	100%	

Power and duties of the Remuneration Committee:

The Company set up the Remuneration Committee in December, 2011. And the Committee should exercise the duty of care of a good faith manager to faithfully perform the following power and duties, and submit proposals to the Board meeting for discussion:

1. Establish and regularly review the policy, system, standards and structure of the salaries and remuneration for the Company's directors and managerial officers.
2. Evaluate on a regular basis the remuneration of the Company's directors and managerial officers.

The date of meeting, term, proposal content, resolution result in the most recent year, and the Company's handling of the opinion of the remuneration committee members:

Meeting date (term)	Proposal content
2024/03/15 1st meeting in 2024	The 2023 performance bonuses for the Company's managers and Chief Auditor.
2024/03/29 2nd meeting in 2024	1. The amounts allocated for director's remuneration and employee bonuses in 2023. 2. The distribution method for directors' remuneration and employee bonuses in 2023.
2024/08/13 3rd meeting in 2024	Proposal for the 2024 Mid-Autumn Festival bonuses for the Company's managers and Chief Auditor.
2024/09/13 4nd meeting in 2024	Resolution on the establishment and adjustment of job grades and compensation for the Company's managers and Chief Auditor.
2024/10/29 5nd meeting in 2024	Resolution on the establishment and adjustment of job grades and compensation for the Company's managers and Chief Auditor.
2025/1/16 1nd meeting in 2025	Discussion on the 2024 year-end bonuses for the Company's managers and Chief Auditor.
2025/1/23 2nd meeting in 2025	Discussion on the 2024 employee remuneration for the Company's managers and Chief Auditor.
2025/3/26 3rd meeting in 2025	1. Proposal for the allocation of 2024 directors' and employees' remuneration. 2. Discussion on the three traditional festival bonuses for the Company's managers.
Opinion of all members and the Company's handling : Approved by all Independent Directors.	

Other Noticeable Particulars:

- 1.If the Board did not adopt or amend the recommendations of the Remuneration Committee, the date of the board meeting, term, proposal content, result of board resolution, and how the Company handled the proposal (If the remuneration approved by the board is higher than the proposal of the Remuneration Committee, the difference and reason should be specified.) should be specified: None
- 2.If members of the Remuneration Committee expressed opposition or qualified opinions that were recorded or declared inwriting, the date of the remuneration committee meeting, term, proposal content, opinions of all members and the Company's handling of those opinions should be specified: None

Notes: (1) If any member of the Remuneration Committee resigns before the end of the year, the resignation date should be specified in the Remarks field. The attendance rate (%) is calculated based on the number of remuneration committee meetings held during the period of service and the frequency of attendance in person.

(2) If any member of the Remuneration Committee is re-elected before the end of the year, both the old and new members should be specified, and comments should be indicated in the Remarks field to distinguish the old and new members and the re-election date. The attendance rate (%) is calculated based on the number remuneration committee meetings held during the period of service and the frequency of attendance in person.

(5) Organization, responsibilities, and operations of the Integrity Management Committee:

The Integrity Management Committee comprises three members, with a minimum of two members being Independent Directors. All members are appointed by the Board of Directors for the same term as their term for the Board.

1. The current term's Integrity Management Committee (the term runs from June 28, 2023 to June 27, 2026) convened 1 meeting (A) in 2024. The details of attendance are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Professional background
Independent Director (Convener)	Yeh, Chien-Wei	1	0	100%	Law
Independent Director	Chen Shih-Yang	1	0	100%	Accounting
Independent Director	Yu, Hung-Da	1	0	100%	Construction

2. Scope of authority of the Integrity Management Committee:

The Company formed the Integrity Management Committee in May 2022. The Integrity Management Committee is responsible for reviewing the ethical corporate management policies, supervising the implementation of the following matters, and reporting the compliance status to the Board regularly:

- Assisting in incorporating integrity and moral values into the Company's business strategy
- Adopting appropriate prevention measures against corruption and unethical behavior to ensure integrity management meets legal standards
- Reviewing the whistle-blowing system and ensuring its operating effectiveness
- Promoting and coordinating awareness and educational activities with respect to the integrity policy
- Other matters pertaining to the formulation of the integrity management policy and overseeing implementation

The date, term, agenda, and resolutions of the Integrity Management Committee meeting and actions taken by the Company in response to the opinions of the Integrity Management Committee in the past year:

Date of meeting (Term)	Agenda	Opinions of all members and the Company's handling of opinions
2024/11/12 1st meeting in 2024	Operations and progress of the Company's promotion of integrity management.	Approved by all Independent Directors, and on November 12, 2024, the operating and implementation status are reported to the board of directors.

(6) Implementation of sustainable development and differences from the Code of Practice for Sustainable Development of Listed and OTC Companies and the reasons for such differences

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons						
	Yes	No	Summary (Note 2)							
I. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?	V		1. The Company's Corporate Governance Office is dedicated to developing corporate sustainability. The unit works across departments to evaluate, plan, implement, confirm, and report corporate sustainable development policies, systems, and management guidelines on a project basis. They provide regular progress reports to the Board of Directors on the operations and implementation. 2. On November 12, 2024, the Company submitted a report on the implementation status and plans for cybersecurity, integrity management, and intellectual property management involving sustainable development to the Board of Directors according to instructions. The Board of Directors provided issues that require attention in each plan to the dedicated unit, and required dedicated units to make adjustments.	None						
II. Does the Company have a special (concurrent) unit to promote ESG initiatives, supervised by a Board-appointed member of the management team, who reports to the Board? (Note2)	V		1. This disclosure covers January 1, 2024, to December 31, 2024, and mainly addresses the Company's offices and construction sites. 2. The Sustainable Development Team is responsible for the planning, and in accordance with the GRI standards, and with reference to the results of previous sustainability issue assessments, domestic and international industry benchmarks, international ESG trends, industry focus issues, value chains and related indicators, an online questionnaire was used to conduct a stakeholder survey under three major sustainability dimensions, including environmental, social and governance, and a total of 11 key risk issues were identified. The Company's strategies for addressing these 11 risk issues are as follows. (For details, please refer to the Company's ESG report) <table><tr><th>Major Topics</th><th>Risk evaluation item</th><th>Description</th></tr><tr><td>Environment</td><td>Green buildings and materials</td><td> - Consider the use of green building materials and the building life cycle during the planning and design phase. - Establish and implement a supplier selection mechanism. - Introduce a carbon footprint assessment system. Consider the use of green building materials and the building life cycle during the planning and design phase. - Establish and implement a supplier selection mechanism. </td></tr></table>	Major Topics	Risk evaluation item	Description	Environment	Green buildings and materials	- Consider the use of green building materials and the building life cycle during the planning and design phase. - Establish and implement a supplier selection mechanism. - Introduce a carbon footprint assessment system. Consider the use of green building materials and the building life cycle during the planning and design phase. - Establish and implement a supplier selection mechanism.	None
Major Topics	Risk evaluation item	Description								
Environment	Green buildings and materials	- Consider the use of green building materials and the building life cycle during the planning and design phase. - Establish and implement a supplier selection mechanism. - Introduce a carbon footprint assessment system. Consider the use of green building materials and the building life cycle during the planning and design phase. - Establish and implement a supplier selection mechanism.								

Item	Implementation Status (Note 1)				Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons	
	Yes	No	Summary (Note 2)			
			Social	Building Quality and Safety	● Strengthen construction management systems and conduct comprehensive reviews of operational procedures. ● Conduct regular internal audits (monthly) and external inspections (quarterly) during the construction process. ● Strengthen supplier management to ensure compliance in the sourcing of construction materials.	
				Customer Relationship Management	● Establish a real-time response mechanism for customer feedback. ● Provide neighborhood services. ● Organize regular events for existing customers.	
				Occupational Health and Safety	● Install occupational safety and health equipment. ● Provide regular health check-ups for all employees.	
				Labor Rights and Occupational Incident Management	● Establish workplace safety and health guidelines. ● Conduct educational training and fire drills. ● Establish a labor-management communication mechanism to safeguard employee rights.	
			Economy	Integrity Management	● Conduct educational training. ● Establish integrity management policies and preventive measures, with regular reporting to the Board of Directors. ● Require insiders to sign a statement of integrity. ● Establish an independent whistleblowing channel.	
				Regulatory Compliance	● Conduct educational training. ● Establish a regulatory tracking mechanism. ● Institutionalize corporate regulations to enhance governance performance.	

Item	Implementation Status (Note 1)				Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)		
				Operational Performance ● Set revenue and profit targets, with quarterly performance reviews. ● Strengthen land development and market analysis to enhance investment returns. Information Security and Customer Privacy ● Revise and audit operational procedures. ● Conduct cybersecurity training for employees. Risk and Crisis Management ● Establish and implement the "Risk Management Guidelines". ● Develop standard operating procedures (SOPs) for handling various risks.	
III. Environment issues					
(1) Does the Company establish proper environmental management systems based on the characteristics of its businesses?	V		(1) The waste generated in each construction site is handled by a professional and qualified environmental protection company. Moreover, supervision personnel are assigned in the construction site to supervise the management and maintenance of the environment of the contract during the construction period.		None
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) The Company complies with environment-related laws and regulations and relevant international standards to appropriately protect the natural environment, and in the execution of its operational activities and internal management, it strives to improve the efficiency of the utilization of various resources and use recycled materials with low impact on the environment, so that the earth's resources can be used sustainably, and strives to achieve the goal of environmental sustainability.		None
(3) Does the Company evaluate the current and future potential risks and opportunities brought by the climate	V		(3) In addition to referring to relevant climate change information, TCFD disclosure recommendations, and reports and information released by other domestic and foreign related institutions, the Company also identifies short-, medium-, and long-term climate change risks by considering industry characteristics,		None

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons																
	Yes	No	Summary (Note 2)																	
change, and take measure to respond to the climate related issues?			market trends, laws and policies, and accordingly lists relevant climate risk factors. Relevant departments are then asked to assess the potential impacts and effects of climate related transformation risks and physical risks, and the results of the risk analysis are used to formulate corresponding adaptation action plans to enhance the ability to adapt and mitigate the impacts of climate change. The Company has identified feasible opportunities and developed measures to address them as follows : Transition Risks <table><tr><th>Category</th><th>Risk Items</th></tr><tr><td>Policy and Regulatory Risks</td><td>Increased costs of greenhouse gas emissions, increased sustainability-related demand and regulations, and increased costs of electric vehicle parking space construction</td></tr><tr><td>Technical Risk</td><td>Costs of Low Carbon Transition</td></tr><tr><td>Market Risk</td><td>Increase in raw material costs, change in customer preferences</td></tr><tr><td>Reputation Risk</td><td>Increased negative stakeholder feedback</td></tr></table> Physical Risk <table><tr><th>Category</th><th>Risk Items</th></tr><tr><td>Immediate Risk</td><td>Increase in extreme weather events</td></tr><tr><td>Long-term risk</td><td>Average temperature rise, sea level rise</td></tr></table> A detailed description of the Company's analysis of climate change risks and opportunities is expected to be disclosed in the Company's 2022 ESG Report (to be uploaded at the end of June 2023).	Category	Risk Items	Policy and Regulatory Risks	Increased costs of greenhouse gas emissions, increased sustainability-related demand and regulations, and increased costs of electric vehicle parking space construction	Technical Risk	Costs of Low Carbon Transition	Market Risk	Increase in raw material costs, change in customer preferences	Reputation Risk	Increased negative stakeholder feedback	Category	Risk Items	Immediate Risk	Increase in extreme weather events	Long-term risk	Average temperature rise, sea level rise	
Category	Risk Items																			
Policy and Regulatory Risks	Increased costs of greenhouse gas emissions, increased sustainability-related demand and regulations, and increased costs of electric vehicle parking space construction																			
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Reputation Risk	Increased negative stakeholder feedback																			
Category	Risk Items																			
Immediate Risk	Increase in extreme weather events																			
Long-term risk	Average temperature rise, sea level rise																			
(4) Does the company calculate the greenhouse gases (GHG) emission, water consumption and total weight of wastes for the past two years, and formulated the strategies for energy conservation, carbon reduction, GHG emission reduction, water saving and management of other wastes?	V		(4) The Company's greenhouse gas emissions, water consumption and total weight of waste for the past two years are as follows : 1. GHG emission <table><tr><th></th><th>2023</th><th>2024</th></tr><tr><td>Scope 1(mt)</td><td>8.7151</td><td>6.9295</td></tr><tr><td>Scope 2(mt)</td><td>1,743.0938</td><td>1,406.9737</td></tr></table>		2023	2024	Scope 1(mt)	8.7151	6.9295	Scope 2(mt)	1,743.0938	1,406.9737	None							
	2023	2024																		
Scope 1(mt)	8.7151	6.9295																		
Scope 2(mt)	1,743.0938	1,406.9737																		

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons								
	Yes	No	Summary (Note 2)									
			2. Water consumption <table><tr><td>2023</td><td>2024</td></tr><tr><td>2,875 m3</td><td>17,685 m3</td></tr></table> The Company added energy data statistics and greenhouse gas inventory for its construction sites due to the reporting boundaries changes since 2022. As a result, there has been a significant increase in greenhouse gas emissions and water consumption. The Company continues to review greenhouse gas emissions and water management based on data such as water consumption and sets short-, medium-, and long-term goals to reduce greenhouse gas emissions and water consumption gradually. 1.Total weight of construction waste <table><tr><td>2022</td><td>2023</td></tr><tr><td>19,358m3</td><td>15,749 m3</td></tr></table> The Company has hired a professional and legally compliant environmental protection company to manage the waste from all of the Company's construction projects. The Company also stations dedicated personnel to oversee and manage the environmental upkeep of each construction site throughout the construction process. The Company recycles resources, classifies waste, and reuses resources to extend the life cycle of products and minimize resource waste. The Company did not export waste to foreign countries in 2024, nor were there any litigations related to environmental concerns.	2023	2024	2,875 m3	17,685 m3	2022	2023	19,358m3	15,749 m3	
2023	2024											
2,875 m3	17,685 m3											
2022	2023											
19,358m3	15,749 m3											
IV. Social issues (1) Does the Company formulate appropriate management policies	V		(1) The Company adheres to international human rights conventions universal such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global	None								

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
and procedures according to relevant regulations and the International Bill of Human Rights? (2) Does the Company formulate and implement reasonable policies of staff welfare (including compensation, vacation and other welfares), and reflect the operating performance or achievement in the compensation of the employees properly?	V		Compact, and the UN International Labor Organization, and appoints the Corporate Governance Office as the responsible unit. The Company values and strictly adheres to important human rights issues. (2) Staff welfare: 1. Compensation. a. The Compensation is compose of basic salary, fringe benefits, bonus and so on. The basic salary is based on grade and duties, and is in line with the local minimum salary requirements, and emphasizes that the standard starting salary is equal pay for equal work, without any difference according to gender or age. The Company attaches great importance to female employees and has long been committed to promoting female supervisors and senior managers. Currently, 30% of managers are female. b. Pursuant to Article 28 of the Articles of Incorporation: "If the Company has profit for the year, no less than 0.5% shall be allocated as employee bonuses and no more than 2% as directors' remuneration. The Company conducts performance evaluations regularly (middle and end of the year) to measure the degree of performance achievement. The evaluation results are used as the basis for promotion or bonuses. Evaluation contents include practice of the Company's core values and business management abilities, financial and business performance indicators and general management indicators, and participation in continuing education and in sustainable operation. c. In 2023, the industry average salary for full-time employees not holding managerial positions was NT\$905,000, while the Company's average salary for the same category was NT\$1,135,000. As of 2024, the industry average salary for full-time non-managerial employees has not yet been announced; however, the Company's average salary for this group was NT\$1,137,000. The Company will continue to effectively motivate employees through performance evaluation mechanisms and ensure that the results of business operations are shared with employees. 2. Welfare measures.	None

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
(3) Does the Company create a safe and healthy working environment and provide safety and health education for employees regularly?	V		In addition to labor insurance, national health insurance, and group insurance, the Company also pay performance bonuses, year-end bonuses, and employee bonuses every year depending on the results of the operations, so that the interests of employees and the company are integrated, and the belief of co-prosperity and coexistence is created. Any new or revised measures regarding labor relations are fully agreed upon and communicated between employers and employees, so that no disputes arise. 3. Operating results may be reflected in employee compensation: Article 28 of the Company's Articles of Incorporation provides that no less than 0.5% of the annual profit shall be allocated to employee compensation and no more than 2% to director compensation. However, if the Company has accumulated losses, it shall reserve the amount of compensation in advance. The aforementioned employee compensation, the rate of distribution of directors' compensation and employee compensation may be made in cash or in shares and shall be made by a resolution of the Board of Directors, with two-thirds of the directors present and a majority of the directors present, and reported to the shareholders' meeting. (3) The Company provides a safe and healthy workplace for the employees: (A)Door access security: The company has a door access monitoring system and signs contract with the security company. (B)Fire safety: The building management committee checks the fire security from time to time. (C)Drinking water safety: The Company regularly replaces the drinking water filter. (D)Ambient air cleaning: The company regularly (once every six months) replaces the air cleaning machine filters and maintains the machine. (E)Safety in construction site: (a)When accessing the construction site, it is required to put on helmet, and follow the construction site safety regulations. The construction project follows the labor safety and health laws and regulations promulgated by the government. (b)The company attaches great importance to the occupational safety of employees. In accordance with the provisions of Paragraph 1 of Article 34 of the Occupational Safety and Health Act, the company has formulated the "Code of Practice for Safety and Health" and reported it to the competent authority for approval. All employees of the company must abide by the code, operate according to the sub-	None

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
(4) Does the Company provide employees with opportunities for career development and training?	V		items, management plans and standard operating procedures formulated by the code, and continue to conduct occupational safety and health training, including fire drills, daily occupational safety publicity, etc., so that employees can maintain a high level of crisis awareness. Through monthly meetings of the engineering management department, regular education and training, strict supervision, meeting review, site inspection and other measures before, during and after construction are implemented to reach occupational safety at construction sites in the construction industry. Strengthen the professional knowledge and education training of colleagues, hold professional training every year, and require site directors to obtain an "occupational safety card" and receive at least 6 hours of occupational safety and health related courses and professional license training. (c)The company's construction site arranges various occupational safety and health educational training, meetings and notices for all employees and contractor construction personnel. (F)Physiological health: The Company regularly conducts health checkups for employees. (G)Insurance: The Company purchases group insurance for employees. (H)There were no fires in 2024. Fire extinguishers and sprinkler systems are installed in offices to respond to fires. (4) The Company subsidizes training expenses in accordance with the “Employee Education and Training Policy” and actively promotes continuing education for employees. A comprehensive framework for career development and talent cultivation has been established. The training programs cover new employee onboarding, professional competency courses, and leadership development for supervisors. Based on job roles and functional requirements, the programs are tailored for employees at all levels to strengthen both professional and managerial capabilities. In addition, the Company implements key talent development initiatives, with a focus on identifying the potential of younger employees and supporting their career planning. These efforts aim to help employees establish long-term development goals and to realize sustainable talent development and organizational growth. In 2024, the Company recorded a total of 547 hours of external training, with total training expenses amounting to NT\$332,278.	None

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
(5) Does the Company follow regulations and international standards in the customer health, safety, customer privacy, marketing and labeling of its products and services, and set policies and appeal procedures for protection of consumer's rights and interests?	V		(5) The Company complies with relevant regulations regarding customer health and safety, customer privacy, marketing, and labeling of its products and services, and regularly reviews legal compliance. In the event of customer feedback related to quality or other concerns, the Company provides contact channels on its official website to offer prompt after-sales service. Additionally, a dedicated stakeholder section is established to allow landowners, customers, and suppliers to file complaints or submit suggestions. Upholding the principle of integrity, the Company handles such matters appropriately and provides feedback, ensuring the protection of customer rights and interests.	None
(6) Does the Company formulate the supplier management policies and require suppliers to follow relevant norms on environmental protection, occupational safety and health, or labor's human rights, and disclose the implementation?	V		(6) The Company, in accordance with the "Sustainable Development Best Practice Principles" and "Subcontracting Procurement Guidelines," and with reference to ESG (Environmental, Social, Governance, and Economic) perspectives, incorporates integrity management clauses into its supplier contracts. These provisions bind employees to refrain from directly or indirectly offering, promising, demanding, or accepting any improper benefits or engaging in unlawful or unethical conduct in the course of their duties. This clearly communicates Dahu Construction's commitment to ethical business practices and strictly requires suppliers to comply with the following provisions: Responsibility for Ethical Business Conduct Suppliers shall not offer promises, bribes, commissions, agency fees, gratuities, kickbacks, gifts, hospitality, or any other form of improper benefit to any personnel, related parties, or designated persons of Dahu Construction. Responsibility for Upholding Social Welfare Suppliers must adhere to internationally recognized labor rights, including freedom of association, the right to collective bargaining, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment and occupational discrimination. They must ensure that their human resource policies avoid discriminatory treatment based on gender, race, socioeconomic status, age, marital or family status, etc. Responsibility for Occupational Safety Management Suppliers must provide safety training, supply personal protective equipment, and carry out risk identification procedures. Responsibility for Environmental Protection Suppliers must not engage in acts such as illegal dumping of waste or any behavior that causes negative environmental impact. Other Responsibilities for a Sustainable Business Environment	None

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
			The Company evaluates suppliers at four stages: prior to engagement, upon project acceptance, during the warranty phase, and after the warranty period. Assessment criteria include material quality, construction quality, professional competence, and responsiveness in correcting deficiencies. A total of 94 suppliers were evaluated this year. For further details, please refer to the Company's ESG Sustainability Report.	
V. Does the Company, following internationally recognized guidelines, prepare and publish reports such as its corporate Sustainability report to disclose non-financial information of the Company? Does the Company obtain a third-party verification or assurance for such reports?	V		The Company prepares its sustainability report per the core options of the GRI standards issued by the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), and incorporates the industry disclosure topics for <i>Home Builders</i> as set forth by the Sustainability Accounting Standards Board (SASB). The Chinese version of the 2024 Sustainability Report was uploaded to the Market Observation Post System (MOPS) and the Company's website on August 29, 2024. A limited assurance engagement was conducted by Ernst & Young in accordance with No. 1 Assurance Standard issued by the Accounting Research and Development Foundation of the Republic of China: <i>"Assurance Engagements Other than Audits or Reviews of Historical Financial Information."</i> Please refer to the appendix of the Sustainability Report for the assurance statement.	None
VI. If the Company has its own code of conduct for sustainable development in accordance with the "Code of Conduct for Sustainable Development of Listed Companies", please describe the differences between its operation and the code. On April 15, 2021, the Company established the "Code of Conduct for Corporate Social Responsibility of Listed Companies" (the Code was renamed as "Code of Conduct for Sustainable Development" by resolution of the Board of Directors on May 12, 2022) and incorporated the principles and spirit of honest management into the relevant rules and regulations, which follows the Code of Conduct for Corporate Social Responsibility of Listed Companies.				
VII. Other important information for understanding the implementation of sustainable development: Social Welfare 1. The Company participated in the "Save Hope – Support Program for Children of New Immigrants" by donating to the Pearl S. Buck Foundation. Through Lunar New Year gatherings and red envelope scholarships, the initiative delivered love and support to economically disadvantaged children of new immigrants and their families, while also subsidizing vocational training programs for these children.				

Item	Implementation Status (Note 1)			Discrepancy with Corporate Governance Best Practice Principles for Listed Companies, and the reasons
	Yes	No	Summary (Note 2)	
2. The Company participated in the “ASUS Recycled Computer Program,” donating a total of 52 devices, including CRT monitors, LCD monitors, notebook computers, and desktop PCs, to promote environmental protection and contribute to social welfare. 3. In fulfilling its corporate social responsibility, the Company continuously engages in philanthropic efforts. During festive seasons, it prioritizes the use of products made by sheltered workshops as corporate gifts, thereby supporting the employment of people with disabilities and conveying care and warmth—demonstrating a positive corporate influence on society through concrete actions. Corporate Governance 1. Included as a constituent in the MSCI Global Small Cap Index. 2. In July 2023, our company was included in the Corporate Governance 100 Index, earning further recognition in corporate governance. 3. Awarded the Bronze Award in the 17th TCSA Taiwan Corporate Sustainability Awards for our Sustainability Report in 2024. 4. Received a Low-Risk Rating from Sustainalytics. 5. Awarded the 2024 Silver Prize for Happy Enterprise. Please see the Company’s sustainability report for more information.				

Note 1: If Yes is selected under Implementation Status, it shall explain the key policies, strategies, measures and implementation situation. If No is selected under Implementation Status, it shall explain the reason and the plan to implement related policies, strategies and measures to be taken in the future.

Note 2: If a CSR Report is compiled by the Company, inquiry and index page about the CSR Report should be specified under Summary.

Note 3: The materiality principle refers to those related to environmental, social and corporate governance issues that have significant influence on the Company's investors and other interested parties.

(VII) Implementation status of climate related information

Evaluation item	Implementation status
I. Explain how the Board of Directors and management oversee and manage climate-related risks and opportunities.	I. The Board of Directors is the highest oversight body for climate policies and risk management at the Company. They aim to adhere to laws and regulations while promoting and implementing risk management measures across the organization. A risk management team is set up under the Board of Directors. The team is comprised of the highest-level managers from each department and office and is led by the President. The team is responsible for identifying and managing economic,

Evaluation item	Implementation status			
	environmental, and social topics and their risks and opportunities and regularly reports to the Board of directors.			
II. State the impact of the identified climate risks and opportunities on the Company's business, strategy, and finances (short, medium, and long term).	II. The identification of the likelihood and impact level of climate-related risks and opportunities is as follows. For further details, please refer to Section VI: Transition Plans for Managing Climate-Related Risks , which outlines the content of such plans and the indicators and targets used to identify and manage physical and transition risks.			
	Risk Category	Risk Item	Likelihood of Occurrence	Impact Severity
	Transition Risks	Rising costs of greenhouse gas (GHG) emissions	Short to Medium Term	High
		Stricter regulatory oversight on energy efficiency	Short to Medium Term	Medium
		Shifting customer preferences	Medium Term	High
		Transition to low-carbon technologies and material substitution	Medium Term	Medium
		Failure to meet external ESG expectations	Short Term	Medium
	Physical Risks	Extreme weather events (typhoons, heavy rainfall, floods)	Short to Medium Term	High
		Rising average temperatures	Medium to Long Term	Medium
	Opportunities	Improving energy efficiency in construction and operations	Short to Medium Term	Medium
		Growing market demand for green and smart buildings	Short to Medium Term	High
		Adoption of digital and modular construction technologies	Medium Term	Medium
		Integration of green finance and ESG-related capital	Medium to Long Term	High

Evaluation item	Implementation status			
III. State the financial implications of extreme weather events and transformation actions.	III. (1) Extreme weather conditions in the areas where materials and products are produced can disrupt the supply chain, which can delay construction and increase safety risks. High temperatures, droughts, and heavy rainfall during construction might damage the existing construction products. Rising average temperatures may lead to higher electricity consumption. These events will lead to higher operating costs and directly affect the Company's finances. (2) In alignment with Taiwan's 2050 Net-Zero Emissions Pathway and the goal of achieving “Nearly Zero-Energy Buildings,” the Company initiated carbon inventory procedures in 2020 and will undergo assurance verification starting in 2025. In response to the transition to low-carbon technologies, the development of new products and technologies—or the substitution of existing products and services with low-carbon alternatives—will directly increase R&D and service costs. Additionally, factors such as the pass-through of carbon costs by material suppliers, the increased use of renewable energy, and the rising requirements for green building certification may further elevate associated costs and impact product competitiveness.			
IV. State how climate risk identification, evaluation and management processes are integrated into the overall risk management system.	IV. The Company's risk management team is responsible for analyzing climate-related risks and opportunities and identifying the possibility of climate-change risks occurring in the short, medium, and long term, their impact, time of occurrence, and financial impact. The team will also report to the Board of Directors regularly.			
V. For the scenario analysis used to assess the climate change risks and resilience, please describe the scenarios, parameters, assumptions, analysis factors and major financial impacts.	V. Based on the Fifth Assessment Report (AR5) published by the Intergovernmental Panel on Climate Change (IPCC), when Delpha Construction conducts risk assessment, it shall select, from the following items, the appropriate climate scenarios on impact analysis on the construction projects which are under development or already commenced operations:			
	Risk Type	Scenario instruments	Scenario selection	Evaluation content
	Flood risk	Climate change disaster risk and adaptation platform	IPCC SSP5-8.5	Identify the construction projects at level 5 on the flood disaster risk scale in the future (2036 to 2065).
	Risk of changes in temperature and rainfall	Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP)		If temperature rise could not be effectively controlled amid intense heat waves, evaluate the impact on the construction project caused by extreme climate, annual average temperature and rainfall.
	Note: IPCC fifth assessment report (AR5) covers four climate change scenarios: RCP 2.6, RCP 4.5, RCP 6.0 and RCP 8.5, which are labeled after a possible range of radiative forcing values in the year 2100 (2.6, 4.5, 6, and 8.5 watts respectively). RCP 2.6 is a global warming mitigation scenario which require active carbon reduction measures, whereas RCP 8.5 is the Business-as-usual (BAU) climate scenario which may lead to high degree of global warming.			

Evaluation item	Implementation status			
VI. Corresponding to the transition plan for climate-related risk management, please describe the plan, and indicators and targets related to the identification and management of physical risks and transition risks.	VI.			
	Transition Risks)			
	Category	Risk Item	Potential Financial Impact	Key Response Strategies and Key Opportunities and Impacts
	Regulatory Risk	Rising greenhouse gas (GHG) emission costs	Pressure from carbon fees leads to increased investment in emission reduction equipment and higher carbon inventory costs	•Completed Scope 1 and Scope 2 greenhouse gas inventory •Promoted low-carbon operations (paperless workflow, energy-saving materials) •Participated in government low-carbon demonstration projects to obtain incentive floor area ratios
		Strengthened regulatory oversight on energy efficiency	Use of compliant high-performance materials and equipment raises construction costs; non-compliance may incur penalties	•Adopted high-efficiency materials in compliance with the latest building regulations •Increased the proportion of new projects certified as Green and Smart Buildings
	Market Risk	Shifting customer preferences	Failure to adapt to market shifts may affect project sales and brand competitiveness; handover delays may result in cash flow issues	•Integrated sustainable building elements to enhance the brand image of "Sunlight, Air, Water" •Conducted market research and carbon awareness assessments in the early stage of projects
	Technology Risk	Transition to low-carbon technologies and material substitution	Initial costs of green materials and innovative construction methods are high; construction complexity increases	•Promoted BIM-based planning and replaced wooden formwork with aluminum formwork •Collaborated with green suppliers to develop recycled tiles and IH flameless stoves
	Reputational Risk	Failure to meet external ESG expectations	Risk of exclusion from green finance and ESG ETFs,	•Regularly disclosed sustainability performance and TCFD-related information •Enhanced the sustainability website and ESG

Evaluation item	Implementation status			
			leading to higher capital costs and lower valuations	interaction features on the official website
	Physical Risks			
	Category	Risk Item	Potential Financial Impact	Key Response Strategies and Major Opportunities/Impacts
	Acute Risk	Extreme weather events (typhoons, torrential rain, floods)	Construction delays, equipment damage, increased insurance and recovery costs	• Incorporate climate disaster risk map analysis during land acquisition • Conduct disaster preparedness drills and reinforce site infrastructure (e.g., drainage, levees) • Develop a climate disaster response plan and review insurance coverage for each project
	Chronic Risk	Rising average temperatures	Increased electricity usage, higher incidence of heat-related illnesses among workers, and reduced productivity	• Promote smart buildings and energy-efficient HVAC systems • Install shading, cooling facilities, and water supply systems at construction sites • Implement energy management systems (EMS) at headquarters and construction sites
	Climate-Related Opportunities			
	Category	Opportunity Item	Potential Financial Benefit	Key Response Strategies and Major Imp
	Energy Efficiency	Improved energy efficiency in buildings and operations	Reduced long-term electricity costs, enhanced asset valuation, and lower carbon footprint	• Adoption of LED lighting and variable-frequency devices • Implementation of energy management systems and automated monitoring • Assisting clients in energy saving to enhance customer satisfaction
	Market Opportunity	Growing market demand for green and	Increased added value and pricing of projects;	• All new projects apply for Green Building labels (at least certified level)

Evaluation item	Implementation status			
		smart buildings	eligibility for policy incentives (e.g., floor area bonuses or green labels)	•Increasing proportion of smart buildings year by year
	Technological Innovation	Adoption of digital and modular construction technologies	Reduced reliance on labor; improved construction quality and operational efficiency	•Promote BIM, aluminum formwork methods, and digital site inspections •Development of smart customer service apps and online inspection systems
	Financial Incentives	Access to green finance and ESG-aligned capital	Access to low-interest financing and increased attractiveness to ESG investors and funds	•Enhance TCFD and SASB disclosure level •Apply for sustainability ratings and external certifications •Establish a sustainability performance indicator tracking system
VII. Please state the basis for the internal pricing on carbon that is used for planning.	VII. The Company plans to establish an internal carbon pricing mechanism by 2025.			
VIII. If climate-related goals are set, please state the activities, scope of greenhouse gas emissions, planning schedule, annual progress and other relevant information. If carbon offsets or renewable energy credits (RECs) are used to achieve relevant goals, please state the source and quantity of carbon offsets or renewable energy credits (RECs).	VIII. (1) To align with disclosure standards, the Company has revised its targets to calculate carbon emission intensity based on revenue. The revised targets cover both office areas and construction sites. Target for 2025: Total carbon emission intensity below 0.2250 metric tons per NT\$1 million in revenue Target for 2030: Total carbon emission intensity below 0.2088 metric tons per NT\$1 million in revenue (2) Carbon Emission Targets and Performance in 2024			
	2024 Set Targets		2024 Performance	Explanation of Discrepancies and Actions
	(1) GHG Scope 1 emission intensity below 0.25 kg/m ²		0.0011 metric tons per NT\$1 million	1. To comply with disclosure standard intensity was calculated based on revenue, incomparable with previous targets.
	(2) GHG Scope 2 emission		0.2308 metric tons per	

Evaluation item		Implementation status		
		intensity below 40 kg/m²	NT\$1 million	2. The revised targets will continue to be tracked throughout the year.
		(3) Initiate carbon inventory process	The Company began pilot carbon inventory in 2020; full inventory completed in 2024	No discrepancy
X. Greenhouse gas inventory and assurance (fill in 1-1). The Company’s basic information	1. GHG inventory and assurance: The Company began disclosing GHG inventory information in sustainability reports in 2020. Pursuant to the sustainable development roadmap of TWSE/TPEX-listed companies, the parent company is required to complete assurance in 2027. Subsidiaries in the consolidated financial statements must complete assurance in 2028. 2. GHG emission reduction goals: Please refer to VII. 3. Strategies and specific action plans: Please refer to ESG report..			
【1-1-1 Information on GHG inventory】 Describe the emission volume (tons CO2e), intensity (tons CO2e/million NTD), and data coverage of greenhouse gases in the past two years.				
Year		2023	2024	
Total emissions (mt of CO2e)				
Direct GHG emission		8.7151	6.9295	
Total emissions (mt of CO2e)				
Office areas		45.0014	39.6785	
Construction site		1,698.0924	1,367.2952	
Total emission volume		1,743.0938	1,406.9737	
Intensity mt per NT\$1 million				

Evaluation item		Implementation status	
Scope 1	0.0045	0.0011	
Scope 2	0.8934	0.2308	
Scope 3	0.8979	0.2320	
Note 1: Since the scope of calculation is different from the ESG report, so the total emissions are different.			
Note 2: Direct emissions (Scope 1, i.e., directly from emission sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect GHG emissions from electricity, heat or steam), and other indirect emissions (Scope 3, i.e., emissions generated by company activities that are not indirect energy emissions, but are from emission sources owned or controlled by other companies).			
Note 3: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the timetable specified in Paragraph 2 of Article 10 of the Guidelines. Information on other indirect emissions may be disclosed voluntarily.			
Note 4: GHG inventory standard: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).			
Note 5: The intensity of GHG emissions may be calculated per unit product/service or revenue. However, at a minimum, data calculated using revenue (NT\$ million) must be disclosed.			

[1-1-2 GHG Assurance Information]

Describe the greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and achievement of reduction targets.

We appropriately adjusted our energy conservation and carbon reduction strategies and plans in response to the GHG inventory results in recent years, and hope to further achieve the short, medium and long-term goals set by the Company through the following specific actions. The Company encourages employees to save water, electricity, and paper in daily life, and also replaces energy efficient flat dome lamps and air conditioners in terms of hardware equipment. In terms of construction, we order the accurate number of materials, properly store materials, use recycled building materials, and construction automation measures, mitigating the environmental impact of GHG through the green actions above, and gradually achieving the Company's medium and long-term goals.

Please refer to the previous pages for the **reduction targets, strategies, specific action plans, and achievement of reduction targets.**

Note 1: It should be handled in accordance with the timetable specified in Article 10, Paragraph 2 of these Guidelines.

Note 2: The baseline year should be the year in which the inventory is completed based on the boundaries of the consolidated financial statements. For example, according to Article 10, Paragraph 2 of the Guidelines, companies with a capital of NT\$10 billion or more must complete the inventory for the 2024 consolidated financial statements in 2025. Therefore,

the baseline year is 2024. If the Company has completed the inventory for the consolidated financial statements in advance, then the earlier year may be used as the baseline year.

In addition, data for the baseline year may be for a single year or the average of multiple years.

Note 3: Please refer to the sample template for best practices on the TWSE Corporate Governance Center Website for the contents of disclosure.

VII. Implementation of business integrity, Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons:

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Summary	
I. Establishment of business integrity policies and programs				
(1) Does the Company have bylaws and external documents approved by the Board that uphold its policy and business integrity, and are the Board and top management team committed to implementing such policy?	V		(1) The Company has established the Integrity Management Principles, Reporting of Illegal and Unethical Behavior, and Integrity Management Operating Procedure and Guideline to guide the Company's Board members and management and align their behavior with the integrity management principles. The Company has incorporated integrity management terms into supplier contracts to ensure suppliers abide by the integrity management policy and keep employees from directly or indirectly offering, promising, demanding, or accepting improper benefits during business transactions or committing unethical acts such as illegal acts or breach of fiduciary duty. The Integrity Management Committee that was formed in May 2022 is responsible for reviewing and supervising the ethical corporate management policies and reporting the compliance status to the Board regularly.	None
(2) Does the company establish the evaluation mechanism for the risk of unethical conducts, so as to regularly analyze and evaluate the operating activities associated with high risk of unethical conduct, and establish appropriate preventive measures at least for the business activities prescribed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(2) The Company has established the "Ethical Corporate Management Best Practice Principles", "Rules for Handling Cases of Reporting Illegal, Unethical or Dishonest Conduct" and the "Reporting of Illegal and Unethical Behavior" to regularly analyze and evaluate business activities within the scope of business that have a higher risk of dishonest conduct, to formulate prevention plans and to regularly review the appropriateness and effectiveness of the prevention plans.	None
(3) Has the Company established relevant programs which are duly	V		(3) The Company has a "Ethical Corporate Management Best Practice Principles" and "Procedures for Handling	None

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Summary	
enforced to prevent unethical conduct and provide implementation procedures, guidelines, penalties and grievance channels? Does the Company implement and regularly review to revise them?			Reports of Illegal, Unethical or Dishonest Conduct" and is expected to adopt " Operating Procedures and Conduct Guidelines for Ethical Corporate Management " in May 2022, which prohibit bribery and accepting bribes, making illegal political contributions, improper charitable donations or sponsorships, offering or accepting improper benefits, infringement of intellectual property rights, products or services to the detriment of stakeholders, and other dishonest conduct by the Company, its directors, officers, employees, appointees and persons under the Company's substantive control. The Company will review and amend the relevant regulations on a regular basis.	
II. Ethical Management Practice				
(1) Does the company check whether the counterparty has any record of ethical misconduct and if the contract terms require compliance of ethical corporate management policy?	V		(1) For important contracts, the Company requires vendors to issue a Declaration of Conflict of Interest. The Company has also incorporated integrity management terms into supplier contracts to ensure suppliers abide by the integrity management policy and keep employees from directly or indirectly offering, promising, demanding, or accepting improper benefits during business transactions or committing unethical acts such as illegal acts or breach of fiduciary duty.	None
(2) Has the company set up a special (concurrent) unit under the direct supervision of the Board, to handle the implementation of the Company's ethical standards and report the ethical policies and unethical conduct prevention program to the Board periodically (at least annually)?	V		(2) The Company expects to establish an Integrity Management Committee in May 2022, which will be part of the Board of Directors and consist of three members. The Corporate Governance Office will serve as the meeting service unit and will be responsible for assisting the Committee in agenda planning, convening notices, conducting business, taking minutes and other related matters, and reporting to the Board of Directors at least once a year on the integrity management policy and the prevention of misconduct and monitoring the implementation thereof.	None
(3) Has the Company established policies to prevent conflict of interest, provide appropriate reporting channels, and implement policies properly?	V		(3) The Company has established the "Ethical Corporate Management Best Practice Principles", "Organizational Procedures of the Integrity Management Committee" and "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" to facilitate the effective operation and compliance of the members of the Integrity Management Committee. In addition, the Company has established various internal regulations, such as the "Regulations for Prevention of Insider Trading," "Regulations for Reward and Punishment of Employees," "Regulations for Complaint and Disciplinary Measures against Sexual Harassment in the Workplace," "Policies and Principles for the Implementation of Employee Opinion Boxes," "Regulations for Handling Reports of Illegal, Unethical or Dishonest Conduct," and "Operating Procedures for Handling	None

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Summary	
(4) To implement relevant policies on ethical conduct, does the Company establish effective accounting and internal control systems? Does the internal audit unit make related audit plans based on the evaluation results of the unethical conduct prevention program, so as to audit the compliance with unethical conduct prevention program by the internal auditors or the entrusted CPA?	V		Internal Material Information,” in order to appropriately handle various risks arising from honest management. (4)The Company established the "Ethical Corporate Management Best Practice Principles" on April 15th, 2021. The principles are effectively implemented along with the Company's existing accounting system and internal control system, and the internal auditors implement audits in accordance with the annual audit plan.	None
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		(5)The Company held on November 10, 2023, to give a lecture on Corporate Ethics Seminar - Legal Responsibilities for Employee Misconduct - Liabilities for Commercial Breach of Trust and Bribery, to the managers and employees of the parent company and subsidiaries.	None
III. Complaint Procedures (1) Has the Company established specific grievance and reward management procedures, as well as accessible grievance channels, and designated responsible individuals to handle complaints?	V		(1) Internal complaints The Company has established the Employee Opinion Box Implementation Policy and Principles. Employees who discover illegal or inappropriate behavior can report the incident in detail and file a complaint in their names. The President will handle reports personally. External whistleblower cases The Company has an external independent reporting mailbox (galaxylawyer27773500@gmail.com), which is announced on the company website for stakeholders to state their opinions. Galaxy Attorneys-at-law is the dedicated unit responsible for supervising the implementation of relevant matters and accepting complaints. Furthermore, to protect whistleblowers, it is responsible for accepting complaints and submitting a report on the whistleblowing cases, actions taken, and subsequent reviews and corrective	None

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Summary	
(2) Has the Company established standard operating procedures for investigating complaints and the subsequent measures taken after the investigation, and ensuring that such complaints are handled in a confidential manner?	V		measures to the Board of Directors, depending on the circumstances. (2) Article 22 of the Company Ethical Corporate Management Best Practice Principles established the reporting system and standard operating procedures and confidentiality mechanisms for case acceptance, investigation processes, investigation results, and related documentation.	None
(3) Does the Company adopt proper measures to protect a complainant from retaliation?	V		(3) The Company provides channels for reporting and whistleblowing complaints and is committed to protecting whistleblowers from inappropriate disciplinary actions, such as dismissal and salary reductions, due to their whistleblowing. The Company will also adopt emergency protection measures when it is likely that whistleblowers are in danger due to their whistleblowing. There were no reports of illegal acts in 2024.	None
IV. Strengthening Information Disclosure (1) Does the Company disclose its Ethical Corporate Management Principles as well as information about implementation of such principles on its website and the MOPS?	V		The Company has established the Ethical Corporate Management Best Practice Principles”, “Organizational Procedures of the Integrity Management Committee” and “Operating Procedures and Conduct Guidelines for Ethical Corporate Management”, and has also disclosed the effectiveness of its promotion on MOPS.	None
V. If the Company has established the Ethical Corporate Management Principles based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX List Companies, describe the difference between the principles and implementation: The Company expects to establish an integrity management committee in May 2022 and incorporate the principles and spirit of integrity management into the relevant regulations to comply with the code of conduct for listed and listed companies.				
VI. Other important information to facilitate better understanding of the Company’s implementation of business integrity (e.g., review and amendments to the Company’s Ethical Code of Conduct) 1. The Company complies with the Company Act, the Securities and Exchange Act, and related regulations for listed companies and other codes related to business conduct, which are taken as the foundation for implementing business integrity. 2. The Company regulates avoiding the conflict of interests for directors and stakeholders in the “Handbook for Board Meeting” and “Regulations Governing the Transactions with Related Parties”.				

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Summary	
3. The Company has established the “Operation Procedures for the Processing of Material Information”, and the “Operation Procedures for Prevention of Insider Trading” to prevent improper disclosure of information.				

(9) If the company develops a corporate governance code and relevant regulations, it should disclose its inquiry method:

Please refer to the Company's official website and Sustainability Report.

<https://www.delpha.com.tw/> > Corporate Governance > Implementation of Corporate Governance Practices

(10) Implementation of internal control system:

1. Statement of Internal Control System:

Please refer to MOPS <https://mops.twse.com.tw/mops/#/web/home>

Home > Individual Company > Corporate Governance > Internal Control Section > Internal Control Statement Announcements

2. If CPA was engaged to conduct a Special Audit of Internal Control System, Provide Its Audit Report: None.

(11) Resolutions made during the shareholders' meeting or board meeting in the most recent year and as of the Annual Report publication date:

1. Review of the implementation of resolutions made during the shareholders' meeting in the most recent year:

Resolutions of the shareholders' meeting	Implementation
1. Approved the Company's 2023 Business Reports and Financial Statements.	The shareholders' meeting adopted the resolution to announce material information in accordance with regulations on June 25, 2024.
2. Approved the Company's 2023 Surplus Earnings Distribution proposal.	A cash dividend of NT\$0.54 per share for Q4 2023 was distributed on May 23, 2024.

2. Important resolutions made during the shareholders' meeting and board meeting

Date	Resolutions
2024/1/25	1. The hiring and remuneration of the Company's certified public accountants. 2. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in Zone A of the Lejie Section. 3. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section.
2024/3/15	1. The Company's 2023 financial statements. 2. The services provided by Ernst & Young and its affiliated enterprises. 3. The 2023 performance bonuses for the Company's managers and Chief Auditor.
2024/3/29	1. The 2023 business report and financial statements. 2. The 2023 dividend distribution proposal. 3. The amounts allocated for director's remuneration and employee bonuses in 2023. 4. The distribution method of remuneration for directors, managers, the chief auditor, and employees in 2023. 5. The date of and reasons for convening the Company's annual shareholders' meeting in 2024. 6. Set the ex-dividend date for the distribution of the 2023 Q4 cash dividends. 7. Review of the effectiveness of the internal control system in 2023.

	8. The signing of an additional contract between the Company and its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing construction project located in the Sanzuowu Section. 9. Amendments to the Company's Rules of Procedure for Board of Directors Meetings. 10. Amendments to the Company's Audit Committee Charter.
2024/5/10	1. The Company's 2024 Q1 business report and consolidated financial statements. 2. Proposal for the 2024 Q1 earnings distribution. 3. Set the ex-dividend date for the distribution of the 2024 Q1 cash dividends. 4. Proposal to establish the "Pre-Approval Procedure for Non-Assurance Services Provided by the CPA." 5. Amendments to the Company's "Workplace Sexual Harassment Prevention, Grievance, and Disciplinary Measures."
2024/6/25	The Company entered into an additional construction contract with its subsidiary, Huajian Construction Co., Ltd., for a project located in Lejie Section Case B.
2024/7/19	Proposal for the Company to provide an endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., in applying for financing from International Bills Finance Corporation.
2024/8/13	1. The Company's 2024 Q2 business report and consolidated financial statements. 2. Proposal for the 2024 Q2 earnings distribution. 3. Set the ex-dividend date and related matters for the 2024 Q2 cash dividends. 4. Proposed sale of pre-sale houses from the 'One and Only' project to a related party. 5. Authorization for the Chairperson to decide on investment amounts in response to land development timeliness. 6. Proposal for the 2024 Mid-Autumn Festival bonuses for the Company's managers and Chief Auditor. 7. Amendment to the 'Approval Authority Table'.
2024/9/13	1. Proposed sale of pre-sale houses from the 'Delpha Brilliant' project to a related party. 2. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for a new housing project located at No. 692, Fuxi Section, Guanyin District, Taoyuan City. 3. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for new housing projects on three plots including No. 165, Lejie Section, Guishan District, Taoyuan City. 4. Approval of the 2023ESG Report. 5. Amendments to the 'Property Management Procedures for Real Estate, Plant, and Equipment'. 6. Amendments to the 'Internal Audit Implementation Rules'. 7. Appointment of the Company's managers. 8. Establishment and adjustment of job grades and compensation for managers and the Chief Auditor.
2024/10/29	1. Application for supplementary public issuance and listing of the Company's second and third private placement of common shares in 2021. 2. Resolution on the adjustment of managerial compensation.
2024/11/12	1. The Company's 2024 Q3 business report and consolidated financial statements. 2. Proposal for the 2024 Q3 earnings distribution. 3. Set the ex-dividend date and related matters for the 2024 Q3 cash dividends. 4. Signing of a construction contract between the Company and Huajian Construction Co., Ltd. for the new housing project (decoration phase) at Nos. 332 and other four parcels in Qing'an Section, Shanhua District, Tainan City. 5. Approval of the Company's 2025 Internal Audit Plan.
2024/12/19	1. Proposal for the Company to raise and issue the third domestic unsecured convertible corporate bonds. 2. Proposal for the Company to raise and issue the fourth domestic unsecured convertible corporate bonds. 3. The Company entered into an additional construction contract (decoration part) with its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing project located in Zone B of the Lejie Section. 4. The Company entered into an additional construction contract with its subsidiary, Huajian Construction Co., Ltd., for the new congregate housing project located in Zone A of the Xinbi Section. 5. Proposal to establish the Company's "Sustainable Information Management Guidelines."
2025/01/16	1. Proposal for the Company to provide an endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., in applying for financing from International Bills Finance Corporation.

	2. Proposal for the Company to continue to provide an endorsement and guarantee for its subsidiary, Huajian Construction Co., Ltd., in applying for financing from Mega Bills Finance Corporation. 3. Proposal for the sale of the Company's property under the "Metro Building" project to a related party. 4. Discussion of the 2024 performance bonuses for the Company's managers and Chief Auditor.
2025/01/23	Resolution on the 2024 employee remuneration for the Company's managers and Chief Auditor.
2025/03/26	1. Proposal for the Company's 2024 business report and financial statements. 2. Proposal for the distribution of earnings for Q4 2024. 3. Proposal for a cash distribution from capital surplus. 4. Proposal for the allocation of 2024 directors' and employees' remuneration. 5. Discussion of the three traditional festival bonuses for the Company's managers. 6. Proposal to amend the Company's Articles of Incorporation. 7. Proposal for convening the Company's 2025 Annual Shareholders' Meeting. 8. Set the ex-dividend date for the distribution of Q4 2024 cash dividends. 9. Application for supplementary public issuance and listing of the Company's first private placement of common shares in 2022. 10. The Company entered into a construction contract with its subsidiary, Huajian Construction Co., Ltd., for a new housing project located at No. 1115, Yisin Section, Fengyuan District, Taichung City.

(12) Whereas, in the most recent year and as of the Annual Report publication date, a director has expressed a dissenting opinion with respect to an important resolution passed by the Board, and the said opinion has been recorded or prepared as a written declaration, with main content disclosed thereof: N/A

4. Information on CPA Fees:

- (1) The company may opt to disclose CPA fees either by fee range or by individual amount disclosure, and given any one of the following conditions, shall disclose information as follows:

Unit: NT\$1,000

Name of accounting firm	Name of CPAs	Audit period	Audit fees	Non-audit fees	Total	Remark
Ernst & Young Global Limited,Taiwan	KyKy Lin	2024/01/01~ 2024/12/31	1,730	1,565	3,295	The non-audit service fees include: NT\$300 thousand for tax certification, NT\$450 thousand for transfer pricing report, NT\$325 thousand for convertible bond service, NT\$250 thousand for private placement public offering service, and NT\$240 thousand for audit report of price trust accounts.
	James Huang					

Note : If the Company changes its accountant or accounting firm during the year, please list the audit period and state the reasons for the change in the remarks column, and disclose the information of audit and non-audit fees paid in order. The non-audit fees should be accompanied by a description of the services provided.

- (2) The accounting firm is changed and the audit fee for that year is less than in the previous year, it should disclose the amount of the audit fees paid before and after the replacement, and the reason: N/A.
- (3) The audit fee is reduced by over 10% than that of the previous year, it should disclose the reduction amount, proportion and reason: N/A.

5. Information on replacement of CPA:

- (1) About the Former CPA:

Replacement Date	2023.04. 11 Approved by the Board of Directors		
Replacement reasons and explanations	To meet long-term strategic development of the company's policy		
Describe whether the Company terminated or the CPA did not accept the appointment	Client	CPA	Consignor
	Status		
	Appointment terminated automatically	--	--
	Appointment rejected (discontinued)	--	V
Other issues (except for unqualified issues) in the	None		

audit reports within the last two years			
Differences with the Company	Yes	--	Accounting principles or practices
		--	Disclosure of financial statement
		--	Audit scope or steps
		--	Others
	No	V	
	Remarks: N/A		
Other Disclosed Matters	None		

(2) About Successor CPAs:

Name of accounting firm	Ernst & Young Global Limited, Taiwan
Name of CPA	James Huang and KyKy Lin
Date of appointment	2023/04/11 Approved by the Board of Directors
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(3) The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:

The reply in Letter Xin-Yong-Zhong-He-Shen-Zi No. 1120412003 from Shine Wing CPAs (Taiwan) dated April 12, 2023 is as follows:

1. The accountants' contact with management is limited to matters related to financial statements. During the period of appointment, we have not found the moral character of the Company's management related to financial statements having a significant impact on the presentation of financial statements.
2. There were no major differences between the accountants and management of Delpha regarding accounting principles, audit procedures, and other important matters.
3. We did not find any non-compliance during the audit of the 2022 financial statements.

6. Employment of the Company's Chairman, President, Financial or Accounting Manager with the Accounting Firm or Its Affiliates in the Most Recent Year, It Should Disclose His Name, Title and Period when Employed by the Accounting Firm of the CPA Being or its Affiliated Companies: N/A.

7. Changes in Shareholding and Equity Pledge of Directors, Supervisors,

Managerial Officers and Shareholders Holding More Than 10% of the Company's Shares in the Latest Year and as of the Annual Report publication date:

Unit: share

Title (Note 1)	Name	2024		The current year until April 30	
		Shareholding increase/decrease	Pledged shares increase/decrease	Shareholding increase/decrease	Pledged shares increase/decrease
Chairperson	Hong Yi Investment Ltd. Representative: Cheng, Ssu-Tsung	1,000,000 -	7,832,000 (6,072,000)	-	4,200,000 (3,290,000)
Director	Lee, Chin-Yi	-	-	-	-
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	-	-	40,000 -	-
Director	Yan, Ming-Hung	-	-	-	-
Independent director	Chen Shih-Yang (Date of appointment: 2023/6/28)	-	-	-	-
Independent director	Yeh, Chien-Wei	-	-	-	-
Independent director	Yu, Hung-Da	-	-	-	-
General Manage	Huang, Jyh-Jen	50,000 -	-	-	-
Vice president	Lee, Jun-Xian	-	-	-	-
Vice president	Hou,Po-Yao (Date of appointment: 2023/6/28)	-	-	-	-
Chief Financial Officer	Chien, Lin Chin	- (50,000)	260,000 (170,000)	- (35,000)	-
Accounting Manager	Wu, Sing-Suei	-	- (40,000)	-	- (100,000)
Corporate Governance Officer	Wang, Chen-Kang	198,000 -	456,000 (320,000)	46,000 -	127,000 -

Shareholder with the shareholding more than 10%	Chia Chun Investment Co., Ltd.	-	100,801,700 (76,837,700)	-	59,417,700 (126,017,700)
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Note 1: The shareholders with the shareholding rate higher than 10% should be marked as major shareholders, which should be listed respectively.

Note 2: If the counterparty of equity transfer or equity pledge is a related party, it shall fill in the table as below.

8. Relationship Information: Any one among the Company's 10 Largest Shareholders is a related party or relative within the second degree of kinship of another shareholder:

Name (Note 1)	Shareholding		Spouse & minor current shareholding		Current shareholding by nominee arrangement		Name and relationship of the top 10 largest shareholders with parties, spouses, or relatives within the second degree of kinship (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Chia Chun Investment Co., Ltd.	267,222,599	31.81%	-	-	-	-	-	-	
Representative of Chia Chun Investment Co., Ltd.: Lin, Jia-Hong	-	-	-	-	-	-	Chia Chun Investment Co., Ltd.	The Chairperson of this Company	
Da Shuo Investment Co., Ltd.	49,783,046	5.93%	-	-	-	-	Da Jie Investment Co., Ltd.	The Chairperson of the Company is also the Chairperson of this Company.	
Representative of Da Shuo Investment Co., Ltd.: Lin, Jian-Yu	235,874	0.03%	-	-	-	-	Da Shuo Investment Co., Ltd.	The Chairperson of this Company	
							Da Jie Investment Co., Ltd.	The Chairperson of this Company	
Neng Hong Investment Holdings Co., Ltd.	41,578,000	4.95%	-	-	-	-	-	-	
Representative of Neng Hong Investment Holdings Co., Ltd. Wu, Yu-Te	-	-	-	-	-	-	Neng Hong Investment Holdings Co., LTD.	The Chairperson of this Company	
							De Hong Investment Co., Ltd.	The first degree of kinship of the Chairperson of the Company	
De Hong Investment Co., Ltd.	37,330,000	4.44%	-	-	-	-	-	-	
Representative of De Hong Investment Co., Ltd. Lee, Li-Chen	-	-	-	-	-	-	De Hong Investment Co., Ltd.	The Chairperson of this Company	
							Neng Hong Investment Holdings Co., LTD	The first degree of kinship of the Chairperson of the Company	
Chang Yun Investment Co., Ltd.	26,241,000	3.12%	-	-	-	-	-	-	
Representative of	4,134,137	0.49%	-	-	-	-	Chang Yun	The Chairperson of	

Chang Yun Investment Co., Ltd.: Wu, Yu-Ti							Investment Co., Ltd.	this Company	
Hiyes International Co., Ltd.	21,030,000	2.50%	-	-	-	-	-	-	
Representative of Hiyes International Co., Ltd. : Huang, Hsi-Wen	-	-	-	-	-	-	Hiyes International Co., Ltd.	The Chairperson of this Company	
Da Jie Investment Co., Ltd.	17,040,773	2.03%					Da Shuo Investment Co., Ltd.	The Chairperson of this Company	-
Representative of Da Jie Investment Co., Ltd.: Lin, Jian-Yu	235,874	0.03%					Da Shuo Investment Co., Ltd.	The Chairperson of this Company	
							Da Jie Investment Co., Ltd.	The Chairperson of this Company	
Hong Yi Investment Co., Ltd	16,000,000	1.90%	-	-	-	-	-	-	
Representative of Hong Yi Investment Co., Ltd Cheng, Ssu-Tsung	-	-	-	-	16,000,000	1.90%	Hong Yi Investment Co., Ltd	The Chairperson of this Company	
Wan Tai Fu Construction Co., Ltd.	15,724,388	1.87%	-	-	-	-	-	-	
Representative of Wan Tai Fu Construction Co., Ltd.: Pan, Kuo-Shun	-	-	-	-	-	-	Wan Tai Fu Construction Co., Ltd.	The Chairperson of this Company	
Peng, Shu-Ing	14,422,000	1.72%	-	-	-	-	-	-	

Note 1: The top 10 shareholders should be all listed. For the institutional shareholder, its name and the name of its representative should be listed respectively.

Note 2: As for the shareholding, it should be calculated based on the shareholding under the name of himself, his spouse & minor, or others.

Note 3: The relations between the shareholders listed above, including companies and individuals, should be disclosed based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

1. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its Directors and Supervisors, Managerial Officers, and Any Company Controlled Either Directly or Indirectly by the Company:

Reinvestment business	Investment of the Company	Investment of the director, supervisor, manager and	Comprehensive investment
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(Note)			directly or indirectly controlled business			
	Shares	%	Shares	%	Shares	%
Huachien Development Co., Ltd.	18,207,735	58.36%	--	--	18,207,735	58.36%
Huajian Construction Co., Ltd	38,231,038	100.00%	-	-	38,231,038	100.00%

Until March 31th, 2025/Unit: share; %

Note 1: It refers to the Company's investment based on equity method.

【Capital Overview】

1. Capital and Shares (Including Preferred Stock)

(1) Source of capital stock

1. Formation of capital stock:

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
1985.04	1000	30,000	30,000,000	30,000	30,000,000	Capital increase by cash	--	None
1985.06	1000	50,000	50,000,000	50,000	50,000,000	Capital increase by cash	--	None
1988.10	1000	100,000	100,000,000	100,000	100,000,000	Capital increase by capital reserve	--	None
1990.09	10	19,500,000	195,000,000	19,500,000	195,000,000	Capital increase by cash	--	None
1992.02	10	37,375,000	373,750,000	37,375,000	373,750,000	Capital increase by cash Capital increase by earnings and capital reserve	--	A capital increase of NT\$178,750,000, composed of 17,875,000 shares with NT\$10 per share, which was approved in the Document No. 00248 of (1992)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on February 28 th , 1992.
1992.11	10~12	54,233,750	542,337,500	54,233,750	542,337,500	Capital increase by cash Capital increase by earnings and capital reserve	--	A capital increase of NT\$168,587,500, composed of 16,858,750 shares with NT\$10 per share, which was approved in the Document No. 02898 of (1992)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on November 9 th , 1992.

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
1993.07	10	62,452,812	624,528,120	62,452,812	624,528,120	Capital increase by earnings and capital reserve	--	A capital increase of NT\$82,190,620, composed of 8,219,062 shares with NT\$10 per share, which was approved in the Document No. 30936 of (1992)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on July 22 nd , 1993.
1994.08	10	84,943,375	849,433,750	84,943,375	849,433,750	Capital increase by cash Capital increase by earnings	--	A capital increase of NT\$224,905,630, composed of 22,490,563 shares with NT\$10 per share, which was approved in the Document No. 32556 of (1994)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on August 4 th , 1994.
1995.10	10~20	150,000,000	1,500,000,000	115,365,791	1,153,657,910	Capital increase by cash Capital increase by earnings	--	A capital increase of NT\$304,224,160, composed of 30,422,416 shares with NT\$10 per share, which was approved in the Document No. 53734 of (1995)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on October 30 th , 1995.
1996.07	10	150,000,000	1,500,000,000	126,902,370	1,269,023,700	Capital increase by earnings	--	A capital increase of NT\$115,365,790, composed of 11,536,579 shares with NT\$10 per share, which was approved in the Document No. 40392 of (1996)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on July 2 nd ,

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
								1996.
1996.10	10~27	300,000,000	3,000,000,000	169,902,370	1,699,023,700	Capital increase by cash	--	A capital increase of NT\$ 430,000,000, composed of 43,000,000 shares with NT\$10 per share, which was approved in the Document No. 59106 of (1996)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on October 15 th , 1996. With the amount of total capital within NT\$800,000,000, it may issue the convertible corporate bond.
1997.06	10~30	330,000,000	3,300,000,000	240,484,796	2,404,847,960	Capital increase by cash Capital increase by earnings and capital reserve	--	A capital increase of NT\$705,824,260, composed of 70,582,426 shares with NT\$10 per share, which was approved in the Document No. 40789 of (1997)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on June 4, 1997. With the amount of total capital within NT\$900,000,000, it may issue the convertible corporate bond.
1997.08	10	330,000,000	3,300,000,000	245,245,012	2,452,450,120	Conversion from certificate of entitlement to new shares form convertible bond Common shares	--	It converted the certificate of entitlement to new shares form convertible bond (Huachien A) into common shares with NT\$10 per share, with a total of NT\$47,602,160. It was approved in the Document No. 62893 of (1997)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on August 9 th , 1997. With the

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
								amount of total capital within NT\$800,000,000, it may issue the convertible corporate bond.
1998.01	10	330,000,000	3,300,000,000	257,683,522	2,576,835,220	Conversion from certificate of entitlement to new shares form convertible bond Common shares	--	It converted the certificate of entitlement to new shares form convertible bond (Huachien B) into common shares with NT\$10 per share, with a total of NT\$124,385,100. It was approved in the Document No. 11151 of (1998)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on January 13 th , 1998.
1998.05	10	500,000,000	5,000,000,000	326,902,009	3,269,020,090	Capital increase by earnings and capital reserve Conversion from certificate of entitlement to new shares form convertible bond Common shares	--	A capital increase of NT\$692,184,870, composed of 69,218,487 shares with NT\$10 per share, which was approved in the Document No. 39123 of (1998)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on May 8 th , 1998. With the amount of total capital within NT\$1,000,000,000, it may issue the convertible corporate bond.
1998.08	10~36	500,000,000	5,000,000,000	356,902,009	3,569,020,090	Capital increase by cash	--	A capital increase of NT\$300,000,000, composed of 30,000,000 shares with NT\$10 per share, which was approved in the Document No. 65978 of (1998)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on August 7 th , 1998. With the amount of total capital

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
								within NT\$1,000,000,000, it may issue the convertible corporate bond.
1999.08	10	600,000,000	6,000,000,000	394,194,176	3,941,941,760	Capital increase by earnings	--	A capital increase of NT\$372,921,670, composed of 37,292,167 shares with NT\$10 per share, which was approved in the Document No. 5074 of (2000)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on June 1 st , 1999. With the amount of total capital within NT\$1,000,000,000, it may issue the convertible corporate bond.
2000.08	10	533,613,592	5,336,135,920	433,613,592	4,336,135,920	Capital increase by earnings and capital reserve	--	A capital increase of NT\$394,194,160, composed of 39,419,416 shares with NT\$10 per share, which was approved in the Document No. 52742 of (2000)Tai Cai Zheng (I) announced by the SFC under the Ministry of Finance on June 22 nd , 2000. With the amount of total capital within NT\$1,000,000,000, it may issue the convertible corporate bond.
2001.03	10	533,613,592	5,336,135,920	420,228,592	4,202,285,920	Buyback of treasury stock	--	A capital reduction of 13,385,000 shares, which was approved to be cancelled by the Ministry of Economic Affairs in the Document No. 09001121830 of Jing (2001) announced on April 9 th , 2001.
2004.09	10	533,613,592	5,336,135,920	268,434,130	2,684,341,300	Capital reduction to offset losses	--	A capital reduction of 151,794,462 shares, which was approved to be

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
								changed by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09301165340 of Jing Shou Shang on September 3 rd , 2004.
2004.10	2.99	533,613,592	5,336,135,920	309,571,130	3,095,711,300	Capital increase by cash of private placement	--	A capital increase of NT\$411,370,000 composed of 41,137,000 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09301191540 of Jing Shou Shang on October 21 st , 2004.
2007.09	8	533,613,592	5,336,135,920	328,321,130	3,283,211,300	Capital increase by cash of private placement	--	A capital increase of NT\$187,500,000 composed of 18,750,000 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09601222970 of Jing Shou Shang on September 11 th , 2007.
2009.08	10	533,613,592	5,336,135,920	253,891,529	2,538,915,290	Capital reduction	--	A capital reduction of NT\$744,296,010 composed of 74,429,601 shares with NT\$10 per share, which was approved to be changed by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09801177690 of Jing Shou Shang on August 6 th , 2009.
2010.08	10	533,613,592	5,336,135,920	258,969,360	2,589,693,600	Capital increase by earnings	--	A capital increase of NT\$50,778,310 by earnings, composed of 5,077,831 shares

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
								with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 09901187360 of Jing Shou Shang on August 17 th , 2010.
2011.09	10	533,613,592	5,336,135,920	265,443,594	2,654,435,940	Capital increase by earnings	--	A capital increase of NT\$64,742,340, composed of 6,474,234 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 10001200540 of Jing Shou Shang on September 20 th , 2011.
2012.08	10	533,613,592	5,336,135,920	270,752,466	2,707,524,660	Capital increase by earnings	--	A capital increase of NT\$53,088,720, composed of 5,308,872 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 10101173500 of Jing Shou Shang on August 21 st , 2012.
2021.01	10	533,613,592	5,336,135,920	520,752,466	5,207,524,660	Capital increase by cash	--	A capital increase of NT\$2,500,000,000, composed of 250,000,000 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 10901245570 of Jing Shou Shang on January 6 th , 2021

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
2021.09	10	1,200,000,000	12,000,000,000	603,752,466	6,037,524,660	Capital increase by cash of private placement	--	A capital increase of NT\$830,000,000, composed of 83,000,000 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 11001183190 of Jing Shou Shang on September 29 th , 2021
2021.10	10	1,200,000,000	12,000,000,000	720,752,466	7,207,524,660	Capital increase by cash of private placement	--	A capital increase of NT\$1,170,000,000, composed of 117,000,000 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 11001183190 of Jing Shou Shang on October 14 th , 2021
2022.03	10	1,200,000,000	12,000,000,000	774,323,466	7,743,234,660	Capital increase by cash of private placement	--	A capital increase of NT\$535,710,000, composed of 53,571,000 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 11101040400 of Jing Shou Shang on March 18 th , 2022
2022.05	10	1,200,000,000	12,000,000,000	839,988,000	8,399,880,000	Capital increase by cash of private placement	-	A capital increase of NT\$656,645,340, composed of 65,664,534 shares with NT\$10 per share, which was approved by the Department of Commerce, Ministry of Economic Affairs in the Document No. 11101085890 of Jing Shou Shang on May

Year/ Month	Par value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital increase d by assets other than cash	Others
								27 th , 2022

Note: The date of incorporation is December 1960, with the amount of paid-in capital of NT\$900,000. During the period from 1960~1985, it increased capital by cash of NT29,100,000 in total.

2. Capital of the Company

Definition of Stock	Authorized capital stock			Remarks
	Outstanding shocks (issued)	Non-issued shocks	Total	
Registered common stock	839,988,000 shares	360,012,000 shares	1,200,000,000 shares	As of the Annual Report publication date, it has issued a total of 839,988,000 shares.

3. General information about the reporting system: N/A.

(2) Major shareholders

April 28, 2025

Name of major shareholders	Shareholding	Shareholding ratio (%)
Chia Chun Investment Co., Ltd.	267,222,599	31.81%
Da Shuo Investment Co., Ltd.	49,783,046	5.93%
Neng Hong Investment Holdings Co., Ltd.	41,578,000	4.95%
De Hong Investment Co., Ltd.	37,330,000	4.44%
Chang Yun Investment Co., Ltd.	26,241,000	3.12%
Hiyes International Co., LTD.	21,030,000	2.50%
Da Jie Investment Co., Ltd.	17,040,773	2.03%
Hong Yi Investment Ltd	16,000,000	1.90%
Wan Dai Fu Construction Co., Ltd.	15,724,388	1.87%
Peng, Shu-Ing	14,422,000	1.72%

(3) Company's dividend policy and implementation

1. The Company's dividend policy

Company's dividend policy considers factors such as the characteristics of the construction industry and the need for Company funds, the current and future development plans, the investment environment, and domestic competition, and takes into account shareholders' interests. Per the dividend policy in our Articles of Incorporation, we may allocate 0% - 100% of the distributable earnings as dividends to shareholders. However, if the distributable earnings fall below 5% of our paid-in capital, we will not distribute dividends to improve our financial structure. Dividends may be paid in either cash or stock shares; the cash dividend shall be at least 10% of the shareholders' dividends.

Amendment to Article 29 of the Articles of Incorporation to adjust the minimum allocation ratio for shareholders' dividends, as approved at the 2025 Annual General Shareholders' Meeting.

2. The implementation status of distributing the 2024 dividends is as follows:

Quarter	Board resolution date	Distribution per share (NT\$)	Amount of distribution (NT\$)	Distribution date
Q1	2024/05/10	0.20	\$ 167,997,600	2024/07/29
Q2	2024/08/13	0.56	\$ 470,393,280	2024/09/27
Q3	2024/11/12	0.57584926	\$ 483,706,470	2024/12/26

Q4	2025/03/26	0.41923168	\$ 352,149,582	2025/05/23
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A report on the 2024 distribution of cash dividends will be made at the 2025 shareholder's meeting.

(4) Effect on the operational performance, EPS, the shareholder's ROI of the stock dividend distribution this time: N/A

(5) Compensation paid to employees and directors:

1. Percentage of compensation paid to employees and directors stated in Article 28 of the Articles of Incorporation:
If there is a surplus of the Company in the current year, it should set aside no less than 0.5% as the compensation for the employees, and no more than 2% as the compensation for the directors. However, if there is still an accumulated loss, the Company should retain the amount to offset the loss in advance before setting aside the amount stated above.
2. The base used to estimate the amount of compensation for employees and directors in the current period, the base used to calculate shares distributed in the form of stock dividend, and the account processing in case of any discrepancy between the actual amount distributed and the amount estimated:
 - (1) The base used to estimate the amount of compensation for employees and directors in the current period:
It is recommended by the Remuneration Committee on March 26, 2025, and resolved at the board meeting to allocate 1% of the year's profit as employees' remuneration and 0.1% as Directors' compensation. Any difference between the resolved amounts and the actual distributed amounts is accounted for as changes in accounting estimates and recorded under the gain/loss adjustment of the year.
 - (2) Basis for estimating the amount of compensation of employees and Directors, basis for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:
It doesn't distribute the compensation for employees by stock. If it will distribute the remuneration for employees by stock in the future upon the resolution, base used to calculate shares should be the closing price on the date before the resolution during the board meeting.
- 3 · Compensation distribution approved by the board meeting:
 - (1) The amount of remuneration distributed to employees and directors in the form of cash or stock dividend (In case of any discrepancy from the amount estimated and listed as expense, the difference in figures, reason and response should be disclosed):

Item	Resolved amount	Actual distributed amount	Difference	Reasons and actions
Director compensation	1,998,500	1,998,500	-	-
Employee compensation	20,484,216	20,484,216	-	-

- (2) The amount of stock dividend distributed as compensation for employees, and the ratio of the total net profit after-tax and individual employee compensation or separate financial statement for the current period:

It doesn't distribute stock dividend for employees this year.

4. The actual distribution of compensation for employees and directors in the previous year (including the shares and amount distributed or the stock price), and any discrepancy from the amount listed as compensation for employees and directors; the difference in figures, reason and response should be stated.

The Company had a net loss before tax in 2023 and therefore did not distribute compensation to employees or Directors.

Item	Resolved amount	Actual distributed amount	Difference	Reasons and actions
Director compensation	2,800,000	1,998,500	(801,500)	Recorded under the year's gain/loss adjustment
Employee compensation	3,332,956	3,332,956	-	-

- (6) Share buyback of the Company in the most recent year and as of the Annual Report Publication Date: None.**

2. Corporate Bonds, Preferred Shares, Global Depositary Receipt (GDR), Employee Stock Warrants, New Restricted Employee Shares, Status of New Shares Issuance in Connection with Mergers, Acquisitions and Split”

(1) Corporate Bonds:

1. In order to replenish operating capital, the Company processed the third and fourth domestic unsecured convertible corporate bonds in 2024, with estimated proceeds of NT\$1.5 billion. The cases have been declared effective by the Financial Supervisory Commission in the letters No. 1130368400 and No. 11303684001 dated January 15, 2025.
2. Progress of funds utilization of the convertible bonds as of March 31, 2025: Fund raising has not yet been completed.

Status of Corporate Bond Issuance

Type of corporate bonds (Note 2)	Third Domestic Unsecured Convertible Corporate Bonds	Fourth Domestic Unsecured Convertible Corporate Bonds
Issue (Processing) Date	Not yet issued as of the date of the annual report	
Denomination	NT\$100,000	NT\$100,000
Issuance and Trading Location (Note 3)	Taiwan OTC Exchange	Taiwan OTC Exchange
Issue Price	Not yet issued as of the date of the annual report	
Total Amount	NT\$500,000,000	NT\$1,000,000,000
Interest Rate	Interest Rate 0%	Interest Rate 0%
Term	3years Not yet issued as of the date of the annual report	3years Not yet issued as of the date of the annual report
Guarantor	Not applicable	Not applicable
Trustee	Taiwan Cooperative Bank	
Underwriter	KGI Securities Co., Ltd.	
Legal Counsel	Han-Chen Law Firm, Attorney Yi-Cheng Peng	
CPA	Ernst & Young, CPAs: Su-Wen Lin, Chien-Tse Huang	

Repayment Method		Unless the bondholder converts the bonds into the Company's common shares in accordance with Article 10 of the regulations, exercises the put option under Article 19, the Company redeems the bonds early pursuant to Article 18, or the bonds are repurchased and cancelled through securities firms, the Company shall repay the convertible bonds in full in cash at face value upon maturity. Payment shall be made within 10 business days (inclusive) after the maturity date.	
Outstanding Principal		Not yet issued as of the date of the annual report	
Redemption or Early Repayment Terms		Refer to Third Domestic Unsecured Convertible Corporate Bonds	Refer to Forth Domestic Unsecured Convertible Corporate Bonds
Restriction Terms (Note 4)		Refer to Third Domestic Unsecured Convertible Corporate Bonds	Refer to Forth Domestic Unsecured Convertible Corporate Bonds
Credit Rating Agency, Rating Date, Bond Rating Result		Not applicable	
Additional Rights	Amount converted into common shares, GDRs or other securities as of the annual report date	Not yet issued as of the date of the annual report	
	Issuance and Conversion (or Subscription) Terms	Refer to Third Domestic Unsecured Convertible Corporate Bonds	Refer to Forth Domestic Unsecured Convertible Corporate Bonds
Terms of Issuance and Conversion/Subscription, Potential Dilution of Equity,		Not yet issued as of the date of the annual report	

and Impact on Shareholders' Rights	
Custodian of Exchange Underlying Securities	Not applicable

(2) Preferred Shares: None.

(3) Global Depositary Receipt (GDR): None.

(4) Employee Stock Warrants: None.

(5) New Restricted Employee Shares: None.

(6) Status of New Shares Issuance in Connection with Mergers, Acquisitions and Split: None.

3. Status of Implementation of Capital Allocation Plans

Please refer to the Market Observation Post System (MOPS) website at the following link:

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

Home > Company > Equity Changes / Securities Issuance > Capital Raising Plan Execution Section

【Operational Highlights】

1. Businesses

(1) Business Scope

1. The Company's main businesses

- (1) Commissioning construction enterprises to build commercial buildings for rental and sale.
- (2) Commissioning construction enterprises to build public housing for rental and sale.
- (3) Brokerage services for house rentals and sales.
- (4) Agency and trading of various building materials for import and export.
- (5) Amusement parks operations.
- (6) Development of specialized zones.
- (7) Interior decoration services.
- (8) Development, rental, and sale of industrial facilities.
- (9) Agency services for land acquisition and urban redevelopment.

2. Main businesses and their operational proportion:

- (1) Commissioning construction enterprises to build public housing for rental and sale; in 2024, this business accounted for 100%.
- (2) Brokerage services for house rentals and sales; this business accounted for 0%.
- (3) Agency and trading of various building materials for import and export; this business accounted for 0%.

3. Current products and services and new products and services in the development plan:

(1) Current products and services:

The Company's products are mainly residential buildings and office buildings. Projects currently for sale include a total of seven projects, namely, "Metro Building," "One and Only," "Gorgeous Mansion," "Future Lifestyle", "Youthful Mansion" in Taoyuan City, "Centre for the Future" in Taichung City, and "Humble House" in Tainan City.

(2) New products and services that will be developed

In 2025, we plan the launch "Lejie Section Zone C" and "Longyi Section Zone A", and will begin sales depending on the economy and market conditions. In the future, we will continue to develop general residences, exquisite leisure residences and office buildings with good access to transportation in accordance with the development needs of urban areas.

(2) Industrial overview

1. Current situation and development of the industry

According to statistics of the Ministry of the Interior, the number of buildings transferred in building sales across the country in 2024 was approximately 351,000, an increase of approximately 44,000 buildings from 2023, with an annual growth rate of 14.2%, which was a significant rebound to the highest point in the past three years, reflecting that the market still had rigid support in a high interest rate environment. Among them, the transaction volume of pre-sale houses amounted to approximately 111,000 units, an annual increase of approximately 5%, maintaining a high level. The top three transaction hotspots were Taoyuan City (28,900 units), Taichung City (30,500 units) and New Taipei City (23,000 units). Central Taiwan and Northern Taiwan were still the focus of purchases.

However, in the second half of 2024, due to the finalization of the House Hoarding Tax 2.0 and the impact of the central bank's seventh credit control policies, there was a clear divergence between the number of building permits and the number of commencements of construction: In 2024, 156,000 residential building permits were issued, representing a year-on-year increase of 7.3%, while just 127,000 new homes commenced construction, representing a year-on-year decrease of 2.3%. The actual commencement of construction was relatively conservative.

In addition, projects launched between 2022 and 2023 are being delivered one after another, and the number of use permits issued for residential buildings has increased by 17% year-on-year (to 138,000 households), resulting in an increase in the pressure on the overall supply of the market. The housing delivery is particularly evident in the redevelopment zones of Taipei City, New Taipei City and Central Taiwan. It is required to pay attention to the de-stocking pressure of existing unsold houses.

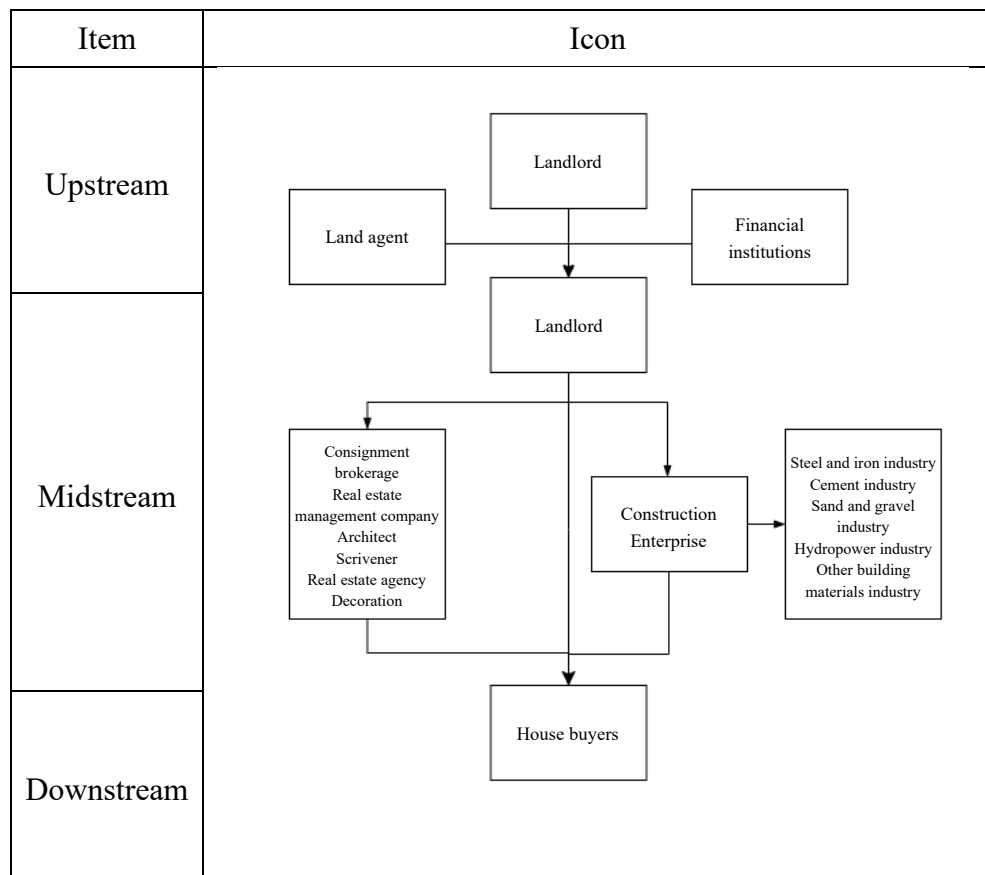
Looking ahead to 2025, against the backdrop of continued policy interruptions, high market interest rates, and slowdown of global economic growth, the housing market is expected to further shift to a structural adjustment phase of "price stability and volume contraction" and "regional consolidation." The short-term trend of investment purchases exiting the market will become increasingly obvious, while the demand of self-occupancy and first-time purchase will still be the main support of the market. In addition, the unfavorable policy effects have been partially reflected in transaction volume and delayed construction. If there is no major favorable effect or a significant turnaround of interest rates, the market in 2025 is expected to continue the pattern of high supply, low transaction volume, relatively resistant prices but difficult transactions.

2.The relationship between upstream, midstream and downstream in the industry

The construction industry is composed of many related industries with different levels of expertise. The upstream, midstream, and downstream connections of the services provided by the construction industry are divided into four aspects: investment, production, transaction, and use.

(1)The upstream investment stage encompasses land and capital supply.

Land can be acquired through purchase, joint construction, or the auction of non-public state-owned land. Additionally, old urban areas



can be redeveloped through urban renewal procedures.

(2)The midstream production stage includes product positioning, architectural planning, construction, and engineering management. Industries that supply raw materials required for construction include: the steel industry, cement, and other building materials are also included in this stage.

(3)The economic activities in the midstream transaction stage are mainly planning, advertising and sales. Traditionally, sales agencies or real estate developers themselves handle these activities. Recently, real estate agencies, leveraging their storefront advantages, have also

entered the market, diversifying sales options. Furthermore, support from notary offices, construction management companies, and financial institutions positions construction companies as coordinators and integrators within the system, maintaining a complementary and interdependent relationship with various industries.

- (4) The downstream usage stage involves warranty and management activities post-sale of building products to consumers. The warranty is typically handled by real estate developers, while property management companies or related consulting firms provide management services.

3. Product development trend

- (1) Continuous expansion of transportation construction has driven the growth of the value of redevelopment zones:

The gradual completion of major transportation projects such as the MRT, elevated railways, and extensions of high-speed railways has boosted the residential appeal of redevelopment zones surrounding the metropolitan areas. For example, Taoyuan A7, Shuinan in Taichung, Tainan Science Park, Chiayi High Speed Rail Zone, etc. have become the main areas for house purchases due to convenient transportation and living circle integration. Transportation construction not only supports land prices, but also becomes the driving force for product value and de-stocking, thereby becoming the core for new project launches.

- (2) Continuous "lightweight" design of product area and layout:

In the face of the era of high total prices and the impact of the central bank's loan restriction policy, project design has gradually shifted to the product line of "low total prices, small areas, high functionality". The market is dominated by houses designed with 20-35 pings and 2-3 rooms, especially in the city center of Taipei City and New Taipei City, where 15-25 pings, 1-bedroom or 1+1-bedroom products are selling well. In the redevelopment zones, the market is dominated by 30-40 pings, 3-bedroom products. According to statistics of the Ministry of the Interior, the average number of people per household was 3.44 in 1998. As of the end of 2024, the average number of people per household had dropped to 2.51, with small families or single home buyers becoming the mainstream group.

- (3) Brand developers and highly reliable projects are favored by the market: In an environment of shrinking market transaction volumes and more cautious consumers, the brand-name, reputation, delivery quality, and after-sales services have become important sources of product

competitiveness. Developer brands with "on-time completion", "transparent construction" and "good property management" have more advantages in sales and pricing.

- (4) In-depth development of technology and health-oriented residential buildings:

The importance of home space continues to increase after the pandemic, and product design is moving towards "smart buildings" and "healthy green buildings." Air quality management, UV sterilization system, community AI management, smart intercom and remote monitoring have become standard features of new projects. The demand for home offices has driven a design trend of multi-functional space and flexible layout planning.

- (5) Low-carbon and ESG-oriented construction materials:

In the face of global carbon neutrality pressure and Taiwan's 2050 net zero path, the construction industry is actively introducing low-carbon building materials, smart construction, and energy-saving equipment in response to the upcoming implementation of the "carbon inventory" and "carbon fee system". High-performance facades, recycled building materials, prefabricated construction, etc. will further enhance cost control, improve the image of environmental protection, and attract ESG-oriented buyers or institutional investors.

- (6) Community functions and public facilities have become key to added value:

Consumers' attention to overall community planning, management systems and public space facilities continues to increase. Public facilities that are highly practical with a sense of life, such as gyms, shared office areas, lounges, and sky gardens, can effectively enhance the value of products. At the same time, small communities with good management and simple resident composition are favored by young home buyers.

4. Competition situation

Product design in the real estate market must consider the differences between regional cases, quickly and timely adjust product types in response to market demand, and segment the market based on regional customer characteristics to expand the company's business scale with diverse products. In recent years, the Company has mainly launched projects in the Greater Taipei area, Taoyuan, and Taichung. A strong management team, sound financial planning, professional R&D and design, and solid construction

projects are the Company's greatest competitive niches. The Company will pass on the brand it has forged over the past sixty years, continue Delpha's business philosophy of "mutual prosperity," and create competitive advantages.

(3) Technical and R&D overview

1. Architectural planning and design

Carefully assessing the location of the product, the surrounding environment, and consumer needs, we provide products with excellent lighting and ventilation, comfortable space dimensions, practical layout designs, and thoughtful storage solutions. For example, in our current project plans, we have included considerations for electric vehicles and bus systems. Several ongoing projects have been redesigned to expand the Taipower reception room space, reserving space for future electric vehicle charging systems.

2. Construction Engineering and Management

We introduce the most suitable construction techniques and engineering management practices, strictly controlling quality, cost, and schedule. In the future, we will gradually implement BIM systems and new construction methods to reduce labor demands and material waste.

3. Company computerization

(1) Enterprise resource planning (ERP) system

Includes the project budget system, AWM project procurement and contracting system, AHM sales and receivables system, and ACM financial accounting system, making data flow between processes transparent, improving data integrity and financial control measures to reduce risks.

(2) Business process management (BPM) system

In response to the expansion of the Company's projects to new territory, the Company is actively implementing an electronic approval process system to save the trouble of sending documents and achieve the goal of a paperless enterprise and digitalization of work processes.

(3) Enterprise information portal (EIP)

Integrates personal management system, department resource management, and cross-department information exchange to effectively control work progress. It breaks away from the traditional office and integrates work management, calendar, latest announcements, meeting management, and customer information to establish efficient

information transmission channels.

4. Market research and development:

To gain an accurate understanding of the real estate market, we actively collect data on land and housing markets, conduct research and analysis, correctly position our products in the planning stage, and accurately formulate marketing strategies in the sales stage to achieve the goals of high sales rate and high rate of return.

5. Awards

Our projects are not only popular among customers and achieved good sales results in a short period of time, but also have been recognized by major evaluation institutions. The following is an overview of the awards we have won:

- (1) "Kanalín" won the "Beautiful House Award" in 1984.
- (2) ["The Dynasty of Athens"](#) won the first "Architecture Gold Quality Award" in 1993.
- (3) "Delpha Villa" won the Villa Division of the Planning and Design Category in the 13th "Architecture Gold Quality Award" in 1996.
- (4) "Gongyuanlu" won the High-rise Residential Building Division of the Planning and Design Category in the 14th "Architecture Gold Quality Award" in 1997.
- (5) ["Xinji Building"](#) won the First Prize nationwide in the Construction Quality Category and Ultra High-rise Commercial Building Division in the Planning and Design Category of the 2nd National Golden Award for Architecture in 1997.
- (6) ["Reading Europe"](#) won the first "Formosa 21" for outstanding architecture in 2000.
- (7) ["Reading Europe"](#) won the Top Ten Luxury Houses Nationwide in the first "Formosa Architecture Golden Lion Award" in 2000.
- (8) ["Shiji Luofu"](#) won the first prize nationwide for pre-sale houses in the "Chinese Architectural Golden Stone Award" in 2000.
- (9) ["Shiji Luofu"](#) won the overall championship of the 12th "National Excellent Stone Great Wall Award" in 2004.
- (10) "Reading Green Life" was selected in the congregate housing architecture category of the 6th "Taiwan Residential Architecture Award (TRAA)" in 2018.
- (11) ["Metro Building"](#) won the Outstanding Architectural Planning and Design Category of the 29th "China Architectural Golden Stone Award" in 2021.

- (12) "Delpha Jing" won the Outstanding Architectural Planning and Design Category of the 29th "China Architectural Golden Stone Award" in 2021. It won the Outstanding Construction Quality Category of the 32nd "China Architectural Golden Stone Award" in 2024.
- (13) ["Centre for the Future"](#) won the Outstanding Architectural Planning and Design Category of the 30th "China Architectural Golden Stone Award" in 2022.
- (14) "One and Only" won the Outstanding Architectural Planning and Design Category of the 30th "China Architectural Golden Stone Award" in 2022.
- (15) ["The Emerald Building"](#) won the Outstanding Architectural Planning and Design Category of the 31st "China Architectural Golden Stone Award" in 2023.
- (16) "Qing'an Section" won the Outstanding Architectural Planning and Design Category of the 31st "China Architectural Golden Stone Award" in 2023.
- (17) "Fuhsi Section" won the first prize of the Outstanding Architectural Planning and Design Category of the 32nd "China Architectural Golden Stone Award" in 2024.
- (18) "Youthful Mansion (Sanzuowu Section)" won the Outstanding Architectural Planning and Design Category of the 32nd "China Architectural Golden Stone Award" in 2024.
- (19) "Rising City" won the Outstanding Construction Quality Category of the 32nd "China Architectural Golden Stone Award" in 2024.

(4) Short/long-term business development plans

1. Long-term business development plans

(1) Brand

We will implement the Company's core values and business philosophy, continue to implement the brand concept, establish a brand marketing model, quality control, knowledge management, and digital transformation, and maintain and extend the brand value with sustainable services.

(2) Land development

We incorporated sustainability concepts into real estate development, and are fully aware that land use has a huge impact on society as a whole. Before acquiring land, we carry out rigorous and prudent evaluation and

investigation to ensure that land development complies with relevant laws and regulations. At the same time, we aim to maximize benefits of business operations, customers, and shareholders.

(3) Product planning

We will continue to deepen product planning and design capabilities, set out from consumer needs, focus on practicality, and consider all-age homes and universal design, while complying with regulations on green buildings, environmental protection, energy conservation, and carbon reduction. We will feature digital technology, seismic resistance, environmental protection, safety, energy conservation, and carbon reduction to become aligned with future product trends.

(4) Marketing planning

Combining digital integration and big data analysis, we established and improved the customer database application management system to keep our finger on the pulse of marketing, integrate synergies of group resources, enrich planning contents, and formulate new sales strategies.

(5) Customer services

We will expand the scope of customer services to meet the diverse needs of customers and strengthen the Company's brand value and credibility.

2.Short-term business development plans

(1) Company brand

We will continue to stabilize the Company's financial structure, strengthen our business, actively differentiate our products in the market, and create brand niches to gain customer recognition and avoid price competition among homogeneous products.

(2) Land development

Considering the company's current scale of capital, human resources, return on investment of projects, and capital turnover efficiency, short-term business development is still mainly focused on investment, construction, and sales of medium and large-scale projects in prime areas in Northern, Central, and Southern Taiwan. However, the Company will continue to control and acquire a basic reserve of projects, and also use a variety of land development methods, such as: land sale by tender, joint construction, and urban renewal.

(3) Product planning

Using exquisite and practical planning and design concepts, combined with digital technology, environmental protection and energy-saving technology, we increase the thoughtfulness and added value of products

to meet the needs of target customers, create product differentiation, and enhance product competitiveness.

(4) Marketing planning

We combine professional resources of architects, designers, consignment brokerages, and related fields, and integrate synergies of the Group to enrich planning contents, innovate marketing strategies, and make a breakthrough in market competition.

(5) Customer services

We set up an online repair reporting section on our official website, so that customers can submit repair requests at any time. We fulfill our responsibility for repairs during the warranty period, assist in repair reports after the warranty period, and established a customer service team to contact customers in a timely manner to confirm their needs.

2. Market and Sales Overview

(1) Market analysis

1.Sales (Provision) regions of the Company's main products (services):

The Company's business continues to focus on the construction of residential and commercial elevator buildings or office buildings, which are located in major urban areas, such as Taipei City, New Taipei City, Miaoli City , Taoyuan City, Taichung City, and Tainan City. Areas with convenient transportation, complete living functions, and future development potential are selected for land development, and the situation of sales is still considered good.

2.Market share:

The Company's operating revenue in 2024 was NT\$6,095,261 thousand, accounting for 1.29% of the operating income of TWSE-TPEX-listed construction companies.

3.Future market supply, demand, and future growth:

The life cycle of land development can be divided into four stages: Investment, production, transaction and use. Construction projects start from evaluating market trends, selecting development sites, investing funds to purchase land raw materials, and then proceeding with planning and design. Thus, the transaction volume in the land market and the number of construction license issued can be seen as leading indicators of future real estate market trends. Coupled with the number of construction starts, this provides a clearer reflection of developers' outlook on the future.

(1) Supply side

A. Land transaction volume

According to statistics of Cushman & Wakefield, the total amount of land transactions in 2024 was approximately NT\$263.2 billion, the fourth highest in history, with an annual increase of more than 130%. Major transactions were concentrated in Taoyuan, Hsinchu, Taichung and Kaohsiung, reflecting the continued attractiveness of technology corridors and redevelopment zones. However, most of the land transactions came from large-scale life insurance companies and branded developers, and the market supply will become concentrated. Land acquisition still faces obstacles such as financial pressure of small and medium-sized businesses and restrictive lending policy.

B. Number of construction and usage license issued

According to statistics of the National Land Management Agency of the Ministry of the Interior, the number of constructions permits issued for residential buildings (excluding farmhouses) in 2024 was 156,237 housing units, a year-on-year increase of 7.3%. However, the number of actual commencements of construction was only 127,343 housing units, a year-on-year decrease of 2.3%, indicating the conservative and wait-and-see sentiment among most developers. Many projects are in a state of "licensed but suspension of construction", thus creating potential pressure on future supply, especially in redevelopment zones of Taichung, Hsinchu and Tainan.

Overview of Issuance of Construction Licenses and Usage Licenses

Unit: houses, total floor areas(m²)

Locality	Item	Construction License by Use				Usage License by Use			
		2024	2023	Compared to the same period last year	Rank	2024	2023	Compared to the same period last year	Rank
National total	Houses	156,237	145,553	7%		137,707	117,723	17%	
	Total Floor Area	20,397,146	19,340,949	5%		19,192,319	16,982,493	13%	
New Taipei City	Houses	22,962	26,179	-12%	3	19,517	18,599	5%	3

	Total Floor Area	2,717,882	3,007,985	-10%		2,423,039	2,382,479	2%	
Taipei City	Houses	12,365	12,240	1%	5	10,312	5,515	87%	5
	Total Floor Area	1,668,090	1,636,982	2%		1,387,661	773,698	79%	
Taoyuan City	Houses	28,978	18,820	54%	2	23,814	19,048	25%	2
	Total Floor Area	3,560,766	2,437,917	46%		3,473,729	2,780,094	25%	
Taichung City	Houses	30,483	24,622	24%	1	26,798	21,366	25%	1
	Total Floor Area	4,472,967	3,752,623	19%		3,987,317	3,281,687	22%	
Tainan City	Houses	9,023	8,837	2%	6	8,368	8,341	0%	6
	Total Floor Area	1,199,237	1,170,897	2%		1,175,480	1,150,183	2%	
Kaohsiung City	Houses	20,295	17,853	14%	4	18,050	16,439	10%	4
	Total Floor Area	2,425,479	2,299,828	5%		2,325,797	2,373,014	-2%	
Hsinchu County	Houses	5,037	5,411	-7%	7	4,990	4,072	23%	8
	Total Floor Area	766,824	830,361	-8%		805,685	650,932	24%	
Miaoli County	Houses	3,198	3,600	-11%	9	2,051	2,992	-31%	13
	Total Floor Area	387,152	481,656	-20%		272,648	441,823	-38%	
Changhua County	Houses	4,672	4,856	-4%	8	5,272	4,293	23%	7
	Total Floor Area	666,465	698,258	-5%		790,391	711,040	11%	

Resource: National Land Management Agency, Ministry of the Interior

C. Number of new development projects nationwide

According to the "Cathay Real Estate Index", the number of new launches nationwide was 246 projects, and the number of units launched was 21,996 housing units in the fourth quarter of 2024, both of which decreased from the previous quarter, indicating that major developers tended to be conservative in controlling quantity. Some areas, such as Tainan, saw a surge in the number of units launched (up 194.2% year-on-year) due to the base period. However, most of them were concentrated in the outer areas with

low total prices. The number of projects launched in Taipei has dropped by more than 50% year-on-year, a rare circumstance in recent years. This indicates that developers in high-priced areas are less willing to launch projects and are shifting to more stable operations.

(2) Demand side

A. Continuous decline in transaction volumes and a fall of buying sentiment from its peak

Starting from the fourth quarter of 2024, due to the continued impact of the seventh credit control by the central bank, the number of transactions nationwide has witnessed a rapid decline, with year-end transaction index generally decreasing by more than 30% in various regions, and even close to 70% in Taipei. Despite stable or even increased transaction prices throughout the year, actual buying sentiment has clearly dropped from its mid-year high, indicating that the housing market has cooled down.

B. Demand for self-occupancy remains solid, but the total price threshold becomes the key factor

Under the Preferential Housing Loans for the Youth policy, first-time home buyers have steadily supported low-priced products. However, the tightening of loan-to-value ratio review, together with the persistently high total prices, have caused most purchases to shift to suburban redevelopment zones and low-total-priced products. Taking 2024 as an example, the total price of main products was approximately NT\$21.53 million. However, the actual bestsellers were mostly concentrated in small and medium-sized products with a price of less than NT\$12 million.

C. Accumulated pressure from unsold homes, with the number of new homes for sale hitting a new high

As of mid-2024, the number of new homes for sale nationwide exceeded 90,000 units, with Taoyuan, Taichung and Hsinchu being the main areas of concentration. With a large number of use permits obtained, house delivery and slowdown of de-stocking, it is expected that there will be a wave of de-stocking competition in the first half of 2025, which will suppress pricing room in the future.

D. Stable support of the commercial market, with technology investment driving factory demand

In contrast to the volatility of the residential market, the office and

factory market has been stable. In 2024, the turnover of commercial real estate remained high. The demand for factories for self-use of enterprises and for the AI semiconductor industry boosted the capital market and stabilized the overall real estate market to a certain extent.

(3) Growth side

Despite steady performance of Taiwan's economic growth in 2024, with the annual GDP forecast to reach 4.25%, the buying sentiment of the housing market had weakened significantly due to the combined pressures of the central bank's continuous implementation of credit controls, rapid rise in housing prices, and a surge in home deliveries. It is expected that the housing market will enter an adjustment phase of "price stability and volume contraction" in 2025. There are no obvious signals of policy easing in the short term; interest rates remain stable at a high level; and developers and consumers are generally conservative.

4.Competitive niche:

(1) Robust financial structure with high flexibility in capital allocation

The company has maintained a sound capital structure and prudent financial policy over the long term, with sufficient working capital and good credit ratings, effectively supporting the execution of large-scale development projects and cross-year investment plans.

(2) Forward-looking land development and regional deployment capabilities

With keen market insight and vision for site selection, we are able to capture the value-added opportunities of potential locations, combine policy direction with regional development trend, conduct systematic land integration and value creation, and lay the foundation for long-term development.

(3) Keep abreast with the market trends and introduce precise product planning and design

We conduct in-depth analysis of changes in consumer demand and home-buying behavior, integrate market survey results with product planning mechanisms, introduce functional layouts, flexible floor areas and diversified public facilities, as well as enhance market competitiveness and differentiation of products.

(4) Solid strength in construction engineering, with the ability to control both cost and quality

With profound construction technology and process integration

capabilities, combined with digital engineering management processes, the company's team is able to accurately control construction progress and cost structure to ensure project quality and delivery schedule.

- (5) Establishment of a sustainable after-sales service system to strengthen the foundation of brand trust

The company has long been committed to providing comprehensive and continuous after-sales services, building a customer relationship management mechanism and maintenance response system, and striving to create a "lifelong service" brand image to enhance resident satisfaction and market reputation.

5.Favorable and unfavorable factors for future development and response strategies:

(1) Favorable factors:

- a. Continuous recovery of the domestic economy, with solid support of demand from the technology industry and export momentum

The Directorate General of Budget, Accounting and Statistics estimated that Taiwan's annual GDP growth rate for 2024 reached 4.25%. Technology exports and AI applications boosted industrial expansion, which in turn supported residential demand in the vicinity of the industrial clusters. Home buying confidence in areas such as Southern Taiwan Science Park, Central Taiwan Science Park, and Hsinchu Science Park remained stable, providing rigid support for the regional housing market.

- b. Stable self-occupancy market, along with continued benefits brought about by the Preferential Housing Loans for the Youth policy

The Preferential Housing Loans for the Youth continues to provide favorable financing conditions for first-time buyers. In an environment of high housing prices and loan restrictions, it has become important support for low-priced and first-time purchase products in suburban areas. The low-priced market still maintains stable sales, and there are still opportunities for reasonable deployment in suburban areas.

- c. Continuous advancement of major government constructions and expansion of regional benefits

Policy developments such as rail construction, science parks and renewable energy continue to attract migration of employment group and improve regional fundamentals. For example, Qiaotou in Kaohsiung, Unit 12 in Taichung, Shalun in Tainan and High-Speed Rail Special Zone in Chiayi have all driven development potential due to the benefits of major construction, providing room for new project development.

(2) Unfavorable factors:

A. Credit controls and loan restrictions continue to suppress investment demand

Since 2023, the central bank has implemented a total of seven waves of credit controls, imposing loan restrictions on high-priced products, second and third or more home purchases, and home purchases by legal entities, resulting in a significant exit of high-asset and property-investment purchases. This has exerted a significant impact on medium-to-high-priced and high-unit-priced products, especially in the prime areas of Taipei City, New Taipei City, Hsinchu, and Taichung.

B. Full implementation of the Equalization of Land Rights Act, and comprehensive prohibition of resale of purchase agreements

The new version of the Equalization of Land Rights Act was officially implemented from July 2023. The Act comprehensively prohibits the resale of purchase agreements of pre-sale houses and new houses, increases penalties for speculation, and sets limits on house purchases by private legal entities, causing a further loss of short-term liquidity and room for spread manipulation in the market. Although this will help improve the market, it will concentrate the pressure of project launches and resale in the short term.

C. Implementation of ESG policies and carbon fee systems and higher construction costs and development thresholds

Taiwan has entered the net-zero transformation stage. Carbon inventory will be gradually promoted from 2025 onwards, and the carbon fee system will also be implemented in the future. In addition to investing in energy-saving building materials and green buildings, the company also faces problems such as rising raw material prices, labor shortages and delays in construction, which will lead to an increase in construction period and financial pressure, as well as compress profit margins.

D. Increased pressure of unsold houses, and longer de-stocking period

Due to a surge in use permits and house delivery in 2024, the number of existing homes for sale had hit new highs. It is expected that the first half of 2025 will continue to witness the pressure of inventory competition and extended de-stocking period. There will be cash flow challenges and price competition risks if the sales are not properly planned.

(3) Response measures:

A. Carefully evaluate market cycles, optimize internal management and control construction schedules and costs

The company will focus on fundamentals, strengthen financial control and operational flexibility, conduct prudent assessments

on regional development potential, product planning and construction efficiency, and enhance product competitiveness.

- B. Promote product differentiation and value optimization to meet the needs of customers with rigid demand

In the face of high housing prices and loan restrictions, we should develop products with low total prices, small areas, and high functionality. At the same time, we should strengthen layout design, community management, smart buildings, and health-oriented elements at homes to enhance product added value and market acceptance.

- C. Adopt a "zero unsold house" policy and flexible payment terms to stabilize cash flows

In response to the sluggish market and insufficient loan levels, we will adopt flexible payment methods to reduce payment pressure and attract owner-occupiers to speed up de-stocking.

- D. Expand regional development and shift to potential locations in suburban areas

Due to scarce land in Taipei City, New Taipei City and core areas as well as the pressure of loan restrictions, the company will increase its investments in second-tier cities or redevelopment zones in order to capture the benefits arising from regional development.

- E. Strengthen the projects in relation to urban renewal and reconstruction of urban unsafe and old buildings, and reduce the costs of land acquisition

In the face of rising land costs and tax pressure, the company will increase its investments in project integration of urban renewal and reconstruction of urban unsafe and old buildings, which will not only enable the company to secure prime locations, but also be entitled to policy incentives and tax benefits to accelerate case launches and capacity conversion.

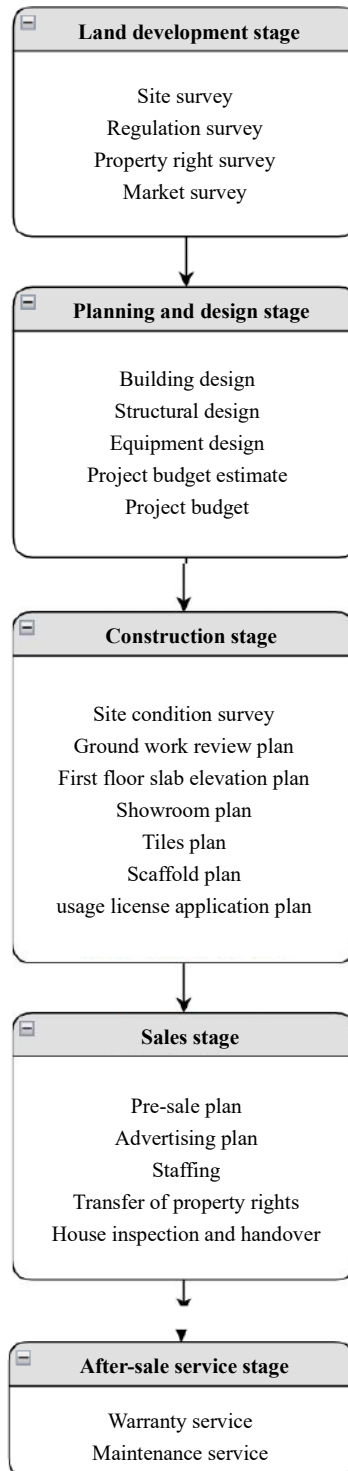
(2) Key applications and production process of main products

1. Important applications of major products

- (1) High-end residential buildings: High quality residential buildings with elevators.

- (2) High-end office buildings: Shopping malls, high-end office buildings and commercial complexes.

2. Manufacturing processes of major products



(3) Supply of main materials:

1. Land acquisition method:

Mainly includes self-construction on own land, co-built sub-housing, co-

built separate sale, zone expropriation, urban land rezoning, urban renewal, and reconstruction of urban unsafe and old buildings. We also pay attention to and evaluate joint development with MRT, setting superficies on state-owned, and BOT.

2.Location selection:

Besides continuing to develop the greater Taipei area, we are also focusing on the development of land around Taiwan's industrial parks and along THSR, MRT, and Taiwan Railway, and continue to evaluate land in potential areas along with issues such as transportation, major constructions, and urban renewal.

(4) List of major suppliers and customers in the last two fiscal years

1. List of major suppliers in the last two fiscal years with gross purchases over 10%, as well as the reason for increase(decrease)

Data of major suppliers in the last two fiscal years

Unit: NT\$1,000

	2023				2024				2025 and until March 31 (Note 2)			
Item	Company name	Amount	Ratio of net purchases in a year (%)	Relation with the issuer	Company name	Amount	Ratio of net purchases in a year (%)	Relation with the issuer	Company name	Amount	Ratio of net purchases in a year (%)	Relation with the issuer
1	Taichung City Government	966,999	21.75%	None	B	740,476	10.09%	None	There is no financial data audited by the CPA in the current year and as of the Annual Report publication date.			
2	A	577,857	13.00%	None	C	740,476	10.09%	None				
	Others	2,901,108	65.25%		Others	5,859,811	79.82%					
	Total	4,445,964	100.00%		Total	7,340,763	100.00%					

Note 1: List the major customers in the past two years with gross purchases over 10%, as well as amount and percentage of purchases. However, under the contract terms, it may not disclose the name of the customer or the trading counterparty if it is an individual or not a related party, which should be represented by a code.

Note 2: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be disclosed.

Note 3: Reason for increase/decrease: Due to the industrial characteristics, the Company has no fixed contractor or supplier.

2. List of major suppliers in the last two fiscal years with gross sales over 10%

Data of major customers in the past two years

Unit: NT\$1,000

	2023				2024				2025 and until March 31 (Note 2)
Item	Company name	Amount	Ratio in the net amount of sales in a year (%)	Relation with the issuer	Company name	Amount	Ratio in the net amount of sales in a year (%)	Relation with the issuer	There is no financial data audited by the CPA in the current year and as of the Annual Report publication date.
1									
2									
3	Others	1,951,453	100.00%		Others	6,095,261	100.00%	-	
	Net sales	1,951,453	100.00%		Net sales	6,095,261	100.00%		

Note 1: List the major customers in the last two fiscal years with gross sales over 10%, as well as amount and percentage of purchases. However, under the contract terms, it may not disclose the name of the customer or the trading counterparty if it is an individual or not a stakeholder, which should be represented by a code.

Note 2: For the company that is publicly listed or has issued shares in TWSE, if the financial data in the most recent period is audited or reviewed by the CPA before the date of publishing the Annual Report, it should be disclosed.

Note 3: Reason for increase/decrease: Due to the industrial characteristics, the Company has no fixed customer.

3. Information on Employees in the last two years and as of the Annual Report publication date:

Year		2023	2024	April 30 th , 2025
Number of employees	Number of employees	75	84	85
	Total	75	84	85
Average length of service		6.12	5.12	4.65
Average age		39.46	37.37	35.51
Distribution of education levels %	Doctor	0%	0%	0%
	Master	4%	9%	8%
	College	89%	85%	86%
	High School	7%	6%	6%
	Below than high school	0%	0%	0%

Note1: The length of service is calculated since June 16th, 2001.

Note 2: The data includes that of subsidiaries

4. Environmental Expenditure Information

(1) The total amount of losses due to environmental pollution in the most recent year and as of the Annual Report publication date:

Type	Disposition date	Disposition No.	Provisions(s) violated	Content of provision(s) violated	Content of disposition
Waste Disposal Act	2024/01/29	41-113-010108	Article 27, Subparagraph 11 of the Waste Disposal Act	Polluted the ground of designated clearance areas	A penalty of NT\$6,000 and 1 hour of environmental education
Waste Disposal Act	2024/06/06	41-113-060140	Article 27, Subparagraph 11 of the Waste Disposal Act	Posting of advertising pollutants affixed in designated cleanup areas	A penalty of NT\$6,000 and 1 hour of environmental education
Waste Disposal Act	2024/06/06	41-113-060175	Article 27, Subparagraph 11 of the Waste Disposal Act	Posting of advertising pollutants affixed	A penalty of NT\$6,000 and 1 hour of

				in designated cleanup areas	environmental education
Waste Disposal Act	2024/11/22	41-113-110476	Article 27, Subparagraph 11 of the Waste Disposal Act	Posting of advertising pollutants affixed in designated cleanup areas	A penalty of NT\$6,000 and 1 hour of environmental education
Waste Disposal Act	2024/11/22	41-113-110480	Article 27, Subparagraph 11 of the Waste Disposal Act	Posting of advertising pollutants affixed in designated cleanup areas	A penalty of NT\$6,000 and 1 hour of environmental education
Water Pollution Control Act	2024/08/26	30-113-080032	Article 18 of the Water Pollution Control Act and Article 10, Paragraph 1 of the Water Pollution Control Measures and Test Reporting Management Regulations.	Failure to submit a runoff wastewater pollution reduction plan to the competent authority for approval prior to construction.	A penalty of NT\$21,000 and 2 hour of environmental education
Water Pollution Control Act	2024/08/26	30-113-070024	Article 18 of the Water Pollution Control Act and Article 10, Paragraph 2 of the Water Pollution Control Measures and Test Reporting Management Regulations.	Failure to submit a runoff wastewater pollution reduction plan to the competent authority for approval prior to construction.	A penalty of NT\$18,000 and 2 hour of environmental education
Noise Control Act	2024/02/16	Huan-Ji-Zao-Cai-Zi No. 11302010	Article 8, Subparagraph 4 of the Noise Control Act	Using power machinery for construction work during the control period in the noise control zone that	A penalty of NT\$3,000

				generated noise and disturbed the living environment of others	
Noise Control Act	2025/03/25	22-114-030098	Article 8, Subparagraph 4 of the Noise Control Act	Making knocking and hitting sounds that generated obvious noise and disturbed the living environment of others	A penalty of NT\$3,000
Water Pollution Control Act	2025/04/14	41-114-040153	Article 27, Subparagraph 2 of the Waste Disposal Act	Failure to clean the roads and sidewalks after dump trucks entered the construction sites, causing pollution of roads by sand, gravel and soil.	A penalty of NT\$1,200

(2) Countermeasures and estimated expenditures in the future:

1. The cases invested by the Company are contracted by the construction enterprises. The contractor is liable for the environmental protection in the construction process. It doesn't need to apply for license for pollution facility, approval for pollution discharge and payment of pollution prevention costs or set up a unit or assign a person responsible for the environmental protection.
2. For all environmental protection works such as reduction of construction noise, prevention of dust blowing or falling of gravel, the construction companies are strictly required to establish the most comprehensive measures, and fulfill their environmental responsibility.
3. Estimated expenditures in the future: None.

5. Labor Relations:

(1) Current labor agreement and implementation of various measures:

1. Welfare measures:

The Company has always been committed to providing a good workplace and welfare system. In addition to labor insurance and national health insurance, we plan to establish the following employee benefits based on the needs of employees and their quality of life:

- . Group insurance
- . Labor Retirement Reserves Supervision Committee
- . Employee welfare committee
- . Cash gifts and vacation for the three important Chinese festivals
- . Regular staff health checkup
- . Discounts for staff purchasing houses
- . Employee stock subscription
- . Employee remuneration

2. Retirement system and implementation:

In order to strengthen employees' long-term professional service willingness, take care of employees' retirement life, increase work efficiency, and promote harmonious labor-management relations, the company has revised the company's employee retirement measures in accordance with the law. The Supervision Committee of Retirement Reserves shall review and verify the provision and expenditure of labor retirement reserves. After the establishment and implementation of the relevant mechanism, the willingness of employees to serve the company for a long time has indeed been strengthened.

The company has abided by the government policy to implement the new retirement system since July 1994. For employees who choose the new retirement system, they will pay 6% of their monthly wages to the labor pension on a monthly basis, and deposit them in the labor pension personal account established by the Labor Insurance Bureau. The Company has set aside labor retirement reserves in accordance with the law.

3. Other important agreements: None.

(2) List any loss sustained as a result of labor disputes in the recent year and as of the Annual Report publication date, the estimated amount and countermeasures to be taken in the future:

The Company has always attached great importance to labor relations, and has established various personnel and welfare systems. The communication channels between labors and employers are adequate. There have been no labor disputes that have caused loss for the Company. Moreover, such labor dispute is not likely to occur in the Company in the future.

(3) Certificate specified by the competent authority and acquired by the

personnel related to the transparency of financial information in the Company:

Internal Chief Auditor (Li, Mei-Chan)—acquired the CIA certificate.

(4) Employee continuing education and training:

External education and training

A total of 547 hours of education and training was conducted in 2024. Total expenses: NT\$332,278.

Gender	Male		Female	
Item	Management	Non-management	Management	Non-management
Number of person(s) who were trained	1	4	3	8
Course enrollments	1	7	5	9
Hours of training	3	318	39	187
Average hours of training	321		226	

(5) Code of Conduct or Ethical Code of Conduct:

The Company has established regulations for employee behavior and ethics in Article 2 and Article 10 of the Integrity Management Principles and in the Employee Rewards and Punishments and consistently reinforces the promotion of these regulations:

1. Employees may not take company property and tools out of the workplace and use them for personal purposes.
2. Phone etiquette for employees.

(6) Working environment and protection measures taken for employee safety:

The Company prioritizes safety and sustainable corporate development, focusing on achieving zero injuries, accidents, and occupational diseases. We strive to provide an optimal work environment for all employees and are dedicated to ensuring and boosting the safety and health of employees, customers, and suppliers of the Company and its industry in the workplace.

Labor safety policy and goals

Compliance	Participation from all	Boost safety	Vision of three zeros
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	employees		
Wear helmets when entering and exiting construction sites and strictly abide by the Occupational Safety and Health Act and related regulations.	We have implemented work rules for safety and health that all employees must follow.	We continue to organize occupational health and safety training and advocacy efforts, including conducting fire drills and emphasizing the importance of routine health and safety measures to eliminate potential hazards to safety and health.	To achieve zero disasters, zero accidents, and zero occupational diseases , we strictly supervise personnel before, during, and after entry to construction sites. We also convene engineering department review meetings, conduct site inspections, and provide regular education and training.

Personal and work environment protection measures

Item	Content		
Door access security	The company has a door access monitoring system and signs contract with the security company.		
Fire safety	It inspects the standards compliance of fire facilities and performs the fire security test randomly.		
Drinking water safety	The Company regularly replaces the drinking water filter.		
Cleanness of the environment and air	The Company regularly (semi-annually) replaces the air cleaner filter and maintains the machine.		
Safety in construction site	The company arranges all kinds of occupational safety and health education training, meetings, notifications and notices for all employees and contractors at our construction sites, and the frequency and number of applications are as follows :		
	Item	Purpose	Frequency of handling
	Safety and health protocols	At least once a month, we meet with contractors to coordinate, communicate and	Once a month

		resolve safety and health issues among contractors.	
	Labor Approach Safety and Discipline Pledge	We inform the contractors about the working environment, hazards and occupational safety and related regulations before they approach the site and make them commit to comply with the relevant safety matters.	Pre- approach
	Construction environmental hazards information sheet	According to each work item, we will inform the potential hazards and provide prevention measures before the contractor enters the site.	Pre- approach
Physiological health	The Company regularly conducts health checkups for employees.		
Insurance	The Company purchases group insurance for employees.		

6. Information Security Management

(1) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:

The unit responsible for information security within the Company is the Information Technology Section under the Administration Department. It is tasked with overseeing all matters related to information security and conducts regular internal inspections to ensure proper operation and risk control of the Company's information systems.

To strengthen the management of information security risks, the Company has established the "Information Security Policy and Management Plan," which outlines appropriate protective measures for the Company's information assets. These measures aim to prevent unauthorized access, use, disclosure, or destruction of information systems, thereby ensuring the confidentiality, integrity, and availability of information. The Company continues to invest necessary resources to enhance the overall level of information security protection.

• Specific management plan

management oriented	content
Network Security Management	Firewalls are installed to block malicious websites, and VPN connections are used to prevent unauthorized data interception.
System Access Control	Access permissions are configured based on

	authorization; user accounts are adjusted upon resignation or role change, and access rights are reviewed annually.
Antivirus Protection	Antivirus software is automatically updated, with email virus scanning and filtering enabled.
System Continuity Operations	Off-site backups are executed daily. In the event of abnormalities, the system is promptly restored according to recovery procedures.
Computer Equipment Management	Server rooms are access-controlled and equipped with air conditioning and UPS systems to ensure stable equipment operations.
Enterprise Information Portal (EIP) and E-Signature	Information management, access control, and approval traceability are strengthened to enable paperless operations.
Active Directory (AD) Management	Centralized account management is implemented to restrict unauthorized access and enhance internal data security.
Off-site Backup	Off-site backups are performed daily, and data restoration tests are planned annually to ensure backup integrity.

• **The resources invested in the information security management**

TYPE	directions
Human Resources	Appoint dedicated personnel and supervisors; conduct regular internal and external meetings• • AD Account Setup Meetings – 2 sessions • Enterprise Information Portal (EIP) & E-Approval System Meetings – 3 sessions • Offsite Backup Internal/External Meetings – 4 sessions
System Equipment	Implement EIP and BPM systems, set up firewalls, AD account control system, and UPS devices
Partner Vendors / Contracted Partners	Collaborate with backup vendors to perform daily backups; verify UPS and data restoration mechanisms
Management System / Governance Framework	Establish information security policies, access control systems, and annual access rights review processes
Review and Continuous Improvement	Conduct ad hoc information security awareness campaigns, system integration meetings, and internal control discussions

(2) List the losses suffered due to major information security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained:

The Company has not yet taken out information security insurance and no significant information security incidents occurred in the most recent year and up to the date of printing of the annual report, and the relevant performance will be reported to the Board of Directors on November 12, 2024.

7. Important Contracts

Contract type	Party	Contract duration	Contract content	Restrictions
Construction Contract	Huajian Construction Co., Ltd.	2021/04/26 - completion of the project	New construction project on land serial No. 233, Xinbi Section, Luzhu District, Taoyuan City	None
		2021/06/22~ completion of the project	New construction project on 3 land plots including land serial No. 174, 177, 182, Lejie Section, Guishan District, Taoyuan City	None
		2021/04/06~ completion of the project	New construction project on land serial No. 488, Qingxi Section, Zhongli District, Taoyuan City	None
		2021/10/13~ completion of the project	New construction project (Geothetical Engineering Part) on land serial No. 226, Qingxi Section, Zhongli District, Taoyuan City	None
		2022/02/14~ completion of the project	New construction project (Structural Engineering Part) on land serial No. 226, Qingxi Section, Zhongli District, Taoyuan City	None
		2022/08/11~ completion of the project	New construction project (Decoration Part) on land serial No. 226, Qingxi Section, Zhongli District, Taoyuan City	None
		2021/11/12~ completion of the project	New construction project (Geotechnical Engineering Part) on 4 land plots including land serial No. 41, 42, 43, 50, Xinzhan Section, Shalu District, Taichung City	None
		2022/02/10~ completion of the project	New construction project (Structural projects) on 4 land plots including land serial No.41, 42, 43, 50, Xinzhan Section, Shalu District, Taichung City	None
		2022/11/11~ completion of the project	New construction project (Decoration projects) on land No. 41, Xinzhan Section, Shalu District, Taichung City	None
		2022/11/11~ completion of the project	New construction project (Structural projects) on 2 land plots including land serial No. 32 and 33, Shanjie Section, Guishan District, Taoyuan City.	None
		2023/11/10~ completion of the project	New construction project (Structural projects) on 2 land plots including land serial No. 32 and 33, Shanjie Section, Guishan District, Taoyuan City.	None
		2022/11/11~ completion of the project	New construction project on Land serial No. 124, Lejie Section, Guishan District, Taoyuan City.	

		2022/03/30~ completion of the project	New construction project (Geotechnical Engineering Part) on land serial No. 31, Shingaotie Section, Wuri District, Taichung City.	None
		2022/11/11~ completion of the project	New construction project (Structural projects) on land serial No. 31, Shingaotie Section, Wuri District, Taichung City. (Structural Engineering Part)	None
		2023/07/21~ completion of the project	New construction project (Decoration projects) on land serial No. 31, Shingaotie Section, Wuri District, Taichung City. (Decoration Part)	None
Construction Contract	Huajian Construction Co., Ltd.	2023/08/11~ completion of the project	New construction project on land serial No. 258, Xinbi Section, Luzhu District, Taoyuan City.	None
		2023/12/10~ completion of the project	New construction project on land serial No. 465, Shanzuowu Section, Sanzuowu Subsection, Zhongli District, Taoyuan City.	None
		2023/03/15~ completion of the project	New construction project (Geotechnical Engineering Part) on land serial No. 332, 333-1, 333-2, 334 and 335, Qing'an Section, Shanhua District, Tainan City.	None
		2023/05/12~ completion of the project	New construction project (Structural projects) Engineering Part) on land serial No. 332, 333-1, 333-2, 334 and 335, Qing'an Section, Shanhua District, Tainan City.	None
Joint construction contract	Three non-related parties including Chang, Chun	2020/09/15 completion of the project	Land serial No. 237 on Xinbi Section, Luzhu District, Taoyuan City	None
	Three non-related parties including Chiang, Chun	2020/10/22 completion of the project	Land serial No. 174 on Lejie Section, Guishan District, Taoyuan City	None
	Seven non-related parties including Chen, Chun	2021/12/09 completion of the project	2 land plots including land serial No.32 and 33, Shanjie Section, Guishan District, Taoyuan City	None
	Six non-related parties including Lin, Chun	2025/01/16 completion of the project	Land serial No. 180, Lejie Section, Guishan District, Taoyuan City.	None
	22 non-related parties including Lin, Chun	2025/03/26 completion of the project	Land serial No. 539, 546, 555 Longfu Section, Houlong Township, Miaoli County.	None
Credit Facilities Agreement	Shanghai Commercial and Savings Bank Ren'ai Branch	2023/09/14~2027/09/14	Medium-term secured loans - land financing Medium-term loans - building financing Medium-term loans - building bulk loans	None
	Shanghai Commercial and Savings Bank Ren'ai Branch	2023/11/28~2027/11/28	Medium-term secured loans - land financing	None

	Far Eastern International Bank	2022/01/21~2027/01/21	Medium-term comprehensive credit limit Medium-term secured loans - land financing Medium-term loans - building financing Medium-term loans - building bulk loans	None
	Far Eastern International Bank	2023/04/11~2026/04/24	Medium-term loans	None
	Far Eastern International Bank	2024/04/30~2027/07/22	Medium-term secured loans	None
	Sales Department, Hwatai Bank	2020/11/09~2025/08/09	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Taoyuan Branch	2021/03/15~2024/12/31 (Fully repaid)	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Banqiao Branch	2021/03/15~2024/12/31 (Fully repaid)	Medium-term secured loans - land financing Medium-term loans - building bulk loans	None
	Taiwan Cooperative Bank Banqiao Branch	2024/08/21~2028/12/31	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Banqiao Branch	2024/11/19~2029/08/31	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Taichung Branch	2021/06/24~2025/08/31 (Fully repaid)	Medium-term secured loans - land financing Medium-term loans - building bulk loans	None
		2022/11/24~2025/08/31 (Fully repaid)	Medium-term loans - building financing	None
	Taiwan Cooperative Bank Sanxia Branch	2021/05/05~2025/03/31 (Fully repaid)	Medium-term secured loans - land financing	None
		2021/10/24~2025/03/31 (Fully repaid)	Medium-term secured loans - land financing	None
	Taiwan Cooperative Bank Shilin Branch	2021/05/28~2027/12/31	Medium-term secured loans - land financing	None
		2023/02/03~2027/12/31	Medium-term loans - building bulk loans	None
	Mega International Commercial Bank Nankan Branch	2021/01/04~2024/05/04	Medium-term secured loans - land financing Medium-term loans - building bulk loans	None
	Mega International Commercial Bank Nankan Branch	2021/05/19~2025/05/19	Medium-term secured loans - land financing	None
		2023/02/24~2025/05/19	Medium-term secured loans - building bulk loans	None
		2023/07/28~2025/05/19	Medium-term loans - building financing	None

	Mega International Commercial Bank	2021/09/28~2025/09/28	Medium-term secured loans - land financing	None
		2023/06/30~2025/09/28	Medium-term loans - building financing	None
		2023/10/30~2025/09/28	Medium-term secured loans - land financing	None
	Mega International Commercial Bank Nankan Branch	2023/10/06~2027/10/06	Medium-term secured loans - land financing	None
	Mega International Commercial Bank Nankan Branch	2023/12/15~2028/12/15	Medium-term secured loans - land financing	None
	Mega International Commercial Bank Nankan Branch	2024/04/26~2028/04/26	Medium-term secured loans - land financing	None
	Mega International Commercial Bank Nankan Branch	2024/08/30~2028/08/30	Medium-term secured loans - land financing	None
	Mega International Commercial Bank Nankan Branch	2024/09/24~2026/03/24	Medium-term loans	None
	First bank Banqiao Branch	2022/05/12~2026/05/12	Medium-term secured loans - land financing	None
		2022/11/28~2026/05/12	Medium-term loans - additional building bulk	None
		First drawdown date until 2026/05/12	Medium-term loans - building financing	None
	CTBC Bank Co., Ltd	2022/12/28~2026/06/28	Medium-term secured loans - land financing	None
		2024/04/29~2027/04/29	Medium-term loans - additional building bulk	None
		2024/12/26~116/12/26	Medium-term loans - building financing	None
	Bank of Panhsin Neihu Branch	2021/10/27~2026/12/27	Mid-term loans	None
	Bank of Panhsin Neihu Branch	2023/03/29~2026/03/2	Mid-term loans	None
Credit Facilities Agreement	Taipei Fubon Bank Chung Cheng Branch	2024/06/17~2028/06/17	Medium-term secured loans - land financing	None

*Only project contracts with a total contract price of more than NT\$100 million are specified.

*Only medium to long-term loan contracts are shown.

【Review of Financial Conditions, Operating Results, and Risk Management】

1. Financial Status

Comparative analysis table of financial status in the last two fiscal years
(consolidated reports):

Unit: NT\$1,000

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	28,919,296	23,574,016	5,345,280	22.67%
Non-current assets	166,674	153,913	12,761	8.29%
Total assets	29,085,970	23,727,929	5,358,041	22.58%
Current liabilities	15,706,193	11,320,207	4,385,986	38.74%
Non-current liabilities	2,654,290	1,729,580	924,710	53.46%
Total liabilities	18,360,483	13,049,787	5,310,696	40.70%
Other equity interest	10,499,677	10,445,272	54,405	0.52%
Total equity	10,725,487	10,678,142	47,345	0.44%
Main reasons of material changes:				
1. The increase in current assets in the current period was due to the increase in inventory and the increase in prepayments from customers for real estate, leading to a relative increase in other financial assets. 2. The increase in current liabilities was mainly due to the increase in short-term borrowings, contract liabilities and long-term borrowings due within a business cycle in the current period. 3. The increase in non-current liabilities was mainly due to the increase in long-term borrowings.				

2. Financial Performance

(1) Comparative analysis table of financial performance in the last two fiscal years (consolidated reports):

Unit: NT\$1,000

Item \ Year	2024	2023	Difference (Amount)	Difference (%)
Net operating income	6,095,261	1,951,453	4,143,808	212%
Operating cost	3,583,851	1,099,437	2,484,414	226%
Gross profit	2,511,410	852,016	1,659,394	195%
Operating expense	470,525	205,132	265,393	129%
Operating profit/loss	2,040,885	646,884	1,394,001	215%
Non-operating income and expenditure	(7,926)	2,938	(10,864)	-370%
Net income (loss) before tax	2,032,959	649,822	1,383,137	213%
Current net income (loss)	1,622,422	503,603	1,118,819	222%
1. Main reasons of material changes: The significant increase in net operating revenue in the current period was mainly due to the higher volume of housing units handed over in the current period compared to the previous period, which resulted in an increase in operating profit, gross profit and net profit before tax. 2. Expected sales volume and its basis, the possible impact on the Company's future financial business, and the response plan: Please refer to the 2025 Operation Plan on page 3 of this annual report.				

3. Cash Flow

(1) Liquidity analysis for the last two fiscal years

Unit: NT\$1,000

Item \ Year	2024	2023	Increase/decrease (%)
Cash flow ratio (%)	-	-	-
Cash adequacy ratio (%)	-	-	-
Cash reinvestment ratio (%)	(11.76)	(2.78)	-323%
Analysis of changes: Cash flow ratio: As the net cash flow outflow from operating activities for the period is not analyzed. Cash adequacy ratio: As the net cash flow outflow from operating activities for the period is not analyzed. Cash adequacy ratio: The ratio decreased due to higher cash dividends paid during the period than net cash flow from operating activities.			

(2) Cash liquidity analysis for the next year:

Unit: NT\$1,000

Beginning cash balance (1)	Cash flow from operating activities expected in the whole year (2)	Cash inflow (outflow) expected in the whole year (3)	Amount of cash balance (shortage) (1)+(2)-(3)	Cash shortage contingency plan	
				Investment Plan	Financing plan
935,773	560,236	(1,637,085)	(141,077)	-	1,500,000
Analysis of changes in cash flow in 2025: Operating activities: Net cash inflow from the expected handover of properties. Financing plans: Expected issuance of convertible corporate bonds.					

4. Impact of Major Capital Expenditure in the Current Year on Financial Status: None.

5. Re-investment Policy in the Current Year, the Main Reason for Profit or Loss, Improvement Plan and Investment Plan for the Next Year: None.

6. Analysis and Assessment of Risk Issues:

- (1) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

The effect upon the Company's profits (losses)

Item	2024(NT\$1,000 ; %)
Net amount of interest income (Expenditure)	(12,873)
Net amount of exchange gain(loss)	9
Ratio of interest income (Expenditure) to net operating income	(0.21%)
Ratio of interest income (Expenditure) to pre-tax net profit/loss	(0.79%)
Ratio of net interest income and expenses to total assets	(0.04%)
Ratio of exchange gain(loss) to net operating income	0.00%
Ratio of exchange gain(loss) to pre-tax net profit/loss	0.00%
Ratio of net profit and loss on exchange to total assets	0.00%

1. Impact of changes in interest rate on the Company's profits and losses and future response measures

The Company has good credit and is a popular client for major banks and

cooperatives. The current liabilities and liability ratios are lower than that of competitors. The Finance Department evaluates changes in interest rates based on the financing information of banks and requests banks to provide the most favorable interest rate for business transactions with the Company. The measures have been effective in reducing interest expenses for the Company.

2. Impact of changes in exchange rate on the Company's profits and losses and future response measures:

The Company is a real estate development company and provides services to the domestic market. The regular payments are mainly in NTD and exchange rate fluctuations have no significant impact on the Company.

3. Impact of inflation on the Company's profits and losses and future response measures:

Real estate has long been seen as a valuable asset that can retain or even appreciate in value. It has a certain sales market. Inflation may be reflected in the sales price, but a certain level of profits can still be maintained. Thus, inflation has no significant impact on the Company's profit.

(2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. High-risk and highly leveraged investments

The Company has not conducted any high-risk or highly leveraged investments.

2. Loans to others

The Company established the "Procedures for Extending Loans to Others" which were passed in resolutions of the Board of Directors and shareholders' meeting and used as the basis for the Company's related transactions. The Company has not lent funds to others in the most recent fiscal year up to the publication date of the Annual Report.

3. Endorsements and guarantees

The Company has established the "Procedures for Endorsement and Guarantee", which has been approved by the Board of Directors and the shareholders' meeting as the basis for the Company to engage in relevant transactions.

In response to the need of the Company's subsidiary, Huajian Construction Co., Ltd., to undertake the operational turnaround of the Company's construction projects, the Company endorsed the guarantee, which was approved by the

Audit Committee and the Board of Directors.

Details for endorsements/guarantees up to Dec 31st, 2024 as below :

Year	Endorsements		Maximum balance for the period	Ending Balance	Endorsement guarantee limit for a single enterprise	The maximum amount of endorsement guarantee
	Company Name	Relationship				
2024	Huajian Construction Co., Ltd.	The Company's Subsidiary	\$400,000	\$400,000	\$2,099,935	\$5,249,839

4. Derivative trading

The Company established the "Procedures for Acquisition or Disposal of Assets" which included related regulations on derivative trading. They were passed by the Board of Directors and shareholders' meeting and used as the basis for the Company's related transactions. The Company has not engaged in any derivatives trading in the most recent fiscal year up to the publication date of the Annual Report.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The Company is engaged in the construction industry. Since the industry doesn't require the development of new products like general manufacturing industry or other industries do, it has no expenditure for research and development.

(4) Effect on the Company's financial operations of important policies adopted and changes in the legal environment home and abroad, and measures to be taken in response:

Real estate is closely connected to the economic cycle and heavily influenced by the general economic and financial environment. Taiwan's real estate cycles in the past decade have been affected by changes in laws and regulations with significant impact on the real estate transaction volume. Government policies are also an important factor for the industry. To solve the problem of rapid increase in housing prices in metropolitan areas in Taiwan, the government has introduced measures to curb speculation in the housing market and contain the rapid rise in housing prices. Although changes in laws and regulations often reduces the transaction volume in the housing market, its main purpose is to counter the actions of investors who seek to own the properties for a short period of time and reduce real estate speculation. Therefore, the amendments of related real estate regulations will support the long-term development of the real estate industry. The Company operates in compliance with the relevant laws and regulations and pays close attention to the changes in government policies and laws in order to respond to potential impact on the real

estate industry. We actively start planning after land purchases, and rigorously monitor the progress of construction projects and case schedules to maintain the Company's overall competitiveness. There has been no significant adverse impact on the Company's financial conditions due to significant changes in domestic and foreign policies and changes in laws in the most recent year.

(5) Effect on the company's financial operations of developments in science and technology (Including cybersecurity risks) as well as industrial change, and measures to be taken in response:

The Company main businesses include the commissioned construction of commercial buildings and the lease and sales of public housing units. When designing individual projects, the Company adopts the latest building technologies to reduce construction time and uses new high-tech products in individual cases to make products more attractive. The Company's land development personnel have a professional and keen sense of the market. They obtain industry information from a variety of sources to monitor development trends. They actively seek land with potential for investment and development.

The Company has implemented a Cybersecurity Policy and Management Plan to mitigate cybersecurity risks. This plan provides adequate protection measures for our information assets and protects our information systems from unauthorized access, use, leaks, and damage.

Therefore, the changes in technologies and the industry as of the publication date of the Annual Report have had no significant adverse impact on the Company's financial and business operations.

(6) Effect on the company's crisis management of changes in the corporate image, and measures to be taken in response:

The Company upholds the business philosophy and implements corporate governance based on the values of integrity, accountability, and compliance with laws. As of the publication date of the Annual Report, the Company has not been subject to any change in corporate image that incurred a crisis in business management.

(7) Expected benefits and possible risks associated with any merger or acquisition, and mitigation measures to be taken:

The Company doesn't perform acquisition in the most current year and as of the Annual Report publication date.

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures to be taken:

The Company doesn't perform any plant expansion in the most current year and as of the Annual Report publication date.

(9) Risks associated with any consolidation of sales or purchases, and mitigation measures to be taken:

As the Company is a real estate developer, the suppliers consist of landowners and construction companies. The Company's purchase of land for construction is based on the Company's internal consultation and evaluation and we select land with development value on the market. Since there are numerous and dispersed sources for land purchases, there is no risk of concentration of supply or interruption of supply shortage. For the construction contracts, the Company compares companies and prices and selects companies with abundant experience in construction and sufficient capital to take on the projects. We could also select the Company's subsidiary Huajian Construction Co., Ltd. for construction. To effectively control the quality and progress of the projects, the Company specifies relevant regulations in the contracts and maintains good partnerships with contractors. Therefore, the Company does not face risks in concentrated procurements due to the abundant supply of construction companies.

The Company sells products to the general public and does not face risks in concentrated sales.

(10) Effects of risks relating to large share transfers or changes in shareholdings by directors, supervisors, or shareholders with shareholdings of over 10%, and measures to be taken: None.

(11) Effect on the Company as well as risks associated with any change in management officers or top management: None.

(12) Litigation or non-litigation matters as of the Annual Report publication date:

Refund case

(1) Plaintiff: Lin ○○

(2) Overview of case:

- A. Due to a real estate sales case, the buyer who breached the contract sued the Company to request the return of full amount of purchase price and accrued interest on reinstatement to the original state as a result of contract termination.
- B. The first instance of this case was held on August 15, 2024, and the court ruled against the buyer.
- C. The buyer subsequently appealed the first-instance judgment, and the Company and the buyer reached a settlement under the coordination of the Taiwan High Court on March 3, 2025.

(13) Other important risks: None

7. Other Important Matters: None

【Special Disclosures】

1. Summary of Affiliated Companies

Please refer to the Market Observation Post System (MOPS) website at the following link:
<https://mops.twse.com.tw/mops/#/web/home> Home > Company > Electronic Document Download > Related
Party Transaction Disclosure Forms Section

2. Private Placement of Securities:

Please refer to the link of the Market Observation Post System (MOPS):
<https://mops.twse.com.tw/mops/#/web/home> Home > Thematic Section > Investment Area > Private Placement
Area

3. Other matters that require additional description: None.

4. Matters Stated in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, Specifying Their Substantial Impact on Owner's Equity: None.

Delpha Construction Co., Ltd



Chairman: Cheng Su-Tsung



Printed on: April 30, 2025

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