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SAKURA DEVELOPMENT CO.,LTD

2024

Annual Report

Printed on April 22 2025

I. Spokesperson
Name: Chen, Shin-Ying
Title: Chairman
TEL: (04)3600-5800
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Acting spokesperson
Name: Shen, Shu-Chen
Title: General manager
TEL: (04)3600-5800
Email: service@sakurad.com.tw

II. Address and telephone
Address: 4F., No. 239, Sec. 2, Taiwan Blvd., West Dist., Taichung City
TEL: (04)3600-5800

III. Share registrar
Name: Agency Dept., CTBC Bank
Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100
Website: https://www.ctbcbank.com
TEL: (02)6636-5566

IV. Auditor of financial report during most recent year
Name of CPA: Chang, Yi-Chun and Cheng, Chien-Hsien
Name of accounting firm: BDO Taiwan
Address: 6F., No. 306, Sec. 1, Wenxin Rd., Taichung City
Website: https://www.bdo.com.tw
TEL: (04)2329-1290

V. Name of overseas securities exchanges where the stock is listed for trading, and method for inquiry of information on the securities: None.

VI. Company website: https://www.sakurad.com.tw

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Message to Shareholders

Dear shareholders:

Welcome to this company's 2025 shareholders meeting. I would first like to express our tremendous gratitude to all shareholders of Sakura Development for their support and concern.

Thanks to the cooperation of all colleagues and partners, the "Sakura Cluster - Bountiful Cluster", "Sakura Cluster - Jufu District", " Sakura Kingdom - London Garden", "Sakura of the Golden Horse”, and "Sakura of Xingda" were completed in 2024. The projects expected to be completed in 2025 are - “Sakura Blossom Delight”, “Sakura Singing Blossom”, “Sakura of the City”, “Sakura Kindred Spirit”, “Sakura Contentment”, “Sakura Asahi”, “Sakura Blossom of Radiant Light”, and “Sakura Dajia - Water Beauty”, totaling 1,551 units. The projects expected to be commenced this year are - “Fuyi Section”, “Hezuo Section”, “Biliu Section”, and “Dongbin Section”, totaling 1,020 units.

With the support of the economic growth in the first half and the “New Preferential Housing Loans for Young People” policy, the transaction volume of housing market in 2024 continued to thrive, with housing prices continuing to increase. As the Central Bank implemented the seventh wave of credit control and strengthened the supervision of bank loan lending, the housing market showed fluctuations of buying intentions, and the full-year housing market performance was marked by a strong first half and a weakened second half in terms of transaction volume.

Looking ahead to 2025, high credit control will still be the main focus of the real estate market policy. It is expected that the real estate market will see limited growth under the policy control, and regional performance and individual performance will show a single-point breakthrough pattern. In terms of the overall economy, the Central Bank estimates that the annual economic growth rate will still be 3.05%. However, due to the economic situation, inflation, geopolitical and tariff policies in the US, the economic growth and housing market increase uncertainties. It is expected that the support of the housing market will weaken. Faced with market opportunities and operational risks, the Company still will make every effort to provide consumers with high-quality products at reasonable prices, and strive to enhance product competitiveness and brand value, in order to give back to shareholders for the long-term support and encouragement.

Chairman: Chen, Shin-Ying

I. 2024 Business Report

(I) Implementation of the annual business plan:

The Company's net operating income in 2024 was NT$9,018,722 thousand, an increase of NT$1,955,728 thousand from NT$7,062,994 thousand in 2023. The net profit after tax for 2024 was NT$2,830,457 thousand, an increase of NT$915,588 thousand from NT$1,914,869 thousand in 2023. The overall business result is better than that of 2023.

(II) Budget implementation:

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to make a financial forecast in 2024.

(III) Financial status and profitability:

1. Financial status

Unit: NT$1,000

Item	2024 (Individual)	2023 (Individual)	2024 (Consolidated)	2023 (Consolidated)
Operating revenue	9,018,722	7,062,994	9,018,617	7,062,994
Operating costs	4,659,650	3,830,484	4,659,650	3,830,484
Gross operating profit	4,359,072	3,232,510	4,358,967	3,232,510
Operating expenses	773,185	765,463	790,834	765,463
Operating income	3,585,887	2,467,047	3,568,133	2,467,047
Net income	2,830,457	1,914,869	2,830,457	1,914,869

2. Profitability

Item	2024 (Individual)	2023 (Individual)	2024 (Consolidated)	2023 (Consolidated)
ROA (%)	9.98	8.29	9.97	8.29
ROE (%)	21.71	17.60	21.71	17.60
Pre-tax profit to paid-in capital ratio (%)	36.05	28.84	36.05	28.84
Profit ratio (%)	31.38	27.11	31.38	27.11
EPS (NT$)	2.85	1.93	2.85	1.93

(IV) Research and development

1. Land development:

   Our professional land developers selected targets for development in areas with convenient transportation developmental potentials, such as parks, parkways, waterfronts, school neighborhoods.

2. Planning and design:

   We adhered to the "people-oriented" spirit in our design and planning according to the characteristics of the areas where projects are proposed, creating for customers functional and beautiful products that incorporate the concept of green building to meet market demand.

3. Construction management:

   We periodically review construction quality and labor safety facilities to ensure the quality of construction and safety.

4. Customer service:

We uphold the concept of sustainable management, listen to customers' voices and fulfill customer service.

II. 2025 Business Plan Summary

(I) Operating policy

1. The Company shall adopt the concept of sustainable management, implement corporate integrity management, focus on the management and communication with the stakeholders, and maintain good interaction with the stakeholders.
2. After-sales service shall be highly valued in order to provide customers with the best quality service.
3. Making financial information transparent and implementing effective corporate governance.

(II) Projected sales volume and basis

1. The main sources of revenue expected to be recognized in 2025:
   (1) "Sakura of the City" is located in the Qingshui District, Taichung City, and is comprised of 461units. Its total sales amount of about NT$4.43 billion, and is predicted to be completed in the third quarter of 2025.
   (2) "Sakura Asahi" is located in Yangmei District, Taoyuan City and is comprised of 170 units. Its total sales amount is about NT$1.55 billion, and it is predicted to be completed in the third quarter of 2025.
   (3) "Sakura Blossom Delight" is located in Wuri District, Taichung City and is comprised of 74 units. Its total sales amount is about NT$1.4 billion, and it is predicted to be completed in the second quarter of 2025.
   (4) "Sakura Kindred Spirit" is located in Tanzi District, Taichung City, and is comprised of 90 units. Its total sales amount is about NT$1.76 billion. It is expected to be completed in the second quarter of 2025.
   (5) "Sakura Contentment" is located in Tanzi District, Taichung City and is comprised of 120 units. Its total sales amount is about NT$1.65 billion, and it is predicted to be completed in the second quarter of 2025.
   (6) "Sakura Blossom of Radiant Light" is located in Taiping District, Taichung City and is comprised of 459 units. Its total sales amount is about NT$6.8 billion, and it is expected to be completed in the third quarter of 2025.
2. Projects continuing to be sold:
   (1) "Sakura Blossom of Radiant Light" is located in Taiping District, Taichung City and is comprised of 459 units. Its total sales amount is about NT$6.8 billion, and it is expected to be completed in the third quarter of 2025.
   (2) "Sakura in Yanagawa" is located in Beitun District, Taichung City, and is comprised of 200 units. Its total sales amount is about NT$3.84 billion. It is expected to be completed in the first quarter of 2026.
   (3) "Sakura Echo" is located in Taoyuan's Zhongli District and is comprised of 146 units. Its total sales is around NT$2.32 billion, and it will be predictably completed in the fourth quarter of 2026.

(4) "Sakura Dajia - Water Beauty" is located in Dali District, Taichung City, and is comprised of 90 units. Its total sales amount is about NT$1.06 billion. It is expected to be completed in the fourth quarter of 2025.
(5) "Sakura Southern Taiwan Science Park" is located in Yongkang District, Tainan City, and is comprised of 186 units. Its total sales amount is about 3.11 billion. It is expected to be completed in the fourth quarter of 2026.
(6) "Sakura Fragrance" is located in Yangmei District, Taoyuan City, and is comprised of 253 units. Its total sales amount is about 2.77 billion. It is expected to be completed in the fourth quarter of 2026.
(7) "Sakura Zhongshan" is located in Changhua City, and is comprised of 213 units. Its total sales amount is about NT$3.41 billion. It is expected to be sold publicly in January 2025 and completed in the first quarter of 2026.
(8) "Sakura Da Zhan " is located in Wuri District, Taichung City, and is comprised of 428 units. Its total sales amount is about NT$7.18 billion. It is expected to be sold publicly in April 2025 and completed in the second quarter of 2027.

3. Expected projects to be launched:
   (1) "Sakura Xiangshang" is located in Longjing District, Taichung City, and is comprised of 186 units. Its total sales amount is about NT$2.37 billion. It is expected to be sold publicly in May 2025 and completed in the third quarter of 2026.
   (2) "Fuyi Section" is located in Taiping District, Taichung City, and is comprised of 325 units. Its total sales amount is about NT$3.62 billion. It is expected to be sold publicly in September 2025 and completed in the third quarter of 2027.
   (3) "Sakura Dajia - Mountain Beauty" is located in Dali Dajia, Taichung City, and is comprised of 152 units. Its total sales amount is about NT$1.52 billion. It is expected to be sold publicly in October 2025 and completed in the fourth quarter of 2026.

(III) Major construction and sales policies

1. Product plans call for thoughtfulness, value, and practicality.
2. Implementing construction plans, ensuring project quality and cost control, and striving to achieve budgetary goals.
3. Working with highly reputable sales agents, the Company has adopted a diversified sales strategy aimed at enhancing its completed transaction percentage.
4. Emphasizing consumers' rights, the Company has been revising sales contract content in accordance with legal amendments.
5. Continue to operate the enterprise brand and provide customers with timely and thoughtful service.

III. Future Development Strategy:

(I) Implement corporate governance and protect the rights and interests of shareholders and stakeholders.

(II) Promote environmental sustainability and increase the proportion of green procurement and green building licensing applications.

(III) Shape a harmonious society, create a happy workplace, and strengthen community services and public welfare activities.

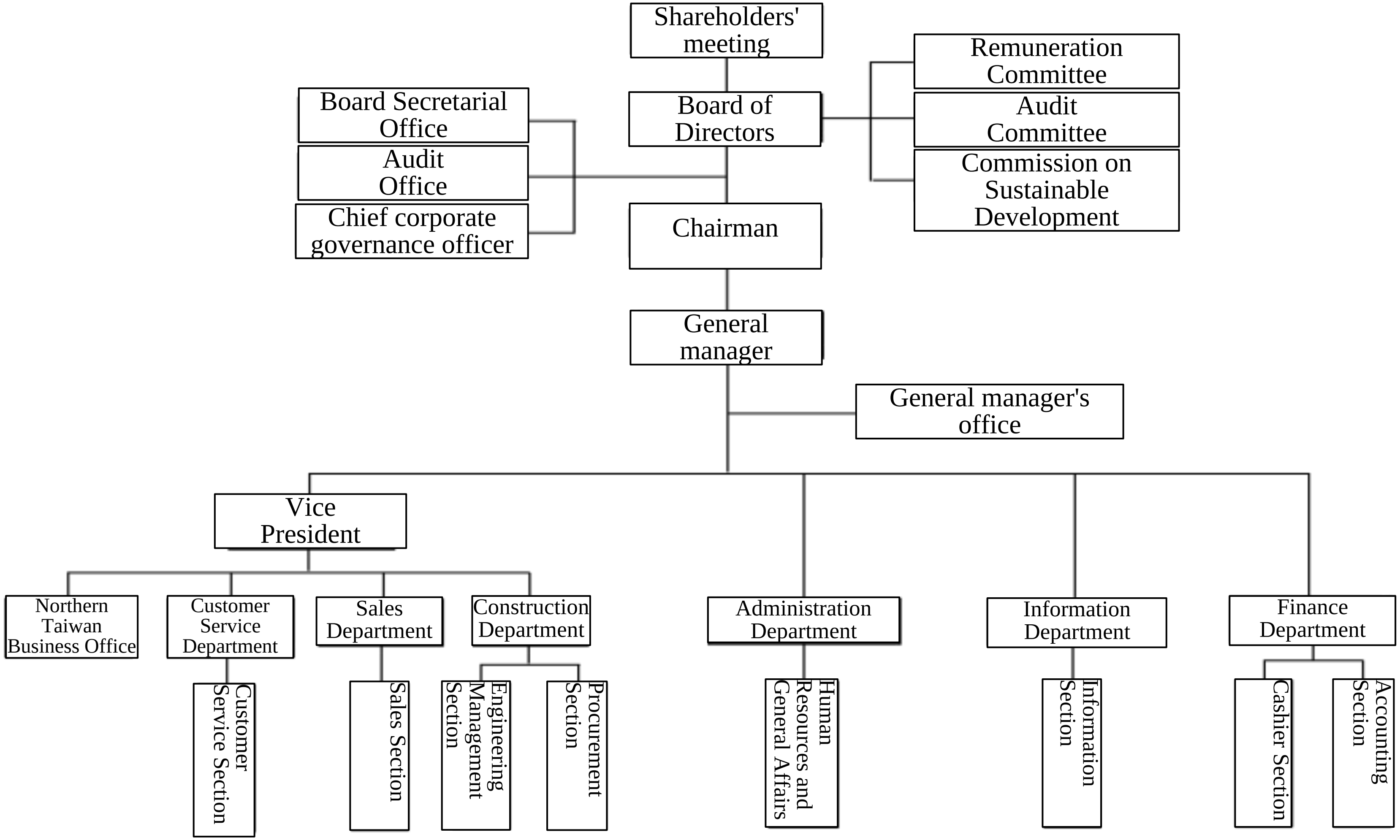
IV. Effect of the competitive, regulatory, and macroeconomic environment:

(I) Since September 2024, the housing market has cooled due to policy control and tightened mortgage loans from several financial institutions. In addition, the U.S. tariff policy has caused market volatility, and consumers have become more conservative.

(II) In the face of land scarcity, labor shortage, rising prices of building materials, increased costs, and the volatile international situation, it is expected that the housing market will enter a period of consolidation. The development of the Greater Taichung area is expected to be promising thanks to the support of Taichung Arena and other major construction projects. However, under the overall economic impact, the developers tend to be more conservative when it comes to launching their projects. The Company will improve its market competitive edge with more accurate product planning and better services.

Chapter 2. Corporate Governance Report

I. Organizational structure



II. Profiles of the directors (including independent directors), general manager, vice presidents, assistant vice presidents, and the heads of departments and branches

(I) Information on directors:

April 22, 2025

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first appointed	Shareholding at time of appointment		Current shareholding		Current shareholdings of spouse and minor children		Shareholding in name of other persons		Major experience & education	Positions currently held concurrently at the Company and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage			Title	Name	Relationship	
Chairman	Republic of China	Chen, Shin-Ying	Male 51-60	2023.06.13	3	2010.05.01	4,373,768	0.59%	5,124,011	0.52%	-	-	-	-	Dept. of Civil Engineering, Chung Hua University	Chairman of Sakura Development Co., Ltd.	None	None	None	
Directors	Republic of China	Ho-Yang Management Consultant Co., Ltd.	Male 71-80	2023.06.13	3	2008.04.08	140,159,703	19.01%	188,466,542	18.96%	-	-	-	-	Degree in business administration, Shih Hsin College	Director of Sakura Development Co., Ltd.	None	None	None	
		Representative: Chen, Cheng-kang					-	-	-	-	1,725,046	0.17%	-	-						
Directors	Republic of China	Ho-Yang Management Consultant Co., Ltd.	Male 51-60	2023.06.13	3	2008.04.08	140,159,703	19.01%	188,466,542	18.96%	-	-	-	-	Dept. of civil engineering, China College of Business and Industry	Manager, Construction Department of Sakura Development Co., Ltd.	None	None	None	
		Representative: Chiang, Yao-Chun					403,357	0.05%	449,811	0.05%	-	-	-	-						
Directors	Republic of China	Pai, Shu-Chen	Female 51-60	2023.06.13	3	2008.04.08	1,190,074	0.16%	1,563,119	0.16%	32,524	0.00%	-	-	Degree in accounting, Tamkang University	Director of Ho-Yang Management Consultant Co., Ltd. Jia Mao Development Co., Ltd., and Bao Xin Development Co., Ltd.	None	None	None	
Independent Director	Republic of China	Hsu, Chen-Hua	Female 51-60	2023.06.13	3	2017.06.16	-	-	-	-	-	-	-	-	Degree in accounting, Tamkang University	President of Administrations Division at Xie You Construction Co., Ltd., member of Remuneration Committee at Sakura Development Co., Ltd.	None	None	None	
Independent Director	Republic of China	Wang, Kuei-Yuan	Male 51-60	2023.06.13	3	2017.06.16	-	-	-	-	-	-	-	-	Ph.D., business administration, National Taiwan University of Science and Technology	Associate professor, Asia University Member of the Remuneration Committee, Sakura Development Co., Ltd.	None	None	None	
Independent Director	Republic of China	Hung, Ming-Tsung	Male 71-80	2023.06.13	3	2017.06.16	-	-	-	-	-	-	-	-	Dept. of Law, National Taiwan University	Director of Pro-Hawk Corporation	None	None	None	

Note1: For institutional shareholders, the name of the institutional shareholders and their delegates shall be listed separately, and the following table 1 shall be filled in.

Chief shareholders of institutional shareholders:

April 22, 2025

Name of institutional shareholder (Note 1)	Chief shareholders of institutional shareholder (Note 2)	Percentage
Ho-Yang Management Consultant Co., Ltd.	Lin, Chen-Hai	18.875%
	Tzeng, Shu-Chiung	31%
	Lin, Yi-Chai	25%
	Lin, Ming-Ku	12.5%
	Lin, Yi-Wen	12.5%
	Lin, Hsin-Pao	0.125%

Note 1: When directors or supervisors are delegates of juridical persons, the names of institutional shareholders shall be disclosed.
Note 2: Specify The names of the top ten chief shareholders and their shareholding percentages of the institutional shareholder.

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

Name	Professional qualifications and experience(note1)	Independence (note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman Chen, Shin-Ying	Chairman Chen graduated from Department of Civil Engineering, Chung Hua University, and joined the Company as the President in 2009 and has work experience in business and construction management and the experience required for the Company's business. Besides, he possesses expertise in marketing, crisis management, operations management and strategic planning. He is not subject to any of the clauses of Article 30 of the Company Act.	Not applicable.	None
Directors Chen, Cheng-Kang	Mr. Chen graduated from Newspaper Administration Department of Shih Hsin College, has served as the Chairman of the Company for 10 years, and was formerly an AVP of Taiwan Cooperative Bank's audit division. He has nearly 42 years of banking experience, with work experience in business and finance and the experience required for the Company's business He is not subject to any of the clauses of Article 30 of the Company Act.	Not applicable.	None
Directors Chiang, Yao-Chun	Chairman Chiang graduated from Dept. of Civil Engineering, China College of Business and Industry, and is currently the Manager of the Engineering and Information Department of the Company, with work experience in construction project management and the experience required for the Company's business. He is not subject to any of the clauses of Article 30 of the Company Act.	Not applicable.	None
Directors Pai, Shu-Chen	Ms. Pai, Shu-Chen graduated from Accounting Department, Tamkang University, and is currently a Director of the Company, Ho-Yang Management Consultant Co., Ltd. Chia-Mao Construction Co., Ltd., and Pao-Hsin Construction Co., Ltd. She has work experience in business, finance and accounting, and the experience required for the Company's business, as well as extensive industry experience. He is not subject to any of the clauses of Article 30 of the Company Act.	Not applicable.	None

<table>
<tr><th>Name</th><th>Professional qualifications and experience(note1)</th><th>Independence (note 2)</th><th>Number of other public companies in which the individual is concurrently serving as an independent director</th></tr>
<tr><td>Independent Director Hsu, Chen-Hua</td><td>Independent Director Hsu, graduated from Accounting Department, Tamkang University, is the convener of the Remuneration Committee and a member of the Sustainable Development Committee of the Company, and also the current President of Administration Service Division of Xie You Construction Co., Ltd. She has work experience in business and the experience required for the Company's business. Furthermore, she specializes in the field of human resources management and assists the Company with professional consultation on remuneration policy management.
He is not subject to any of the clauses of Article 30 of the Company Act.</td><td>Mr. Hsu, his spouse or relatives within the second degree of kinship are not directors, supervisors or employees of the Company or its affiliated companies.
No shares of the company are held.
He is not a director, supervisor or employee of a company with which the Company has a specific affiliation.
He has not received any remuneration for providing commercial, legal, financial or accounting services to the Company or its affiliates in the last two years.</td><td>None</td></tr>
<tr><td>Independent Director Wang, Kuei-Yuan</td><td>Independent Director Wang has a Ph.D. degree in management from National Taiwan University of Science and Technology, is the convener of the Audit Committee, the Chairperson of the Sustainable Development Committee, and a member of the Remuneration of the Company. He is currently an associate professor at the School of Management of Asia University, and has expertise in accounting and finance and specializes in corporate management and financial planning.
He is not subject to any of the clauses of Article 30 of the Company Act.</td><td rowspan="2">Mr. Hsu, his spouse or relatives within the second degree of kinship are not directors, supervisors or employees of the Company or its affiliated companies.
No shares of the company are held.
He is not a director, supervisor or employee of a company with which the Company has a specific affiliation.
He has not received any remuneration for providing commercial, legal, financial or accounting services to the Company or its affiliates in the last two years.</td><td>None</td></tr>
<tr><td>Independent Director Hung, Ming-Tsung</td><td>Independent Director Hung graduated from Department of Law, National Taiwan University, and is a member the Company’s Audit Committee, and currently a director of Pro-Hawk Corporation. He was a prosecutor and has a lawyer's certificate and specializes in legal affairs.
He is not subject to any of the clauses of Article 30 of the Company Act.</td><td>None</td></tr>
</table>

2. Board diversity:

According to Article 20 of the Company’s "Corporate Governance Best Practice Principles," the composition of the board of directors shall be diversified. It is advisable that directors concurrently serving as company managers not exceed one-third of the total number of the board members, and that an appropriate policy on diversification based on the Company's business operations, operating mode and development needs be formulated.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideals of corporate governance, the abilities that must be present in the board as a whole are as follows: 1. Operational judgment ability. II. Accounting and financial analysis ability. III. Business management ability. IV. Crisis management ability. V. Knowledge of the industry. VI. An international market insight. VII. Leadership ability. VIII. Decision-making ability. The Company currently has 7 board members, including 3 independent directors, whose professional background includes business, finance, accounting, law and construction engineering, etc. Details of the implementation for the diversity of all directors are listed in the attached table.

Core diversification items / Name of director	Nationality	Gender	Concurrently an employee of the Company	Age			Tenure of independent directors			Law	Technology	Accounting and finance	Industry knowledge	Leadership decision-making	Business management	Risk management
				41 to 50	51 to 60	Over 61	Less than 3 years	3 to 9 years	More than 9 years							
Chen, Shin-Ying	Republic of China	Male		0 person	5 persons	2 persons							✓	✓	✓	✓
Chen, Cheng-Kang	Republic of China	Male										✓	✓	✓	✓	✓
Chiang, Yao-Chun	Republic of China	Male	✓								✓		✓	✓	✓	✓
Pai, Shu-Chen	Republic of China	Female										✓	✓	✓	✓	✓
Hsu, Chen-Hua	Republic of China	Female						✓				✓	✓	✓	✓	✓
Wang, Kuei-Yuan	Republic of China	Male						✓			✓	✓		✓	✓	✓
Hung, Ming-Tsung	Republic of China	Male						✓		✓				✓	✓	✓

Specific management objectives of the board's diversity policy and the achievement thereof

Management objectives	Achievement
It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members.	Achieved
The board of directors shall include at least one female director.	Achieved
The number of independent directors reaches at least one-third of the number of directors.	Achieved

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors. If members of the audit committee have accounting or financial expertise, their accounting or financial background and work experience shall be stated, and whether they are not subject to article 30 of the Company Act shall be clarified .

Note 2: Independence criterion that the independent directors have met shall be stated - including but not limited to whether they, their spouse or their relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by them, their spouses, their relatives within the second degree of kinship or their nominee arrangement; whether they are directors, supervisors or employees of companies with specific relationships with the Company as stipulated in subparagraphs 5 to 8, paragraph 1 of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies; the amount of remuneration received for commercial, legal, financial and accounting services provided for the Company or its affiliates in the last two years.

(II) Information on the general manager, vice presidents, assistant vice presidents, and department and branch heads:

April 22, 2025

Title (Note 1)	Nationality	Name	Gender	Date assuming position	Number of shares held		Spouse & minor child shareholdings		Shareholding in name of other persons		Chief experience & education (Note 2)	Positions concurrently held at present at other companies	Manager who is a spouse or relative within the second degree of kinship			Remarks (Note 3)
					No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage			Title	Name	Relationship	
General manager	Republic of China	Shen, Shu-Chen	Female	2023.06.21	142,659	0.01%	_	_	_	_	Department of accounting, National Taichung Institute of Technology	None	None	None	None	
Vice President	Republic of China	Lee, Hui-Ping	Male	2023.06.21	480,676	0.05%	9,636	0.00%	_	_	Department of Architectural Engineering, United Industrial and Commercial College	None	None	None	None	
Manager, Information Department	Republic of China	Chiang, Yao-Chun	Male	2023.06.30	449,811	0.05%	_	_	_	_	Dept. of civil engineering, China College of Business and Industry	None	None	None	None	
Manager of the Northern Taiwan business office	Republic of China	Lu, Tzu-Liang	Male	2021.07.01	89,000	0.01%	_	_	_	_	Dept. of Civil Engineering, Tamkang University	None	None	None	None	
Audit Office Head	Republic of China	Hsiao, Ya-Hui	Female	2011.07.18	_	_	_	_	_	_	Degree in accounting, Overseas Chinese University	None	None	None	None	
Chief Accounting Officer (Note 4)	Republic of China	Lee, Zong Zhe	Male	2024.07.01	_	_	_	_	_	_	Department of Accounting Information, Dayeh University	None	None	None	None	
Chief Financial Officer	Republic of China	Tsai, Mei-Yin	Female	2023.06.21	53,142	0.01%	_	_	_	_	Business Administration, Taichung Business College	None	None	None	None	

Note 1: Must include information on the general manager, vice presidents, assistant vice presidents, and heads of departments and branches, and must in all cases disclose information on persons who hold positions equivalent to the general manager, vice president, or assistant vice president, regardless of their titles.

Note 2: With regard to experience connected with current positions, if the individual has had a position at the auditing CPA or an affiliate during aforementioned period, the individual's title and duties for which the individual was responsible must be stated.

Note 3: If the general manager or person with equivalent duties (highest manager) is the same person as the chairman, or are spouses or relatives within the first degree of kinship, relevant information concerning the reasons, justifiability, necessity, and response measures (such as the addition of an independent directorship or requiring that a majority of directors are not concurrently employees or managers) for this must be disclosed.

Note 4: Deputy Manager of Finance Department, Lee, Zong-Zhe, resigned on March 31, 2025.

III. Remuneration to the directors, general manager, and vice presidents during the most recent year

(I) Individual disclosure of names and remuneration methods

1. Units of directors' (including independent directors) remuneration:

Unit: NT$1,000

Title	Name	Directors' remuneration								Sum of items A, B, C, and D as a share of net profit after tax (%)		Relevant remuneration received by personnel in concurrent positions								The sum of the 7 items A, B, C, D, E, F, and G as a share of net profit after tax (%)		Has the individual received remuneration from an enterprise receiving reinvestment from the Company or its parent company (apart from subsidiaries of the Company)
		Compensation (A)		Severance pay and retirement pension (B)		Remuneration of directors (C)		Project implementation expenses (D)				Salary, bonus and allowances (E)		Severance pay and retirement pension (F)		Remuneration of employees (G)						
																The Company		All companies in financial statements				
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	Cash amount	Amount in stock	Cash amount	Amount in stock	The Company	All companies in financial statements	
Chairman	Chen, Shin-Ying	11,222	11,222			11,739	11,739	50	50	0.813	0.813	-	-	-	-	-	-	-	-	0.813	0.813	-
Directors	Ho-Yang Management Consultant Co., Ltd.					18,968	18,968			0.670	0.670	-	-	-	-	-	-	-	-	0.670	0.670	-
	Ho-Yang Management Consultant Co., Ltd. Representative: Chen, Cheng-Kang							40	40	0.001	0.001			-	-	-	-	-	-	0.001	0.001	-
	Ho-Yang Management Consultant Co., Ltd. Representative: Chiang, Yao-Chun							40	40	0.001	0.001	1,774	1,774	-	-	668	-	668	-	0.088	0.088	-
Directors	Pai, Shu-Chen					4,515	4,515	40	40	0.161	0.161	-	-	-	-	-	-	-	-	0.161	0.161	-
Independent Director	Wang, Kuei-Yuan	360	360	-	-	-	-	105	105	0.016	0.016	-	-	-	-	-	-	-	-	0.016	0.016	-
	Hung, Ming-Tsung	360	360	-	-	-	-	80	80	0.016	0.016	-	-	-	-	-	-	-	-	0.016	0.016	-
	Hsu, Chen-Hua	360	360	-	-	-	-	105	105	0.016	0.016	-	-	-	-	-	-	-	-	0.016	0.016	-

1. Please state independent directors' remuneration policy, system, standards, structure, and explain the connection between amount of remuneration and factors such as the duties and risk assumed, and the time requirements on the independent directors:
   The Company's standards for remuneration of independent directors reflect the time the independent directors dedicate to the Company's operations and the duties and risk they assume, and also take the prevailing levels of remuneration in the industry into consideration. Regardless of whether the Company grants the independent directors a fixed percentage of profits, the independent directors shall not participate in the distribution of remuneration to directors pursuant to Article 28 of the Articles of Incorporation.
2. Apart from the amounts disclosed in the foregoing table, remuneration received by the Company's directors for services provided to all companies in financial statements (when serving as consultants and not as employees) during the most recent year: 0.

＊The content of remuneration disclosed in the foregoing table has a different income concept than that in the Income Tax Act, which is because the purpose of this table is to disclose information, and not for assessment of taxes.

2. Remuneration of the general manager and vice presidents (individual disclosure of name and remuneration method)

Unit: NT$1,000

Title	Name	Salary (A) (Note 1)		Severance pay and retirement pension (B)		Bonuses and allowances (C)		Remuneration of employees (D) (Note 2)				Sum of items A, B, C, and D as a share of net profit after tax (%)		Has the individual received remuneration from an enterprise receiving reinvestment from the Company or its parent company (apart from subsidiaries of the Company)
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements	
								Cash amount	Amount in stock	Cash amount	Amount in stock			
General manager	Shen, Shu-Chen	1,540	1,540	-	-	2,904	2,904	869	-	869	-	0.188	0.188	-
Vice President	Lee, Hui-Ping	1,581	1,581	-	-	1,142	1,142	2,425	-	2,425	-	0.182	0.182	-

* Regardless of title, information concerning all persons with positions equivalent to those of general manager or vice president (such as CEO, executive director, director, etc.) must be disclosed. Regardless of title, information concerning all persons with positions equivalent to those of general manager or vice president (such as CEO, executive director, director, etc.) must be disclosed.

* The content of remuneration disclosed in the foregoing table has a different income concept than that in the Income Tax Act, which is because the purpose of this table is to disclose information, and not for assessment of taxes.

Note 1: Lists the salaries, differential pay, and severance pay of general manager and vice presidents during the most recent year.

Note 2: List the employees' remuneration (including remuneration in the form of stock and cash) distributed to the general manager and vice presidents during the most recent year with the approval of the board of directors; if not possible to predict, please calculate this year's planned distribution amounts on a proportional basis using the amounts actually distributed during the past year, and fill out Attached Table 1-3. Net profit after tax refers to after-tax net profit during the most recent year; When international financial statement guidelines have been adopted, net profit after tax shall refer to the net profit after tax on the entity's or individual's financial statement.

3. Remuneration of the top five executives with the highest remuneration (disclose name and remuneration separately) (Note 1)

Title	Name	Salary (A) (Note 2)		Severance pay and retirement pension (B)		Bonuses and allowances (C) (Note 3)		Remuneration of employees (D) (Note 4)				Sum of items A, B, C, and D as a share of net profit after tax (%) (Note 6)		Has the individual received remuneration from an enterprise receiving reinvestment from the Company or its parent company (apart from subsidiaries of the Company) (Note 7)
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements	
								Cash amount	Amount in stock	Cash amount	Amount in stock			
General manager	Shen, Shu-Chen	1,540	1,540	-	-	2,904	2,904	869	-	869	-	0.188	0.188	-
Vice President	Lee, Hui-Ping	1,581	1,581	-	-	1,142	1,142	2,425	-	2,425	-	0.182	0.182	-
Chief Accounting Officer	Lee, Zong-Zhe	538	538	-	-	29	29	67	-	67	-	0.022	0.022	
Chief Financial Officer	Tsai, Mei-Yin	846	846	-	-	74	74	221	-	221	-	0.040	0.040	

Note 1: The “top five executives with the highest remuneration” refer to managers of the Company. The criteria for the determination of managerial managers are in accordance with the scope of “managers” as stipulated in the Order Letter Tai-Cai-Zheng(3) 0920001301 dated March 27, 2003 issued by the former Securities and Futures Commission, Ministry of Finance. The determination for the calculation of the “top five executives with the highest remuneration” is based on the total amount of salaries, pensions, bonuses and special allowances received by the managerial officers from all companies included in the consolidated financial statements, as well as the amount of remuneration to employees (the total of A+B+C+D), and then ranked by the highest paid executives). If a director is also an executive listed above, this table and the table (1-1) above shall be filled in.

Note 2: Refers to the salary, job bonus and severance payment for top five executives with the highest remuneration in the most recent year.

Note 3: Refers to various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions and other remuneration received by top five executives with the highest remuneration in the most recent year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the top five executives with the highest remuneration in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the top five executives with the highest remuneration of the Company in the consolidated report should be disclosed.

Note 6: Profit after tax refers to the profit after tax on the parent company only or individual financial reports.

Note 7: a. This column should clearly state the amount of relevant remuneration received by the top five executives with the highest remuneration of the Company from the subsidiary company or the parent company (if none, please fill in “none”).

b. Remuneration refers to the when top five executives with the highest remuneration of the Company serves as a director, supervisor, or manager of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.

∗ The content of remuneration disclosed in the foregoing table has a different income concept than that in the Income Tax Act, which is because the purpose of this table is to disclose information, and not for assessment of taxes.

4. Names of managers receiving employees' remuneration and state of distribution:

Unit: NT$1,000

	Title (Note 1)	Name (Note 1)	Amount in stock	Cash amount	Total	Total as a share of net profit after tax (%)
Managers	General manager	Shen, Shu-Chen	-	3,582	3,582	0.127
	Vice President	Lee, Hui-Ping				
	Chief Accounting Officer	Lee, Zong-Zhe				
	Chief Financial Officer	Tsai, Mei-Yin				

Note 1: Must disclose the individual's name and title, but may disclose information concerning the distribution of profits in summarized form.

Note 2: Lists the employees' remuneration (including remuneration in the form of stock and cash) distributed during the most recent year with the approval of the board; if not possible to predict, please calculate this year's planned distribution amounts on a proportional basis using the amounts actually distributed during the past year. Net profit after tax refers to after-tax net profit during the most recent year; When international financial statement guidelines have been adopted, net profit after tax shall refer to the net profit after tax on the entity's or individual's financial statement.

Note 3: The applicable scope of managers shall constitute the scope specified in this Commission's Letter Tai-Cai-Zheng-3-Zi No. 0920001301 of March 27, 2003, and is as follows:
(1) General manager and persons at an equivalent level
(2) Vice presidents and persons at an equivalent level
(3) Assistant vice presidents and persons at an equivalent level
(4) Executive of the finance department
(5) Executive of the accounting department
(6) Other persons with corporate management duties and signing rights

Note 4: If directors, the general manager, and vice presidents have collected employees' remuneration (including stock and cash), apart from filling out Attached Table 1-2, this form must also be filled out.

(II) Provide analysis comparable to the explanation of remuneration paid to the Company's directors, supervisors, general manager, and vice presidents during the two most recent years as a share of net profit after tax on the individual financial statements and explain the Company's remuneration policy, standards and breakdown, procedures for determining remuneration, and linkage with business performance and future risk.

1. The Company's remuneration to directors, the general manager, and vice presidents during the two most recent years as a share of net profit after tax on the individual financial statements:

Title	In 2024 Total remuneration as a percentage of net profit after tax	In 2023 Total remuneration as a percentage of net profit after tax
Directors	1.70%	1.65%
General manager and vice presidents	0.37%	0.38%

2. Remuneration policy, standards and breakdown, procedures for determining remuneration, and linkage with business performance and future risk.

(1) The Company's remuneration to the Directors is determined in accordance with the Articles of Incorporation and with reference to the

standard in the same industry. The Remuneration Committee evaluates the remuneration to the Directors and functional committees in accordance with the "Measures for Payment of Remuneration to Directors and Functional Committee Members" and submits it to the Board of Directors for resolution. The remuneration of directors includes directors' remuneration, salaries, and service implementation expenses. Remuneration is set on the basis of Article 28 of the Articles of Incorporation; if there is the distribution of profits, directors' remuneration shall not exceed 2% of distributed profits. Salaries include wags and differential pay. Independent directors are given fixed monthly salaries, but do not participate in the distribution of remuneration to directors as specified in Article 28 of the Articles of Incorporation.

(2) The remuneration of the general manager and vice presidents consists of salary, bonuses, and employees' remuneration, reflects industry standards, is justifiable on the basis of individual performance, the Company's business performance, and future risk, and is implemented in accordance with the Company's "Manager Remuneration Regulations."

IV. State of corporate governance

(I) State of the board's functioning:

A total of 8 (A) meetings of the board of directors were held during 2024. The attendance of directors and supervisors was as follows:

Title	Name (Note 1)	Attendance in person (B)	Attendance by proxy	Attendance rate (%) [B/A] (Note 2)	Remarks
Chairman	Chen, Shin-Ying	8	0	100%	Should attend 8 meetings
Directors	Ho-Yang Management Consultant Co., Ltd. Representative: Chen, Cheng-Kang	8	0	100%	Should attend 8 meetings
Directors	Ho-Yang Management Consultant Co., Ltd. Representative: Chiang, Yao-Chun	8	0	100%	Should attend 8 meetings
Directors	Pai, Shu-Chen	8	0	100%	Should attend 8 meetings
Independent Director	Hsu, Chen-Hua	8	0	100%	Should attend 8 meetings
Independent Director	Wang, Kuei-Yuan	8	0	100%	Should attend 8 meetings
Independent Director	Hung, Ming-Tsung	8	0	100%	Should attend 8 meetings

Other details that need to be recorded in the meeting minutes:

I. When any of the following circumstances occur in connection with the functioning of the board, please state the meeting's date, period, content of motions, opinions of all independent directors, and the Company's handling of independent directors' opinions.

(I) Items listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable.

(II) Except for the above matters, other matters resolved by the Board of Directors with objection or reservation made by any independent directors, with records or a written statement: None.

II. With regard to directors' recusal in motions involving conflicts of interest, state the names of the directors, content of the motions, reason(s) for recusal, and participation in voting concerning such motions:

(I) With regard to the discussion on the proposal for "2023 employee remuneration and year-end bonus for executives" at the board meeting on January 29, 2024, apart from attending director Chen, Shin-Ying, who was a related party, and recused himself from discussion and voting on this proposal, the remaining directors passed the proposal as proposed without objection.

(II) With regard to discussion of the proposed signing of a land and real estate advance sale contract with related parties in the "Sakura Blossom Delight" and "Sakura in Yanagawa" projects at the August 9, 2024 board meeting, apart from attending director Chiang, Yao-Chun who was a related party, and recused himself from discussion and voting on this proposal, the remaining directors passed the proposal as proposed without objection.

(III) With regard to the discussion on the "2023 directors remuneration distribution proposal" at the board meeting on August 9, 2024, apart from attending directors Chen, Cheng-Kang and Chiang, Yao-Chun, who were representatives of Ho-Yang Management Consultant Co., Ltd. and Chen, Shin-Ying and Pai, Shu-Chen who were related parties and recused themselves from discussion and voting on this motion, the remaining directors passed the motion as proposed without objection.

(IV) With regard to discussion on the proposal for "adjustment of remuneration for the chairman and managers" at the board meeting on November 7, 2024, apart from attending director Chen, Shin-Ying, who was a related party, and recused himself from discussion and voting on this proposal, the remaining directors passed the proposal as proposed without objection.

III. TWSE/GTSM-listed companies must disclose assessment cycles and times, assessment scope and method, and assessment content, etc. for board self- (or peer-) assessments.

(I) State of board assessment implementation:

Assessment cycle	Assessment times	Assessment scope	Assessment method	Assessment content
Implemented once each year	2024.01.01 to 2024.12.31	The board of directors as a whole	Internal self-evaluation of the Board of Directors is carried out by filling out the "Board Performance Evaluation Self-Evaluation Questionnaire".	(1) The Board of Director performance evaluation covers the five aspects of degree of participation in the Company's operations, improvement in the quality of the Board of Directors' decision-making, composition and structure of the Board of Directors, election of directors and their continuing education, and internal control. The performance evaluation of board of directors for 2024 was excellent.
Implemented once each year	2024.01.01 to 2024.12.31	Individual directors	Self-evaluation of individual directors is carried out by filling out the "Board Member Performance Evaluation Self-Evaluation Questionnaire".	(2) Individual directors' performance evaluation covers the six aspects of mastery of the Company's goals and mission, awareness of directors' responsibilities, degree of participation in the Company's operations, internal relationship management and communication, directors' expertise and continuing education, and internal control. The performance evaluation of board members for 2024 was extremely excellent.
Implemented once each year	2024.01.01 to 2024.12.31	Functional committees ● Audit Committee ● Remuneration Committee ● Commission on Sustainable Development	Performance evaluation of functional committees was carried out by filling out the "Self-Evaluation Questionnaire for Audit Committee Performance", the "Self-Evaluation Questionnaire for Remuneration Committee Performance", and the "Self-Evaluation Questionnaire for Sustainable Development Committee Performance".	(3) Performance evaluation of functional committees (including the Audit Committee, Remuneration Committee, and Sustainable Development Committee) covers the five aspects of degree of participation in the Company's operations, awareness of the functional committee's responsibilities, improvement in the quality of the functional committee's decision-making, composition and structure of the functional committee, and internal control. The self-assessment results of the Audit Committee, Remuneration Committee, and Sustainability Committee for the year 2024 were rated as excellent..

(II) 2024 evaluation results:

Performance evaluation results of the Board of Directors:

Evaluation aspect	Evaluation result (up to 5 points)
Degree of participation in the Company's operations	4.83
Improvement in the quality of the Board of Directors' decision-making	4.83
Composition and structure of the Board of Directors	4.71
Election of directors and their continuing education	4.86
Internal control	4.86

Performance evaluation results of board members:

Evaluation aspect	Evaluation result (up to 5 points)
Mastery of the Company's goals and mission	4.86
Awareness of directors' responsibilities	4.79
Degree of participation in the Company's operations	4.73
Internal relationship management and communication	4.81
Directors' expertise and continuing education	4.67
Internal control	4.71

Performance evaluation results of the Audit Committee:

Evaluation aspect	Evaluation result (up to 5 points)
Degree of participation in the Company's operations	5.00
Awareness of the Audit Committee's responsibilities	4.60
Improvement in the quality of the Audit Committee's decision-making	5.00
Composition and structure of the Audit Committee	5.00
Internal control	5.00

Performance evaluation results of the Remuneration Committee:

Evaluation aspect	Evaluation result (up to 5 points)
Degree of participation in the Company's operations	5.00
Awareness of the Remuneration Committee's responsibilities	5.00
Improvement in the quality of the Remuneration Committee’s decision-making	5.00
Composition and structure of the Remuneration Committee	5.00

Performance evaluation results of the Sustainable Development Committee:

Evaluation aspect	Evaluation result (up to 5 points)
Degree of participation in the Company's operations	5.00
Awareness of the duties of the Sustainable Development Committee	4.33
Improvement in the quality of the Sustainable Development Committee’s decision-making	4.83
Composition and structure of the Sustainable Development Committee	5.00
Internal control	5.00

The evaluation results are presented in five levels. The principle of evaluation levels is explained as follows:
1: Extremely poor (strongly disagree); 2: Poor (disagree); 3: Average (ordinary); 4: Excellent (agree); 5: Extremely excellent (strongly agree).

(III) In November 2024, the Company commissioned an external professional independent organization, "Taiwan Investor Relations Institute”, with three members namely Yao, Wen-Chun; Hsu, Pi-Yun; and Wang, Shih-Hao appointed to perform the performance evaluation of the Company's Board of Directors. Based on the board meeting minutes, existing internal policies, other supporting documents and public information provided by the Company, and combined with the self-evaluation questionnaires and on-site interviews results, the independent organization issued an evaluation report. The evaluation conclusions and recommendations were compiled for internal use of the Company, as a reference for the decision-making of relevant improvement measures.

The following is a summary of the evaluation conclusions and recommendations of the external organization reported to the Board of Directors on December 27, 2024:

The Company's Board of Directors convenes regularly, and all the members of the Board of Directors actively participate in the meetings, with a good overall actual attendance rate. The directors continue to receive continuing education and keep abreast of the latest knowledge. The chairman and the general manager have clear division of responsibilities and the structure of the Board of Directors is sound. The members of the Board of Directors are diversified, with different professional backgrounds, genders or fields of work, to perform their supervisory duties and obligations.

Company improvement action:

The Company’s female directors have not yet reached one-third of the total Board members and will be improved in 2026. In terms of succession planning of the Board members and key management, we proactively focus on cultivating mid- and high level supervisors. However, this was not disclosed on the Company's website or annual report but will be addressed by the end of 2025. The Company completed the amendment to the Procedures for Sustainability Information Management on December 27, 2024. The English version of the 2025 Sustainability Report will be added. Other suggestions will be evaluated and executed in the future according to the Company's plan.

(IV) The evaluation results of the Company for 2024 were submitted to the Board of Directors on March 11, 2025, and the evaluation results were filed on the Market Observation Post System.

IV. Assessment of the current-year and recent-year goal of strengthening the functions of the board (such as through the establishment of the Audit Committee and enhancement of information transparency, etc.) and state of implementation:

(I) The Company's Board of Directors has established the Audit Committee, Remuneration Committee and Sustainable Development Committee as functional committees to strengthen its formulation of the Company's strategy, supervise management, manage risks, review financial position, and achieve the promotion and implementation of the Company's sustainable development.

(II) We have purchased sufficient liability insurance for all directors and managers to reduce and diversify the risk of significant damage to the Company and shareholders caused by their mistakes or negligence.

(III) The Company provides a diversified further education program for directors, and each board member received 6 hours of education in 2024.

(IV) The number of independent director vacancies is not more than two-thirds of the number of director seats, and the consecutive term has not exceeded three terms.

(V) The board's operations are conducted in accordance with the "Board Rules of Procedure." In order to enhance information transparency, major board resolutions are announced on the Company website.

Note 1: When directors or supervisors are juridical persons, the names of institutional shareholders and their representatives must be disclosed.

Note 2: (1) If any directors or supervisors resigned before the end of the year, the date of resignation must be marked in the Notes field, and their actual attendance rate (%) shall be calculated on the basis of the number of board meetings during their term and their attendance in person.

(2) If any directors or supervisors are appointed before the end of the year, both new and old directors or supervisors must be filled in, and the dates of the directors' or supervisors' old terms, new terms, and dates of appointment or re-appointment marked in the Notes field. Actual attendance rate (%) shall be calculated on the basis of the number of board meetings during an individual's term and that person's attendance in person.

(II) State of Audit Committee operation:

The Audit Committee was convened 8 times (A) in 2024; attendance by independent directors was as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note 1, Note 2)
Independent Director	Wang, Kuei-Yuan	8	0	100%
Independent Director	Hung, Ming-Tsung	8	0	100%
Independent Director	Hsu, Chen-Hua	8	0	100%

Other details that need to be recorded in the meeting minutes:

I. When any of the following circumstances occur in connection with the Audit Committee, please state the meeting's date, period, content of motions, Independent directors' adverse opinions, qualified opinions or significant recommendations, opinions of the Audit Committee, and the Company's handling of the Audit Committee's opinions.

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

Date of Audit Committee meeting	Content of motions	Opinions and resolutions of the Audit Committee
January 29, 2024 (4th meeting of the 3rd term)	1. 2024 business plan. 2. Amendment to the "Instalment Payment Measures ".	All attending committee members passed the motion as proposed
March 11, 2024 (5th meeting of the 3rd term)	1. 2023 Business report and financial statements. 2. Issuance of the 2023 “Statement of Internal Control System”. 3. 2023 earnings distribution proposal. 4. Issuance of new shares through capitalization of the 2023 earnings. 5. Amendment to the Articles of Incorporation. 6. The internal control system's "sale and payment collection cycle" revision proposal 7. Revised the internal control system "financing cycle" proposal.	All attending committee members passed the motion as proposed
April 2, 2024 (6th meeting of the 3rd term)	1. The Company's capital increase in cash for its subsidiary Ying Hsiung Construction. 2. The Company's signing of contract with its subsidiary Ying Hsiung Construction for "Fengxing Section", "Xinronghe Section- Phase 3" and "Zhongshe Section".	All attending committee members passed the motion as proposed
May 6, 2024 (7th meeting of the 3rd term)	1. Proposed the Company's 2024 first quarter consolidated financial statements. 2. Formulation of the "Procedures for Financial and Business Operations Between Related Parties”. 3. "Audit Committee Organizational Rules" revision proposal.	All attending committee members passed the motion as proposed

Date of Audit Committee meeting	Content of motions	Opinions and resolutions of the Audit Committee
	4. Amendment to the "Procedures for the Supervision of Subsidiaries”. 5. The Company's signing of contract with its subsidiary Ying Hsiung Construction for "Touchongxi Section, Yangmei District, Taoyuan City Phase III".	
June 14, 2024 (8th meeting of the 3rd session)	Chief Accounting Officer change	All attending committee members passed the motion as proposed
August 9, 2024 (9th meeting of the 3rd term)	1. Proposed the Company's 2024 second quarter consolidated financial statements. 2. Signing of a land and real estate advance sale contract with related parties in the "Sakura Blossom Delight” and “Sakura in Yanagawa” projects. 3. The Company's signing of contract with its subsidiary Ying Hsiung Construction for the "Xinronghe Section- Phase 3" and "Zhongshe Section" with the subsidiary, Ying Hsiung Construction.	All attending committee members passed the motion as proposed
November 7, 2024 (10th meeting of the 3rd term)	1. Proposed the Company's 2024 third quarter consolidated financial statements. 2. Replacement of CPAs in line with the internal job rotation at BDO Taiwan. 3. Appointment and independence assessment of the certifying CPAs for the 2025 financial statements. 4. Drafting of the Company's 2025 internal audit plan. 5. The Company's capital increase in cash for its subsidiary Ying Hsiung Construction. 6. The Company's signing of contract with its subsidiary Ying Hsiung Construction for “Fuyi Section” and “Station, Wuri District Phase III” 7. Amendment to the "other approval" in the approval authority table.	All attending committee members passed the motion as proposed
December 27, 2024 (11th meeting of the 3rd term)	1. Formulation of the "Procedures for Sustainability Information Management”. 2. Amendment to the "Procurement and Payment Collection Cycle" of the internal control system. 3. Revised the internal control system "Sustainable Development Best Practice Principles" proposal.	All attending committee members passed the motion as proposed

(II) Any issues apart from the aforementioned matters not approved by the Audit Committee but approved by more than two-thirds of entire body of directors: Not applicable.

II. With regard to independent directors' recusal from conflicts of interest, state the names of the independent directors, details of the motions, reason(s) for recusal, and participation in voting: Not applicable.

III. Communication between independent directors and internal audit manager and CPA (with respect to the material matters, methods and results of the Company's business and financial status):

(I) Communication policy:

1. The independent directors must hold at least two regular meetings each year with the CPA. At these meetings, the CPA shall report to the independent directors concerning the Company's financial status, overall state of operations, and internal control audits, and discuss and communicate concerning questions asked by the personnel in attendance.
2. The audit manager and independent directors shall hold at least one regular meeting on each quarter.

(II) Summary of communication:

1. Summary of communication between independent directors and CPA:

Date	Explanation
March 11, 2024	1. The CPA provided an explanation of the results of audit of the 2023 financial statements. 2. Discussion and communication with the attendees on their questions. Remark: The independent directors had no comments.
Date	Explanation
August 9, 2024	1. The CPA provided an explanation of the results of audit in the second quarter of 2024 financial statements. 2. Discussion and communication with the attendees on their questions. Remark: The independent directors had no comments.

2. Summary of communication between independent directors and the internal audit manager:

Date	Explanation
March 11, 2024	Reported on audit implementation during the fourth quarter of 2024.
May 6, 2024	Reported on audit implementation during the first quarter of 2024.
August 9, 2024	Reported on audit implementation during the second quarter of 2024.
November 7, 2024	Reported on audit implementation during the third quarter of 2024.

Note 1: If any independent directors resigned before the end of the year, the date of resignation must be marked in the Notes field, and their actual attendance rate (%) shall be calculated on the basis of the number of Audit Committee meetings during their term and their attendance in person.

Note 2: If any independent directors are appointed before the end of the year, both new and old directors or supervisors must be filled in, and the dates of the directors' or supervisors' old terms, new terms, and dates of appointment or re-appointment marked in the Notes field. The actual attendance rate (%) shall be calculated on the basis of the number of Audit Committee meetings during an individual's term and that person's attendance in person.

(III) State of corporate governance implementation and its deviations from the Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons for such deviations.

Assessment items	State of implementation (Note)			Deviations from Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
I. Does the Company abide by the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies when drafting and disclosing its Corporate Governance Code of Practice?	V		The Company has established the "Corporate Governance Best Practice Principles" in accordance with the law and regulations, and disclosed it on the Company's website and MOPS.	No deviation
II. Company's equity structure and shareholders equity				No deviation
(I) Does the Company have internal operating procedures for handling shareholders' suggestions, questions, disputes, and legal actions, and does it comply with such procedures?	V		(I) The Company has established a spokesperson and deputy spokesperson to handle shareholders' suggestions, questions, and disputes, etc.	
(II) Does the Company possess a list of major shareholders controlling the Company and a list of ultimate controllers of these major shareholders?	V		(II) The Company has stock affairs personnel responsible for handling related matters, keeping abreast of the status of directors, managers and major shareholders holding more than 10% of shares, and disclosing the list of shareholders holding more than 5% of shares in the quarterly financial report.	
(III) Has the Company established and implemented risk management and firewall mechanisms with its affiliates?	V		(III) The Company has established the "Management Measures for Related Party Transactions" in its internal control system.	
(IV) Does the Company have internal regulations in place to prevent its internal personnel from trading securities based on information not yet disclosed the public?	V		(IV) The Company has established the "Internal Material Information Handling Procedures" and the "Codes of Ethical Conduct".	
III. Composition and responsibilities of the Board of Directors				No deviation
(I) Has the board of directors formulated a diversity policy and specific management objectives? and are they being implemented?	V		(I) Diversity policy: Please refer to pages 10~12 of this annual report.	
(II) Apart from a Remuneration Committee and the Audit Committee established in accordance with law, has the Company established other types of functional committees on its own initiative?	V		(II) On November 8, 2023, the Board of Directors approved the reorganization of the "Sustainable Development Committee" to be subordinated to the Board of Directors, and is responsible for the decision-making, promotion and implementation of	

Assessment items	State of implementation (Note)			Deviations from Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
			corporate sustainability-related matters.	
(III) Has the Company drafted Board Rules of Procedure and its assessment methods? Does it conduct regular annual performance assessments? Are the results of performance assessments reported to the board, and are such results used as a reference for determination of individual directors' salary remuneration and nomination for re-appointment?	V		(III) The company has formulated the "Performance Evaluation Method of the Board of Directors" and the evaluation method. In November 2024, the Company commissioned an external professional independent organization, "Taiwan Investor Relations Institute", with three members namely Yao, Wen-Chun; Hsu, Pi-Yun; and Wang, Shih-Hao appointed to perform the performance evaluation of the Company's Board of Directors. The 2024 performance evaluation of the Board of Directors was completed in Q1 2025, with the results submitted to the Board of Directors on December 27, 2024 and March 11, 2025. Please refer to page 20-21of this annual report for details.	
(IV) Does the Company regularly assess the auditing CPA's independence?	V		(IV) Every year, the company will go about by evaluating the independence of its visa accountants in terms of its financial interests, investment shares, monetary loans, receiving major gifts and rotation of accountants. On November 7, 2024, the Board of Directors examined and approved the independence assessment of its visa accountants, as detailed in Schedule I on page 30 of this annual report.	
IV. Has the TWSE/GTSM-listed company assigned an appropriate number of competent corporate governance personnel, and directed the corporate governance manager to bear responsibility for corporate governance-related matters (including but not limited to providing directors and supervisors information needed for the performance of their duties, assisting legal compliance by directors and supervisors, conducting matters connected with board meetings and shareholders meetings in accordance with law, and producing board meeting and shareholders meeting minutes, etc.)?	V		The Company designated the Assistant Finance Manager as the Corporate Governance Manager responsible for conducting matters related to board meetings and shareholders' meetings, helping directors to assume their positions and engage in continuing education, providing directors with information needed for performing their duties, assisting legal compliance by directors, and other matters specified in the Articles of Incorporation or contract.	No deviation
V. Has the Company established channels for communication	V		The Company's stakeholders are: investors, financial institutions,	No deviation

Assessment items	State of implementation (Note)			Deviations from Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), established a stakeholder section of the company website, adequately responded to corporate social responsibility topics of great concern to stakeholders?			government authorities (environmental protection, labor, taxation), employees, customers/consumers, suppliers/contractors/outsourcing, local communities (community residents/neighbors), business partners (agent salespersons). Depending on the business functions, currently all stakeholders can communicate with the Company via the Company's relevant service windows, including email, telephone and fax.	
VI. Has the Company hired a professional stock agency to handle matters connected with shareholders meetings?	V		The Company has hired the agency department of CTBC Bank to handle matters connected with shareholders meetings.	No deviation
VII. Information disclosure (I) Has the company established a website to disclose financial business and corporate governance information? (II) Has the company adopted other information disclosure methods (such as establishing an English website, assigning specific personnel to bear responsibility for collection and disclosure of corporate information, institution of a spokesperson system, and posting of the proceedings of investor conferences on the Company's website)? (III) Has the company announced and reported its annual financial statements within two months after the end of the accounting year? Has the company announced and reported financial statements for the first, second, and third quarters and its monthly operating status prior to the statutory deadlines?	 V V 	 V	(I) The Company's established website Website: (https://www.sakurad.com.tw) Financial operations and corporate governance information are disclosed on a regular basis. (II) The Company has established spokesperson and deputy spokesperson to speak on behalf of the Company in order to strengthen information disclosure; investor conference information and relevant video files have been posted on the Company website. (III) The Company announces and reports its annual financial statements, financial statements for the first, second, and third quarters, and its monthly operating status within the periods specified in Article 36 of the Securities and Exchange Act.	No deviation
VIII. Does the company have any other material information aiding in understanding of its state of corporate governance implementation (including but not limited to employees' rights, employee concern, investor relations, supplier relations, stakeholders' rights, state of directors' continuing	V		(I) Employees' rights and concern for employees: In accordance with the Labor Standards Act, the company protects the legal rights and interests of its employees and has established an employee welfare committee to handle all employee benefits. In addition, the Company conducts regular	No deviation

Assessment items	State of implementation (Note)			Deviations from Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
education, state of implementation of risk management policy and risk assessment standards, state of implementation of customer policies, and the Company's purchase of liability insurance for directors, etc.)?			employee health checkups and occasional internal or external educational training and takes out group insurance for its employees. (II) Investor relations: The Company has assigned a specific person to handle shareholders' matters and regularly discloses operating information on the Market Observation Post System. (III) Supplier relations: The Company maintains good supply-and-demand relationships with suppliers. (IV) Stakeholders' rights: In keeping with their due lawful rights, stakeholders may communicate with the Company or provide their opinions at any time. (V) State of directors' continuing education: The Company directors already take part in classes held by such training organizations as the Securities & Futures Institute and Taiwan Corporate Governance Association. Relevant information is regularly disclosed on the Market Observation Post System. (VI) State of implementation of risk management policy and risk assessment standards: The Company has established an internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies." This internal control system has been effectively implemented, and is reviewed as needed in response to changes in the Company's internal and external environment, and to ensure that the system's design and implementation continue to be effective. (VII) State of customer policy implementation: The Customer Service Department and the Sales Department of the Company provide customer related services.	

Assessment items	State of implementation (Note)			Deviations from Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
			(VIII)State of purchase of liability insurance by the company for directors: The Company purchases liability insurance for directors every year, and the insurance period for this year is from July 8, 2024 to July 8, 2025.	

(IV) Please describe state of improvement in accordance with the most recently announced corporate governance assessment results from the Taiwan Stock Exchange Corporation's Corporate Governance Center, and state items and measures that will be strengthened as a first priority when improvements have not yet been made.

EVALUATION INDICATORS	IMPROVED OR NOT	EXPLANATION FOR FAILURE TO IMPROVE
1.1 Does the Company report at the annual general meeting the remuneration received by directors, including the remuneration policy, individual remuneration content and amount?	No	Improvement will be made in 2025.
2.9 Does the Company have a succession plan for the members of the board of Directors and key management and disclose its operation on the company's website or annual report?	No	Improvement will be made in 2025.
4.7 Does the Company upload the English version of the Perpetuity Report on the Open Information Observatory and the Company website?	No	reassessment
4.14 Does the company website or annual report reveal the identity of the stakeholders identified, the issues of concern, communication channels and response methods?	No	Under planning

Attached Table I

Evaluation Table of Independence and Competence of Attesting CPA in 2025

I. Evaluation description: According to Article 29 of "Code of Practice for Publicly Quoted Entity Governance", publicly quoted entity shall select professional, responsible and independent attesting CPAs, and shall periodically (at least once a year) evaluate the independence of the appointed certified public accountants.

II. Evaluating object:

Name of accounting firm:	BDO Taiwan	Name of CPA:	CPA Chang, Yi-Chun CPA Cheng, Chien-Hsien

III. Evaluation content: With reference to Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the CPA professional and ethical guidelines:

Item	Assessment items	Evaluating results	Whether to meet the independence
1	Whether the attesting CPA has a direct or significant indirect financial interest with the Company	No	Yes
2	Whether the attesting CPA has financing or warranties with the Company or its directors	No	Yes
3	Whether the attesting CPA have a close business relationship and potential employment relationship with the Company	No	Yes
4	Whether the attesting CPA receives any contingent fees in connection with the audit case of the Company	No	Yes
5	Whether the attesting CPA and members of the audit service team are related to the directors, managers or persons whose duties have significant influence on the audit case of the Company	No	Yes
6	Whether the attesting CPAs accept gifts of great value from the Company or the directors and managers of the Company	No	Yes
7	Whether the attesting CPAs provide audit services for the Company for seven consecutive years	No	Yes
8	Whether the attesting CPAs hold shares of the Company	No	Yes
9	The attesting CPAs have met the independence standard of the Bulletin No. 10 of the CPA professional and ethical guidelines, and obtained the "Statement of Independence" issued by the attesting CPAs and the Audit Quality Index (AQI).	Yes	Yes

IV. Work performance and achievement

1. Completed the Company's 2024 certified financial statements as scheduled.
2. Provided financial and tax consulting services for the Company from time to time.

V. Evaluating results:

The Company has appointed CPAs Chang, Yi-Chun and Cheng, Chien-Hsien of BDO Taiwan for the certification of financial statements of this year. The independence and competence of the two CPAs meet the standard after evaluation.

(V) If the Company has established a Remuneration Committee, it must disclose the committee's composition, duties, and state of operation:

1. Information concerning Remuneration Committee members

Identity (Note 1)	Criteria / Name	Has at least 5 years of work experience and has the following professional qualifications	Meet the independence criterion	Number of other public companies in which the committee member also serves as a remuneration committee member	Remarks
Independent Director (Convener)	Hsu, Chen-Hua	Please refer to page 9~10 of the annual report for relevant information.		0	
Independent Director	Wang, Kuei-Yuan			0	
Others	Huang, Tzu-Ling	Huang Tzu-ling, a graduate of department of labor relations of Chinese Culture University, is currently the associate manager of human resources and general services office of Cheng-Chia Construction Co., Ltd and has at least 5 years of work experience in commercial and the experience required for the Company's business,	Note 2	0	

Note 1: Please fill in identity as director, independent director, or other.

Note 2: Two years before the election and during the term of office, the following conditions were met.

(1) Not an employee of the Company or any of its affiliates.

(2) A director or supervisor not at the Company or its affiliates (this restriction does not apply, however, when concurrently serving as an independent director at the Company and its parent company or subsidiary or the subsidiaries of the same parent company when such positions have been established in accordance with this Act or the law of the country where the companies are located).

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.

(4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, if not the manager in subparagraph (1) or any of the persons listed in subparagraphs (2) and (3).

(5) Not a director, supervisor, or employee directly holding 5% or more of the outstanding shares of the Company, or ranking in the top 5 in holdings, or serving as a director or supervisor of an institutional shareholder as a designated deputy in accordance with Article 27, paragraphs 1 or 2 of the Company Act (this restriction shall not apply. However, when concurrently serving as an independent director at the Company and its parent company or subsidiary or the subsidiaries of the same parent company when such positions have been established in accordance with this Act or the law of the country where the companies are located).

(6) Not a director, supervisor, or employee who individually holds a majority of shares with voting rights or corporate directorships (this restriction shall not apply, however, when concurrently serving as an independent director at the Company and its parent company or subsidiary or the subsidiaries of the same parent company when such positions have been established in accordance with this Act or the law of the country where the companies are located).

(7) Not a director, supervisor, or employee of another company or organization when such a person or their spouse is the chairman, general manager, or person with equivalent duties at the Company (this restriction shall not apply, however, when concurrently serving as an independent director at the Company and its parent company or subsidiary or the subsidiaries of the same parent company when such positions have been established in accordance with this Act or the law of the country where the companies are located).

(8) Not the director, supervisor, manager, or shareholder holding 5% or more of outstanding shares of a specific company or organization with financial or business dealings with the Company (this restriction shall not apply, however, if the specific company or organization holds 20% or more, but no more than 50% of the outstanding shares of the Company and the individual is concurrently serving as an independent director of the Company and its parent company or subsidiary, or a subsidiaries of the same parent company in accordance with this Act or the law of the country where the companies are located).

(9) Not a sole proprietor, partner, or owner, partner, director, supervisor, manager at a company or organization, where that business, company, or organization provides audit services to the Company

or an affiliate or has obtained cumulative remuneration not exceeding NT$500,000 during the most recent two years, where such an individual is a professional in an area such as business, law, finance, or accounting, or the spouse of such an individual. However, this restriction shall not apply in the case of the member of a remuneration committee, open acquisition deliberation committee, or M&A special committee performing duties in accordance with Securities and Exchange Act or Enterprises Mergers and Acquisitions Act, etc.

(10) Not a person specified in any of the clauses of Article 30 of the Company Law.

2. Information concerning the functioning of the Remuneration Committee

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

(2) Term of the current committee members: From June 13, 2023 to June 12, 2026;. The Remuneration Committee held 3 (A) meetings in the most recent year 2024, and the member qualifications and attendance status are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (B/A) Note	Remarks
Convenor	Hsu, Chen-Hua	3	0	100%	
Committee member	Wang, Kuei-Yuan	3	0	100%	
Committee member	Huang, Tzu-Ling	3	0	100%	

Date (period) of meetings during 2024, content of motions, results of resolutions, and the Company's handling of the Remuneration Committee's opinions:

Date (period)	Content of motions	Opinions of all members and handling of members' opinions
January 29, 2024 (4th meeting of the 5th term)	1. Review of the Company's 2023 appropriation of remuneration to employees and directors, submitted for discussion. 2. Review of 2023 remuneration and year-end bonus to senior management, submitted for discussion.	All attending committee members passed the motion as proposed
August 9, 2024 (5th meeting of the 5th term)	1. Reviewed the 2023 directors remuneration distribution, submitted for discussion. 2. Amendment to the "Measures for Payment of Remuneration to Directors and Functional Committee Members", submitted for discussion. 3. Amendment to the "Manager Remuneration Regulations", submitted for discussion.	All attending committee members passed the motion as proposed
November 7, 2024 (6th meeting of the 5th term)	1. Review the salaries for the Company's chairman and managers, submitted for discussion.	All attending committee members passed the motion as proposed

Other details that need to be recorded in the meeting minutes:

I. If the Board adopts or revises the suggestions of the Remuneration Committee, please state the board meeting date, period, content of motions, results of board resolutions, and the Company's handling of the Remuneration Committee's opinions: Not applicable.

II. If any members of the Remuneration Committee resign before the end of the year, please state the date of the individual's resignation in the Notes field, and the attendance rate (%) should be calculated on the basis of number of Remuneration Committee meetings and the individual's attendance in person. Not applicable.

Note:

(1) If any members of the Remuneration Committee resign before the end of the year, please state the date of the individual's resignation in the Notes field, and the attendance rate (%) should be calculated on the basis of number of Remuneration Committee meetings and the individual's attendance in person.

(2) If any remuneration committee members are appointed before the end of the year, both new and former remuneration committee members must be filled in, and the dates of the members' old terms, new terms, and dates of appointment or re-appointment marked in the Notes field. The actual attendance rate (%) shall be calculated on the basis of the number of Remuneration Committee meetings during an individual's term and that person's attendance in person.

(VI) State of promotion of sustainable development implementation and any deviations from sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies and reasons:

Promotional Items	State of implementation (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
I. Has the Company established a governance structure to promote sustainable development and set up a special (concurrent) unit for the promotion of sustainable development? Has the board of directors authorized the senior management to handle such matters? How does the board of directors supervise such matters?	V		The Company established the Sustainable Development Committee on December 19, 2022. On November 8, 2023, the Board of Directors approved the reorganization, placing the Sustainable Development Committee under the direct supervision of the Board. The members of the Sustainable Development Committee are composed of two independent directors, resolved by the Board of Directors. One of the independent directors serves and the chair of the Committee and the general manager serves as the vice chairman of the Committee. The Committee is responsible for the formulation of the sustainable development policy, review, tracking and revision of the implementation of the sustainable development, and reporting to the Board of Directors on a regular basis. The Sustainable Development Committee held two meetings in 2024, on June 14, 2024 and December 27, 2024. The content of the motions included: Reporting the identification of material topics and formulating effective management and disclosure for each topic; reporting the results of the implementation of sustainable development and future promotion objectives; and adding the "Procedures for Sustainability Information Management".	No major deviations from Best Practice Principles
II. Does the Company perform risk assessment of corporate operating environment, society, and corporate governance issues in accordance with the materiality principle, and has it determined risk management policies or strategies?	V		1. The disclosure and risk assessment boundary covered the consolidated company's sustainable development performance from January to December 2024. The relevant risk assessment focused on the Company, and based on the relevance to the Company's operations and the degree of impact of the material topics. Some information of the Company's subsidiary Ying Hsiung Construction, incorporated on January 4, 2024, was also included in the boundary. 2. The Sustainable Development Committee analyzes the materiality of the sustainability report. Through risk transfer, process improvement, education and training, and audit system, the Committee	No deviation

<table>
<tr><th rowspan="2">Promotional Items</th><th colspan="3">State of implementation (Note 1)</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TSE/GTSM Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td></td><td></td><td></td><td>communicates with internal and external stakeholders. The Sustainable Development Committee also evaluates ESG topics that are material based on domestic and foreign research reports, literature, and integrates the evaluation data of various departments and subsidiaries. In doing this, the Committee is able to establish effective identification, measurement, evaluation, supervision, and control risk management policies and adopt concrete action plans. The Audit Office has established an annual audit plan in accordance with the internal control guidelines and applicable laws and regulations, and conducted audits on major risks. In the event of any defects in internal control and risk events discovered during an audit, the Audit Office will urge all units to take corrective action and implement necessary control operations in a timely manner in order to reduce the impact of related risks.
3. The Company's risk management policies or strategies are as follows:
<table>
<tr><th colspan="2">Material topic</th><th>Explanation</th></tr>
<tr><td rowspan="2">Environmental</td><td>Waste Management</td><td>Waste disposal has a significant impact on the environment and ecology. Therefore, the Company requires all contractors to have waste disposal permits.
The amount of waste removed must be reported in the data of pollutant sources regulated by the Ministry of Environment, Executive Yuan.</td></tr>
<tr><td>Raw material management</td><td>The Company requires suppliers of specific materials to provide proof of each material import certificates, including non-radiation certificate for reinforcing steels, tensile test report for reinforcing steels, slump test for concrete, on-site slump test of concrete, chlorine ion test of concrete, chlorine ion test of sand, fireproofing certificate of fireproofing doors, fireproofing certificate of lightweight partitions and ceiling panels, and green building material seal of painting materials, to ensure the quality of materials is good and free of risk.</td></tr>
<tr><td>Social</td><td>Occupational</td><td>Policy: “Safety First, Life is Priceless”.</td></tr>
</table></td><td></td></tr>
</table>

Promotional Items	State of implementation (Note 1)					Deviations from Sustainable Development Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description			
				safety and health	In order to effectively manage the occupational safety and health of the Company's sites, we hold an organizational meeting at the construction site every month to promote and request various labor safety regulations to the contractors, in order to enhance the safety awareness of workers. According to the "Labor Safety and Health Manual", the Company has commissioned external auditors to conduct a site inspection once a month, in order to reduce occupational disaster incidents.	
				Community communication and feedback	The Company values the communication with the community. Prior to the commencement of a construction project, the Company conducts the assessment of the adjacent buildings and hold a briefing session (as requested). We also give gifts to the neighbors during Mid-autumn Festival and Lunar New Year, building a good relationship with the neighbors. Give back to the community: The Company has been collaborating with Luminance Art Space since 2016. The organization supports talented artists with disabilities or who come from disadvantaged families. Through sponsorship, the Company obtains authorization for their paintings, which will be put into each of our client’s contract or hang them up in public areas, so as to add warmth into our construction projects. The Company is also committed to public welfare activities. The amount of public welfare donations in 2024 was NT$3,203 thousand.	
			Corporate governance	Strengthen of the Board functions	The Company has appointed a corporate governance officer to be in charge of planning the relevant continuing education topics for directors, providing directors with the latest legal/regulatory information, system development and policies, and compliance with laws and other matters stipulated in the Company's Articles of Incorporation or contracts. The Company takes out liability insurance for directors to protect them from legal actions or claims.	

Promotional Items	State of implementation (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
III. Environmental issues (I) Has the Company established a suitable environmental management system reflecting its industry characteristics?	V		The Company controls dust pollution in accordance with Article 23 of the Air Pollution Control Act and the Management Regulations for Construction Project Air Pollution Control Facilities. The relevant control measures are as follows: cleaning construction site vehicles, cleaning surrounding roads, raising fences, covering external walls with dust nets and canvas, and immediate watering the workplace to reduce dust pollution. The "Labor Safety and Health Manual" has been established, applicable to the cadres of the construction site, related contractors, and their hired workers. The Manual is evaluated by an external labor safety audit once a month from the commencement of construction work to the completion of dismantling of the scaffolding. By doing this, we hope to mitigate the risk of construction accidents and improve the standard of safety and health level of the construction site.	No deviation
(II) Has the Company striven to enhance the efficiency of its use of energy, and sought to use renewable materials with lower environmental load or impact?	V		The Company entrusts a professional and legal waste disposal company to handle the cleaning and disposal of construction site waste. In addition to using an electronic form system to reduce paper consumption, the office has changed the copy paper to environment-friendly recycled paper that meets environmental protection standards. Employees are also required to classify waste and turn off lights to save energy. The Company values environmental protection and uses water-saving, energy-saving, green building materials and environmental labeled products when procuring building materials. Besides, regarding construction projects, rainwater recycling system is provided for community planting and watering. The Company has been gradually increasing the green building marks into its construction projects, and strengthening green procurement. The green procurement amount reported in 2024 reached NT$146,768 thousand, making an effort to reduce the impact on the environment.	No deviation
(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	V		• Risk types: Green building procurement costs increase, high temperature risk, and sea level rise.	
(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of	V			

<table>
<tr><th rowspan="2">Promotional Items</th><th colspan="3">State of implementation (Note 1)</th><th rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TSE/GTSM Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td>waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?</td><td></td><td></td><td>

- Opportunities:
Building environment-friendly, energy-saving, and waste reducing green buildings can increase consumer willingness to purchase.
- Response measures:
  1. Reuse of construction resources.
  2. Shade installation
  3. Before purchasing land, the Company will contact the National Land Surveying and Mapping Center to inquire about potential disaster layers, tsunamis and flooding areas and geological sensitive areas, and try to avoid areas with potential risks.
- Greenhouse gas emissions

<table>
<tr><th>Item/year</th><th>2023</th><th>2024</th></tr>
<tr><td>Category 1 (metric tons of CO_2e)</td><td>25.67</td><td>88.5047</td></tr>
<tr><td>Category 2 (metric tons of CO_2e)</td><td>1,647.90</td><td>1,402.4513</td></tr>
<tr><td>Total emissions (metric tons of CO_2e)</td><td>1,673.57</td><td>1,490.956</td></tr>
<tr><td>Floor area (m^2)</td><td>501,605.75</td><td>605,444.17</td></tr>
<tr><td>Greenhouse gas emission intensity (metric tons of CO_2e/m^2)</td><td>0.0362</td><td>0.0025</td></tr>
</table>

- Water resource utilization

<table>
<tr><th>Year</th><th>2023</th><th>2024</th></tr>
<tr><td>Water intake (m^3)</td><td>16,340</td><td>49,362</td></tr>
<tr><td>Floor area (m^2)</td><td>501,605.74</td><td>605,444.17</td></tr>
<tr><td>Water consumption density (m^3/m^2)</td><td>0.03</td><td>0.0815</td></tr>
</table>

- Total weight of waste
In 2024, the total amount of waste from the various ongoing construction sites of Sakura Development was 21881 metric tons. The waste cleaning and transportation contractor contracted by the company is a qualified manufacturer that complies with the regulations of the Environmental Protection Agency, Executive

</td><td></td></tr>
</table>

Promotional Items	State of implementation (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
			Yuan. The construction waste on the construction sites has been classified and processed. Contractors' vehicles entering the construction site must be equipped with GPS vehicle positioning systems, and computer driving monitoring should be operated by the contractor terminal to control the flow of construction waste on the construction site. The contractors are required to publish the waste disposal method and total amount online.	
IV. Social issues (I) Does the company comply with relevant human rights laws, regulations, and internationally recognized covenants, and have related management policies and procedures been determined?	V		(I) The Company's management policies and procedures are drafted in compliance with the principles of relevant laws and international human rights conventions.	No deviation
(II) Has the Company drafted and implemented reasonable employee welfare measures (including measures concerning remuneration, vacation time, and other benefits, etc.), and appropriately base employee remuneration on the Company's operating performance or results?	V		(II) The Company has formulated management regulations protecting employees' lawful rights in accordance with the Labor Standards Law, Gender Equality in Employment Act, and Employment Service Act, and has established an Employee Welfare Committee to conduct employee welfare matters. In addition, the Company adjusts employees' salaries after regularly assessing employee performance based on employee evaluation regulations.	
(III) Does the company provide its employees with safe and healthy workplaces, and organize training on safety and health for its employees on a regular basis?	V		(III) The Company provides employees with a safe and healthy working environment: 1. Health stations have been set up at the construction sites and offices, providing 5-in-1 health measurement devices (including blood pressure monitors, oximeters, non-contact thermometers, blood glucose test kit, and weight/body fat scales). Our colleagues can also record and track measurement data through an APP to track their health status. 2. At present, all construction site employees are equipped with basic safety equipment, such as helmets, safety shoes, masks, belts, and other personal protective equipment. Monthly once safety agreement organization meetings are also held to	No deviation

Promotional Items	State of implementation (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
			promote safety awareness at the sites. 3. At the rest areas of the construction sites, we provide water dispensers, fans, and sunshade facilities to prevent hazards arising from working in a high temperature environment. 4. The Company holds regular meetings to announce its major policies. Employees may propose relevant suggestions and receive responses. 5. The construction site and office are equipped with labor safety personnel to regularly inspect safety in the work environment. 6. The Company has access control in place that employees swipe their card coming in to and leaving the office. On a regular basis, the Company conducts a fire inspection in the building and has lightening and escape equipment to maintain the safety of the work environment.	
(IV) Does the Company offer its employees effective occupational development training plans?	V		(IV) The Company provides employees with subsidies for continuing education intended to increase their professional skills and knowledge.	
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	V		(V) The Company has a dedicated unit bearing responsibility for providing after-sales service and maintaining consumers' rights. The Company upholds relevant laws and regulations with regard to the marketing and marketing of products and services in all cases, and has drafted customer complaint handling procedures. Furthermore, an online repair request system has been established on the Company's website, and information on contact and customer grievance or advice procedures are provided in the stakeholders' area of the website.	
(VI) Has the Company drafted a supplier management policy, and does it ask that suppliers comply with relevant environmental, occupational health and safety, and labor rights standards? What is the state of implementation?	V		(VI) Every year, the Company conducts supplier evaluations on professional skills, construction quality, construction schedule control, environmental protection, and safety and health management, and any unqualified supplier will be dismissed.	

<table>
<tr><td rowspan="2">Promotional Items</td><td colspan="3">State of implementation (Note 1)</td><td rowspan="2">Deviations from Sustainable Development Best-Practice Principles for TSE/GTSM Listed Companies and reasons</td></tr>
<tr><td>Yes</td><td>No</td><td>Brief description</td></tr>
<tr><td>V. Does the Company comply with internationally-accepted report production guidelines or principles when compiling non-financial information reports, such as sustainable development reports? Have the foregoing reports obtained confirmatory or assurance opinions from a third-party certification unit?</td><td></td><td>V</td><td>The Company prepares its reports in accordance with the following guidelines:
1. The latest edition of the GRI Standards (GRI Standards 2021 Edition) issued by the Global Reporting Initiative (GRI).
2. Sustainability Accounting Standards Board, SASB
3. Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB).
4. The 2024 sustainability report has not been verified by a third party.</td><td>No deviation</td></tr>
<tr><td colspan="5">VI. If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe its current practices and any deviations from the Best Practice Principles:
The Company has established the "Sustainable Development Best Practice Principles" and there is no significant difference in its implementation from the requirements in the Best Practice Principles.</td></tr>
<tr><td colspan="5">VII. Other important information that facilitates the understanding of the execution of sustainable development:
Public welfare: The Company cares about disadvantaged groups and sponsors various activities for schools. The following is a summary of the donations in 2024:
1. Donation of equipment or subsidies for repairs: First aid equipment for Taichung City Fire Department; replacement of water dispensers for Shun-Tien Junior High School; repairs to the activity center for Dadun Junior High School; replacement of lights for the dormitory of Chinese Childrenhome and Shelter Association; and repairs to the homes of disadvantaged families at Heng-Shan Social Welfare Foundation.
2. Training fee sponsorship: Shi-Yuan Senior High School baseball team; Li-Ming Elementary School soccer team; and Da-Dun Senior High School badminton team.
3. Sponsorships: Family psychological consultation program of Down Syndrome Foundation; Mid-Autumn Festival dinner and lunar new year dinner raising of Huashan Social Welfare Foundation; elderly year-end reunion dinner of Ling Jiou Mountain Charity Foundation; and lunar new year dinner raising of Smile Angels Association.
4. Others: Funds for Yuying Junior High School Foundation; funds for Taiwan Community Care Association; funds for Taiwan Art Beyond Vision Association; funds for The Society of Wilderness; and music concerts for Puren Youth Care Foundation.
The amount of donations above totaled NT$3,203 thousand.</td></tr>
</table>

Note 1: If "Yes" is checked on the state of implementation, Please specify the major policies, strategies and measures adopted and the state of implementation; If "No" is checked on the state of implementation, Please explain the deviations and reasons on the column of "the reasons for the differences in the deviations from Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies and reasons" specify the policies, strategies and measures that will be adopted in the future.

Note 2: The materiality principle refers to whether relevant environmental, social, and corporate governance issues have a major impact on the Company's investors and other stakeholders.

(VII) State of performance of ethical management and deviations from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons:

Assessment items	State of implementation (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
I. Establishment of ethical corporate management policies and methods				No deviation
(I) Has the Company drafted ethical management policies that have been approved by the board, and are ethical management policies, methods, and pledges from the board and upper management to actively implement such policies clearly noted in corporate rules and documents intended for external publication?	V		(I) The Company has formulated the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", and posted them on the investors' area of the Company's website. The board and the management are promoting compliance with them by setting personal examples.	
(II) Has the Company established a mechanism for assessment of unethical practice risk, and does it regularly analyze and assess operating activities with relatively great unethical practice risk within the scope of its business operations? Has the Company determined preventive measures targeting at least the conduct specified in the various subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" in order to prevent unethical conduct?	V		(II) While performing their duties, the Company's personnel may not directly or indirectly provides, pledge, request, or accept illicit benefits in any form, and must comply with regulations restricting and prohibiting partisan or political activities.	
(III) Does the Company clearly state operating procedures, code of conduct, punishments for violations, and a complaint system in its unethical conduct prevention plan? Has it implemented this plan, and does it perform regular review and correction of the plan?	V		(III) The Company's "Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" prohibit unethical conducts, and a violation reporting hotline and email address are provided on the Company's website.	
II. Implementation of ethical corporate management				No deviation
(I) Does the company evaluate credit records of its counterparties and specify good faith terms and conditions in the contracts entered into?	V		(I) The Company regularly evaluates its business partners and stipulates the terms of integrity in the contracts with the business partners.	
(II) Has the Company established a dedicated unit subordinate to	V		(II) The Company's president's office is responsible for	

Assessment items	State of implementation (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
the board for promotion of ethical management? Does the Company report its ethical management policies, plans for prevention of unethical conduct, and state of supervision and implementation to the board on a regular basis (at least once each year)?			formulating and supervising the implementation of the ethical management policy; on November 7, 2024, it reported to the board of directors the ethical management policy, the program for preventing unethical behavior and the supervision of its implementation: In 2024, the Company did not receive any reports of unethical behavior or misconduct, and there were no legal cases of corruption either.	No deviation
(III) Has the Company determined a policy for prevention of conflicts of interest, and does it provide appropriate channels for complaints? What is the state of implementation?	V		(III) In its "Codes of Ethical Conduct", the Company specifies that directors, managers, and all employees must prevent conflicts of interest. The Company encourages employees who suspect or have discovered illegalities to report such incidents to the board, managers, internal auditors, or other appropriate personnel, and the Company will take confidentiality and protective measures to shield such whistleblowers and investigative personnel.	
(IV) Has the Company established an effective accounting system and internal control system to promote ethical management? Has the internal audit unit drafted an audit plan on the basis of unethical conduct risk assessment results, and has this plan been used to investigate compliance with the unethical conduct prevention plan, or has a CPA been hired to perform such investigation?	V		(IV) The Company has established effective accounting system and internal control system, internal auditors in accordance with the audit plan to carry out audit activities.	
(V) Does the Company organize internal and external educational training periodically to help promote ethical management?	V		(V) The Company organizes training on ethical management for new employees (0.5 hour per session). In 2024, the Company organized seminars on "Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct", totaling 98 participants (including Sakura Development employees and personnel from construction companies) and 98	

Assessment items	State of implementation (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
			training hours.	
III. State of implementation of the Company's violation reporting system				
(I) Does the Company have a substantial reporting and reward system as well as a convenient reporting channels in place with appropriate personnel assigned to assist the party being reported on?	V		(I) The Company encourages internal and external personnel to report unethical conduct and improper behavior. In accordance with the severity of the reported behavior, the reporting personnel will be granted bonuses. The Company's website contains a reporting email address and hotline to the Board Secretarial Office.	No deviation
(II) Has the Company determined standard operating procedures for investigation of reported incidents, confidentiality mechanisms, and follow-up measures to be taken after investigations have been completed?	V		(II) The Broad Secretariat shall observe the following procedure in handling whistleblowing matters: 1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive. 2. The department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.	No deviation

Assessment items	State of implementation (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Brief description	
(III) Has the Company adopted measures to prevent whistleblowers from receiving improper treatment?	V		4. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. 5. The Board Secretariat shall submit a report on the whistleblowing case, actions taken, and follow-up reviews and corrective measures, to the Board of Directors. (III) The company keeps the identity of the whistleblower and the content confidential, and promises to protect the whistleblower from being mistreated due to the whistleblowing.	
IV. Improving Information Disclosure Does the Company disclose the content of its Ethical Corporate Management Guidelines and results of promotion on its website and via the Market Observation Post System?	V		The Company discloses the content of the Ethical Corporate Management Guidelines in the important internal regulation section of the investors' area of its website.	No deviation
V. If the company has determined its own Ethical Corporate Management Guidelines on the basis of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please state any deviations in their functioning or principles: None.				
VI. Other important information to help understand the integrity of the company's operations: The "Rules of Procedure of the Board of Directors" of the Company stipulates that any director who has an interest in the matters of the meeting with himself or the legal person he represents shall not participate in the discussion and voting when the board of directors explains the important content of his interest, if it is harmful to the interests of the company, and shall withdraw from the discussion and voting. And shall not exercise his voting rights on behalf of other directors.				

(VIII) Other significant information that may improve the understanding of its corporate governance at the Company: None.

(IX) State of implementation of the internal control system:

1. Statement of Internal Control System:
   Please consult the MOPS by navigating to: Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcements.
   website:http://mops.twse.com.tw/mops/#/web/t06sg20
2. When a CPA has been hired to audit the internal control system, the CPA's audit report must be disclosed: None.

(X) Important resolutions of the shareholders meeting and board meeting during the most recent year to the date of printing of this Annual Report:

1. Important resolutions of the shareholders meeting:

Date	Motion	State of implementation and review
June 14, 2024	Acknowledgment of the 2023 earnings distribution proposal.	A cash dividend of NT$0.4 and a stock dividend of NT$1.6 per share were distributed on September 20, 2024.
	Proposed capital increase by earnings recapitalization and issuance of new shares.	Approved by the Ministry of Economic Affairs on September 13, 2024; the new shares from capital increase were issued on September 20, 2024.

2. Important board resolutions:

Date	Important resolutions
January 29, 2024	1. Approved the 2024 business plan. 2. Approved the amendment to the "Instalment Payment Measures". 3. Approved the Company's proposed appropriation of remuneration for employees and directors for 2023. 4. Approved the proposed 2023 employees' remuneration and year-end bonuses for upper managers.
March 11, 2024	1. Approved the 2023 business report and financial report. 2. Approved the 2023 "internal control system statement." 3. Approved the 2023 earnings distribution proposal. 4. Approved the 2023 proposed capital increase by earnings recapitalization and issuance of new shares. 5. Approved the revised "Articles of Incorporation." 6. Approved the revised internal control system's "sale and payment collection cycle." 7. Approved the revised internal control system "financing cycle" proposal. 8. Approved matters relating to the holding of the 2024 shareholders meeting. 9. Approved the Company's proposed application to securities companies for renewal of commercial paper issuance in order to meet business needs.
April 2, 2024	1. Approved the Company's capital increase in cash for its subsidiary Ying Hsiung Construction. 2. Approved the Company's contracts with its subsidiary Ying Hsiung Construction for the "Fengxing Section", the "Xinronghe Section- Phase 3" and the "Zhongshe Section". 3. Ratification of the Company’s application to financial institutions for credit facilities.
May 6, 2024	1. Approved the Company's Consolidated Financial Statements for the First Quarter. 2. Approved the formulation of the "Procedures for Financial and Business Operations Between Related Parties”. 3. Passed the revised "Audit Committee Organizational Rules." 4. Approved the amendment to the "Procedures for the Supervision of Subsidiaries”. 5. Approved the signing of contract with subsidiary Ying Hsiung Construction for the "Touchongxi Section, Yangmei District, Taoyuan City Phase III". 6. Passed the proposed application to a financial institution for a line of credit.
June 14, 2024	1. Approved the Chief Accounting Officer change 2. Approved the setting of the ex-date for issuing new shares from the Company's conversion of earnings into capital increase in 2023 and other relevant matters. 3. Approved the Company’s cash dividend distribution related matters in 2024. 4. Passed the proposed application to a financial institution for a line of credit.

Date	Important resolutions
August 9, 2024	1. Approved the Company's Q2 2024 consolidated financial statements. 2. Approved the signing of a land and real estate advance sale contract with related parties in the "Sakura Blossom Delight" and "Sakura in Yanagawa" projects. 3. Approved the signing of contract with subsidiary Ying Hsiung Construction for the "Xinronghe Section- Phase 3" and "Zhongshe Section" with the subsidiary, Ying Hsiung Construction. 4. Approved the 2023 distribution of remuneration to directors. 5. Approved the amendment to the "Measures for Payment of Remuneration to Directors and Functional Committee Members". 6. Approved the amendment to the "Manager Remuneration Regulations". 7. Passed the proposed application to a financial institution for a line of credit.
November 7, 2024	1. Approved the Company's Q3 2024 consolidated financial statements. 2. Approved the replacement of CPAs in line with the internal job rotation at BDO Taiwan. 3. Approved the appointment and independence assessment of the certifying CPAs for the 2025 financial statements. 4. Approved the Company's 2025 internal audit plan. 5. Approved the capital increase in cash for its subsidiary Ying Hsiung Construction. 6. Approved the signing of contract with subsidiary Ying Hsiung Construction for "Fuyi Section" and "South Section, New Station, Wuri District Phase III" 7. Approved the amendment to the "other approval" in the approval authority table. 8. Approved the review of the salaries for the Company's chairman and managers.
December 27, 2024	1. Approved the formulation of the "Procedures for Sustainability Information Management". 2. Approved the revised internal control system's "procurement and payment collection cycle." 3. Approved the amendment to the internal control system "Sustainable Development Best Practice Principles". 4. Approved the Company's proposed application to financial institutions credit facilities in order to meet business needs.
January·22, 2025	1. Approved the 2025 business plan. 2. Approved the signing of contract with subsidiary Ying Hsiung Construction for "Zhongshe Section" with the subsidiary, Ying Hsiung Construction. 3. Approved the Company's proposed appropriation of remuneration for employees and directors for 2024. 4. Approved the proposed 2024 employees' remuneration and year-end bonuses for upper managers. 5. Passed the proposed application to a financial institution for a line of credit.
March 11, 2025	1. Approved the 2024 business report and financial report. 2. Approved the 2024 "internal control system statement." 3. Approved the 2024 earnings distribution proposal. 4. Approved the 2024 proposed capital increase by earnings recapitalization and issuance of new shares. 5. Approved the revised "Articles of Incorporation." 6. Passed the revised "Board Rules of Procedure." 7. Approved the signing of contract with subsidiary Ying Hsiung Construction for "Hezuo Section". 8. Approved the signing of contract with subsidiary Ying Hsiung Construction for the "Xinronghe Section- Phase 3" with the subsidiary, Ying Hsiung Construction. 9. Approved matters relating to the holding of the 2025 shareholders meeting. 10. Approved the application to securities companies for renewal of commercial paper issuance.

(XI) Main content of recorded or written dissenting opinions from directors or supervisors on important resolutions approved by the Board of Directors during the most recent year up to the date of publication of the annual report. Main content: None.

V. Information of Fees to CPA

Monetary units: NT$1,000

<table>
<tr><th>Name of accounting firm</th><th>Name of CPA</th><th>Period of Independent Auditor's Report</th><th>Audit fee</th><th>Non-audit fee</th><th>Total</th><th>Remarks</th></tr>
<tr><td rowspan="2">BDO Taiwan</td><td>Chang, Yi-Chun
Teng, Hsin-Shan</td><td>2024.01.01~
2024.09.30</td><td rowspan="2">1,830</td><td rowspan="2">582</td><td rowspan="2">2,412</td><td rowspan="2">Replacement of CPAs in line with the internal organizational adjustment of BDO Taiwan.</td></tr>
<tr><td>Chang, Yi-Chun
Cheng, Chien-Hsien</td><td>2024.10.01~
2024.12.31</td></tr>
</table>

Note 1: Services for non-audit fees:Commercial registration, review on remuneration information of full-time employees who do not hold executive positions, review on stock dividend distribution, report on performance of value trust and English financial report.

Note 2: If the Company changed the CPA or accounting firm during the year, pleased list their audit periods individually, and explain the reason for the change in the Notes field. In addition, the audit and non-audit fees paid shall be disclosed in order. Regarding non-audit fees, the contents of the services shall be described in the note.

(I) If the accounting firm was replaced and if the audit fees paid for the fiscal year in which such replacement took place were lower than those for the previous year, the reduction in the amount of audit fees and the reason(s) must be disclosed: Not applicable.

(II) If the audit fees paid for the current year are lower than those for the previous fiscal year by 15% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) must be disclosed: Not applicable.

VI. Information on change of CPA: None.

VII. The names, titles, and period at the auditing accounting firm or its affiliate of the president, general manager, or any managers responsible for financial or accounting matters who have been employed by the auditing accounting firm or its affiliates during the most recent year: Not applicable.

VIII.Transfer of equity or changes in the pledge of equity by the directors, supervisors, managers, and shareholders holding more than 10% of shares in the most recent year to the date of printing of this Annual Report:

(I) Changes in Shareholding of Directors, Supervisors, Presidents and Major Shareholders Please visit MOPS at https://mopsov.twse.com.tw/mops/web/query6_1

(II) Equity transfer information: Not applicable.

(III) Equity pledge information: Not applicable.

IX. Any of the top 10 shareholders by their holdings who are related parties or spouses, or relatives within the second degree of kinship, and their mutual relationships

April 22, 2025

Name (note 1)	Shareholder		Spouse & minor child shareholdings		Combination of shares by nominee arrangement		Titles, names and relationships of top 10 shareholders with relationships, spousal relationships, or kinship within the second degree (note 3)		Remarks
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	Name	Relationship	
Tzeng, Shu-Chiung	216,411,681	21.77%	216,126,046	21.74%	-	-	Lin, Chen-Hai	Spouse	
Lin, Chen-Hai	216,126,046	21.74%	216,411,681	21.77%	-	-	Tzeng, Shu-Chiung	Spouse	
Ho-Yang Management Consultant Co., Ltd. Responsible person: Lin, Chen-Hai	188,466,542	18.96%	-	-	-	-	-	-	
Jin Jue Development Co., Ltd. Responsible person: Hsieh, Yin-Lien	31,559,371	3.17%	-	-	-	-	-	-	
Jin Lin International Co., Ltd. Responsible person: Tzeng, Tsung-Lin	25,481,877	2.56%	-	-	-	-	-	-	
Hsieh, Yin-Lien	17,602,675	1.77%	-	-	-	-	-	-	
Meida Investment Co., Ltd. Responsible person: Chen,Sung-En	9,800,851	0.99%	-	-	-	-	-	-	
	5,593	0.00%							
Chen, Ming-Sheng	8,324,228	0.84%	-	-	-	-	-	-	
Tzeng, Tsung-Lin	7,871,995	0.79%	7,382,139	0.74%	-	-	Tzeng-Li, Chin-Yao	Spouse	
Tzeng-Li Chin-Yao	7,382,139	0.74%	7,871,995	0.79%	-	-	Tzeng, Tsung-Lin	Spouse	

Note 1: The top 10 shareholders must all be listed; the names of any institutional shareholders and their representatives must both be listed.

Note 2: Calculation of shareholdings shall be based on the percentage of shares held in the person's own name, by the person's spouse, and in the name of other persons.

Note 3: The mutual relationships between the shareholders listed above, including institutional and natural person shareholders must be disclosed in accordance with the Guidelines Governing the Preparation of Financial Reports by Issuers.

X. The Shareholding of the Company, Director, Supervisor and the Business that is Controlled by the Company Directly or Indirectly on the Invested Company: None.

Chapter 3. Information on Fund-raising

I. Capital & Shares

(I) Source of capital stock

Unit: NT$: Shares

Month/ Year	Issue price	Authorized capital		Paid-in capital		Remarks		
		No. of Shares	Amount	No. of Shares	Amount	Source of capital stock	Capital increased by assets other than cash	Others
March 1987	10	2,000,000	20,000,000	2,000,000	20,000,000	Founded in	—	Note 1
June 1990	10	19,500,000	195,000,000	19,500,000	195,000,000	Cash capital increase of 175,000,000	—	Note 2
July 1994	10	80,000,000	800,000,000	80,000,000	800,000,000	Cash capital increase of 605,000,000	—	Note 3
January 1996	10	90,000,000	900,000,000	90,000,000	900,000,000	Capital increase by earnings recapitalization of 100,000,000	—	Note 4
July 1996	10	100,800,000	1,008,000,000	100,800,000	1,008,000,000	Capital increase by earnings recapitalization of 108,000,000	—	Note 5
June 1997	10	154,348,000	1,543,480,000	114,187,000	1,141,870,000	Capital increase by recapitalization of earnings and employee bonuses of 133,870,000	—	Note 6
September 1997	10	154,348,000	1,543,480,000	154,187,000	1,541,870,000	Cash capital increase of 400,000,000	—	Note 7
March 1998	10	440,000,000	4,400,000,000	200,883,100	2,008,831,000	Capital increase by recapitalization of earnings and employee bonuses of 235,680,500 Capital increase out of capital reserves 231,280,500	—	Note 8
August 1999	10	440,000,000	4,400,000,000	220,971,410	2,209,714,100	Capital increase by earnings recapitalization of 100,441,550 Capital increase out of capital reserves 100,441,550	—	Note 9
November 2000	10	440,000,000	4,400,000,000	110,485,705	1,104,857,050	Capital reduction of 1,104,857,050	—	Note 10
October 2002	10	310,000,000	3,100,000,000	27,600,000	276,000,000	Capital reduction of 828,857,050	—	Note 11
September 2003	10	310,000,000	3,100,000,000	9,855,000	98,550,000	Capital reduction of 177,450,000	—	Note 12
December 2003	5	310,000,000	3,100,000,000	19,855,000	198,550,000	Cash capital increase by private placement of 100,000,000	—	Note 13
February 2004	5	310,000,000	3,100,000,000	50,000,000	500,000,000	Cash capital increase by private placement of 301,450,000	—	Note 14
March 2006	2.41	310,000,000	3,100,000,000	80,000,000	800,000,000	Cash capital increase by private placement of 300,000,000	—	Note 15
January 2008	11.83	310,000,000	3,100,000,000	52,000,000	520,000,000	Capital reduction of 580,000,000 Cash capital increase by private placement of 300,000,000	—	Note 16
April 2008	12	310,000,000	3,100,000,000	128,000,000	1,280,000,000	Cash capital increase by private placement of 760,000,000	—	Note 17

Month/ Year	Issue price	Authorized capital		Paid-in capital		Remarks		
		No. of Shares	Amount	No. of Shares	Amount	Source of capital stock	Capital increased by assets other than cash	Others
October 2010	10	310,000,000	3,100,000,000	131,456,000	1,314,560,000	Capital increase by earnings recapitalization of 34,560,000	—	Note 18
October 2011	10	310,000,000	3,100,000,000	147,028,539	1,470,285,390	Capital increase by earnings recapitalization of 153,803,520 Capital increase by recapitalization of employee bonuses of 1,921,870	—	Note 19
August 2012	10	310,000,000	3,100,000,000	165,554,134	1,655,541,340	Capital increase by earnings recapitalization of 185,255,950	—	Note 20
August 2013	10	310,000,000	3,100,000,000	187,903,942	1,879,039,420	Capital increase by earnings recapitalization of 115,887,890 Capital increase out of capital reserves 107,610,190	—	Note 21
August 2014	10	310,000,000	3,100,000,000	238,638,006	2,386,380,060	Capital increase by earnings recapitalization of 507,340,640	—	Note 22
August 2015	10	310,000,000	3,100,000,000	286,365,607	2,863,656,070	Capital increase by earnings recapitalization of 477,276,010	—	Note 23
August 2016	10	420,000,000	4,200,000,000	343,638,728	3,436,387,280	Capital increase by earnings recapitalization of 572,731,210	—	Note 24
August 2017	10	420,000,000	4,200,000,000	378,002,601	3,780,026,010	Capital increase by earnings recapitalization of 343,638,730	—	Note 25
September 2018	10	420,000,000	4,200,000,000	408,242,809	4,082,428,090	Capital increase by earnings recapitalization of 302,402,080	—	Note 26
August 2019	10	600,000,000	6,000,000,000	461,314,374	4,613,143,740	Capital increase by earnings recapitalization of 489,891,370 Capital increase out of capital reserves 40,824,280	—	Note 27
November 2019	10	600,000,000	6,000,000,000	463,243,293	4,632,432,930	Conversion of convertible bonds to capital of 19,289,190	—	Note 28
February 2020	10	600,000,000	6,000,000,000	463,788,658	4,637,886,580	Conversion of convertible bonds to capital of 5,453,650	—	Note 29
May 2020	10	600,000,000	6,000,000,000	465,750,528	4,657,505,280	Conversion of convertible bonds to capital of 19,618,700	—	Note 30
September 2020	10	600,000,000	6,000,000,000	556,679,812	5,566,798,120	Conversion of convertible bonds to capital of 28,094,390 Capital increase by earnings recapitalization of 881,198,450	—	Note 31
November 2020	10	600,000,000	6,000,000,000	558,482,668	5,584,826,680	Conversion of convertible bonds to capital of 18,028,560	—	Note 32
February 2021	10	600,000,000	6,000,000,000	558,917,303	5,589,173,030	Conversion of convertible bonds to capital of 4,346,350	—	Note 33

Month/ Year	Issue price	Authorized capital		Paid-in capital		Remarks		
		No. of Shares	Amount	No. of Shares	Amount	Source of capital stock	Capital increased by assets other than cash	Others
May 2021	10	600,000,000	6,000,000,000	559,609,031	5,596,090,310	Conversion of convertible bonds to capital of 6,917,280	—	Note 34
August 2021	10	900,000,000	9,000,000,000	560,271,301	5,602,713,010	Conversion of convertible bonds to capital of 6,622,700	—	Note 35
October 2021	10	900,000,000	9,000,000,000	638,519,723	6,385,197,230	Capital increase by earnings recapitalization of 782,484,220	—	Note 36
December 2021	10	900,000,000	9,000,000,000	639,868,141	6,398,681,410	Conversion of convertible bonds to capital of 13,484,180	—	Note 37
March 2022	10	900,000,000	9,000,000,000	641,045,309	6,410,453,090	Conversion of convertible bonds to capital of 11,771,680	—	Note 38
June 2022	10	900,000,000	9,000,000,000	644,665,816	6,446,658,160	Conversion of convertible bonds to capital of 36,205,070	—	Note 39
September 2022	10	900,000,000	9,000,000,000	734,644,343	7,346,443,430	Surplus, capital reserves and conversion of convertible debentures into share capital of 899,785,270	—	Note 40
November 2022	10	900,000,000	9,000,000,000	735,040,726	7,350,407,260	Conversion of convertible bonds to capital of 3,963,830	—	Note 41
February 2023	10	900,000,000	9,000,000,000	735,636,635	7,356,366,350	Conversion of convertible bonds to capital of 5,959,090	—	Note 42
May 2023	10	900,000,000	9,000,000,000	737,157,632	7,371,576,320	Conversion of convertible bonds to capital of 15,209,970		Note 43
September 2023	10	900,000,000	9,000,000,000	854,859,494	8,548,594,940	Capital increase by earnings recapitalization of 1,177,018,620		Note 44
October 2023	10	900,000,000	9,000,000,000	857,113,924	8,571,139,240	Conversion of convertible bonds to capital of 22,544,300		Note 45
September 2024	10	1,200,000,000	12,000,000,000	994,252,151	9,942,521,510	Capital increase by earnings recapitalization of 1,371,382,270		Note 46

Shareholding type	Authorized capital			Remarks
	Outstanding shares (on the market)	Un-issued shares	Total	
Common shares	994,252,151	205,747,849	Common shares	

Note: Please note whether the shares constitute listed or OTC traded stock (please note if the stock is subject to restricted stock exchange or OTC trading).

Information for shelf registration: None

Note 1: Approved in Letter Jian-3-Bing-Zi No. 181943 of May 2 1987
Note 2: Approved in Letter Jing-(79)-Shang No. 118301 of August 31 1990.
Note 3: Approved in Letter (83) Tai-Cai-Zheng-(1) No. 19078 of June 7 1994.
Note 4: Approved in Letter (84) Tai-Cai-Zheng-(1) No. 62302 of December 1 1995.
Note 5: Approved in Letter (85) Tai-Cai-Zheng-(1) No. 41477 of July 2 1996.
Note 6: Approved in Letter (86) Tai-Cai-Zheng-(1) No. 36166 of May 6 1997.
Note 7: Approved in Letter (86) Tai-Cai-Zheng-(1) No. 70260 of September 26 1997.

Note 8: Approved in Letter (87) Tai-Cai-Zheng-(1) No. 28336 of March 24 1998.
Note 9: Approved in Letter (88) Tai-Cai-Zheng-(1) No. 73001 of August 7 1999.
Note 10: Approved in Letter (89) Tai-Cai-Zheng-(1) No. 86993 of November 17 2000.
Note 11: Approved in Letter Tai-Cai-Zheng-Yi-Zi No. 0910153135 of October 22 2002.
Note 12: Approved in Letter Tai-Cai-Zheng-Yi-Zi No. 0920132313 of September 24 2003.
Note 13: Approved in Letter Jing-Shou-Zhong-Zi No. 09331526090 of January 12 2004.
Note 14: Approved in Letter Jing-Shou-Shang-Zi No. 09301050900 of March 25 2004.
Note 15: Approved in Letter Jing-Shou-Shang-Zi No. 09501069030 of April 21 2006.
Note 16: Approved in Letter Jing-Shou-Shang-Zi No. 09701014560 of January 18 2008.
Note 17: Approved in Letter Jing-Shou-Shang-Zi No. 09701097450 of April 24 2008.
Note 18: Approved in Letter Jing-Shou-Shang-Zi No. 09901220220 of October 1 2010.
Note 19: Approved in Letter Jing-Shou-Shang-Zi No. 10001240520 of October 20 2011.
Note 20: Approved in Letter Jing-Shou-Shang-Zi No. 10101165340 of August 13 2012.
Note 21: Approved in Letter Jing-Shou-Shang-Zi No. 10201167520 of August 19 2013.
Note 22: Approved in Letter Jing-Shou-Shang-Zi No. 10301169870 of August 18 2014.
Note 23: Approved in Letter Jing-Shou-Shang-Zi No. 10401173320 of August 21 2015.
Note 24: Approved in Letter Jing-Shou-Shang-Zi No. 10501215790 of August 31 2016.
Note 25: Approved in Letter Jing-Shou-Shang-Zi No. 10601121870 of August 28 2017.
Note 26: Approved in Letter Jing-Shou-Shang-Zi No. 10701121710 of September 27 2018.
Note 27: Approved in Letter Jing-Shou-Shang-Zi No. 10801116980 of August 29 2019.
Note 28: Approved in Letter Jing-Shou-Shang-Zi No. 10801169850 of November 28 2019.
Note 29: Approved in Letter Jing-Shou-Shang-Zi No. 10901019630 of February 26 2020.
Note 30: Approved in Letter Jing-Shou-Shang-Zi No. 10901082840 of May 22 2020.
Note 31: Approved in Letter Jing-Shou-Shang-Zi No. 10901170310 of September 17 2020.
Note 32: Approved in Letter Jing-Shou-Shang-Zi No. 10901217690 of November 27 2020.
Note 33: Approved in Letter Jing-Shou-Shang-Zi No. 11001021300 of February 23 2021.
Note 34: Approved in Letter Jing-Shou-Shang-Zi No. 11001088230 of May 28 2021.
Note 35: Approved in Letter Jing-Shou-Shang-Zi No. 11001129410 of August 12 2021.
Note 36: Approved in Letter Jing-Shou-Shang-Zi No. 11001185990 of October 19 2021.
Note 37: Approved in Letter Jing-Shou-Shang-Zi No. 11001213600 of December 3 2021.
Note 38: Approved in Letter Jing-Shou-Shang-Zi No. 11101024300of March 2, 2022.
Note 39: Approved in Letter Jing-Shou-Shang-Zi No. 11101084110 of June 1, 2022.
Note 40: Approved in Letter Jing-Shou-Shang-Zi No. 11101185850 of September 23, 2022.
Note 41: Approved in Letter Jing-Shou-Shang-Zi No. 11101218460 of November 25, 2022.
Note 42: Approved in Letter Jing-Shou-Shang-Zi No. 11230017180 of February 10, 2023.
Note 43: Approved in Letter Jing-Shou-Shang-Zi No. 11230084830 of May 25, 2023.
Note 44: Approved in Letter Jing-Shou-Shang-Zi No. 11230175870 of September 8, 2023.
Note 45: Approved in Letter Jing-Shou-Shang-Zi No. 11230190350 of October 12, 2023.
Note 46: Approved in Letter Jing-Shou-Shang-Zi No. 11330161330 of September 13, 2024.

(II) Names of major shareholders:

Shareholders with over 5% of equity or in the top 10 by equity percentage

April 22, 2025

Share / Name of major shareholder	Number of shares held	Percentage
Tzeng, Shu-Chiung	216,411,681	21.77%
Lin, Chen-Hai	216,126,046	21.74%
Ho-Yang Management Consultant Co., Ltd.	188,466,542	18.96%
Jin Jue Development Co., Ltd.	31,559,371	3.17%
Jin Lin International Co., Ltd.	25,481,877	2.56%
Hsieh, Yin-Lien	17,602,675	1.77%
Meida Investment Co., Ltd.	9,800,851	0.99%
Chen, Ming-Sheng	8,324,228	0.84%
Tzeng, Tsung-Lin	7,871,995	0.79%
Tzeng-Li Chin-Yao	7,382,139	0.74%

(III) The Company's stock dividend policy and state of implementation:

1. Stock dividend policy:

   (1) According to Article 28-1 of the Company's Articles of Incorporation, if the Company has earnings after the close of the accounting year, apart from paying taxes in full in accordance with law, the Company shall first make good losses from previous years, and then allocate 10% of the balance to a statutory reserve, and special reserve or reversal special reserve according to statute and when required; if earnings remain, an amount of earnings including the amount of undistributed earnings from previous years may be distributed. The board shall draft a distribution motion, and distribution shall be implemented after approval by the shareholders meeting.

   (2) With regard to the Company's stock dividend policy, the Company distributes at least 70% of distributable earnings in the form of shareholders' dividends each year, and cash dividend shall account for at least 10%.

2. Planned current year dividend distribution proposal to the shareholders meeting:

   The 2024 earnings distribution proposal has already been approved by the board meeting on March 11, 2025 for the distribution of a stock dividend of NT$2 per share, totaling NT$1,988,504,300 with the par value of NT$10 per share. A total of 198,850,430 new shares and a cash dividend of NT$0.5 per share will be issued, totaling NT$497,126,076. Accordingly, after approval by a resolution of the shareholders meeting on June 20, 2025, the board shall set a base date for the distribution of stock and dividends.

(IV) Effect of stock grants to be proposed in the current shareholders' meeting on Company's business performance and earnings per share: None.

(V) Remuneration of employees and directors:

1. Percentages or ranges of remuneration of employees and directors under the Articles of Incorporation:

   Article 28 of the Articles of Incorporation: If the Company has profit for the year, no less than 0.5 percent shall be allocated for employee remuneration and no more than 2 percent shall be allocated for director remuneration. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses. The determination of the distribution ratios for employee remuneration and director remuneration, and whether employees' remuneration shall be distributed in the form of shares or cash, shall be resolved by the majority of the directors at a board meeting at which over two-thirds of the directors are present and reported to the shareholders' meeting.

2. The basis for estimating the amount of employees' and directors' remuneration in this period, the calculation basis for the number of shares distributed for employees' and directors' remuneration, and the accounting treatment for any

discrepancies between the actual distribution amount and the estimated amount: The estimated amount of employees' remuneration in 2024 was NT$18,514,142 and the estimated amount of directors' remuneration was NT$35,222,238.The amounts above are based on the Company's net profit before deducting the distribution of employees' and directors' remuneration in the current year multiplied by the percentages of employees' and directors' remuneration stipulated in the Company's Articles of Incorporation. However, if a decision of the board subsequently causes the actual distributed amounts to differ from the estimated amounts, the difference shall be stated as the board meeting's annual loss or gain.

3. Remuneration proposals passed by the board of directors:
   (1) Amount of employees' remuneration and directors' remuneration distributed in the form of cash or stock: If there are any differences from the estimated amount for the recognized expense year, the differences, their reasons for their existence, and their state of resolution must be disclosed:
   The January 22, 2025 board meeting passed the cash distribution of employees' remuneration totaling NT$18,514,142 and directors' remuneration totaling 35,222,238, which is consistent with the recognized amounts on 2024 financial statements.
   (2) Amount of employees' remuneration distributed in the form of stock and share of the sum of net profit after tax and total employees' remuneration on consolidated or individual financial statements for the period: No employees' remuneration is currently to be distributed as stock.
4. Actual distribution of employees' and directors' remuneration during the previous year:

Unit: NT$1,000

2023	Actual distributed amount	Amount determined by the board
Employees' remuneration	12,798	12,798
Directors' remuneration	23,937	23,937

Difference from the estimated amount for the recognized expense year: None

(VI) Buyback of the Company's stock: Not applicable.

II. Information on preferred stocks: Not applicable.

III. Information on overseas depository receipts: Not applicable.

IV. Information on employee stock options and restricted stock awards: Not applicable.

V. Information on merger and acquisition or acceptance of shares assigned by other companies for issuing new shares: Not applicable.

VI. Execution of the fund application plan: None.

Chapter 4. Business Activities

I. Content of business

(I) Business Scope:

1. Main businesses:
   A. F111090 Wholesale of building materials.
   B. F113010 Wholesale of machinery.
   C. H701010 Residence and building development and leasing.
   D. H701020 Industrial plant development and leasing.
   E. H701030 Funeral facility development and leasing.
   F. H701040 Specialized field construction and development
   G. H701050 Public Works Construction and Investment
   H. H701060 New Town and Community Construction and Investment
   I. H701070 Land Levy and Delimit
   J. H701080 Urban Renewal Reconstruction.
   K. H702010 Construction management
   L. H703090 Real Estate Commerce
   M. H703100 Real Estate Rental and Leasing
   N. I102010 Investment Consulting
   O. I503010 landscape and interior designing.
   P. F401010 International Trade
   Q. ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.
2. Proportion of business:
   The Company is mainly involved in the leasing and selling of multi-family residential buildings built by contracted construction companies, and chiefly targets the domestic market, which accounts for 100% of the Company's operating revenue.
3. Current products: Residential buildings include units and shops.
4. Future Products and Services Currently Being Planned:
   Construction chiefly consists of residential buildings needed by first-time home buyers and persons who wish to move to a new home. These buildings feature user-friendly, environmental designs, and the residential environment has excellent amenities and leisure features.

(II) Industry Overview

1. Current state of the industry and future development
   (1) The real estate market in Q4 2024 saw a sharp drop in the real estate. However, the real estate market in the whole year was still in a pattern of rising prices and volume of transactions. The number of 350,000 units transferred in the whole year reached the highest point in the past 11 years. However, due to the policy control in Q4, the overall market trend continued to this year. It is expected that the policy environment will remain unchanged in the second half of this year. The number of transferred units will not exceed the record in 2024. The market this year

is expected to shrink, and the prices of prime urban areas, which are in low supply, will plunge. The price pressure is increasing in the locations with high supply.

(2) Tariff policies in the US and countermeasures in major countries will bring in major changes. China's economic growth is slowing down and geopolitical conflicts are increasing uncertainties in global economic and inflation development. Although in an environment of policy control and limited mortgage loans, Taiwan's restricted investment pipeline is limited, and real estate is still the preferred choice for value preservation.

(3) The number of construction projects in Taiwan has declined for two consecutive years, so the number of usage licenses obtained has increased for five consecutive years, hitting a new high last year. This indicates that the market's sales and delivery pressure continues to increase. However, due to the constraints of the integrated housing and land tax system, the market's supply of new houses is still insufficient. Additionally, with the disappearance of the expected price increase mentality, choices for pre-sale houses and pre-owned houses will be increased.

2. Connection with upstream, midstream, and downstream segments of the industry

The Company is in the development industry. In the building materials and construction industry chain, development companies play a coordinating and integrating role. Upstream: Chiefly consists of land and construction -related material suppliers. Midstream: After acquiring land, development companies must perform planning and design, hire a specialized construction company, perform sale, and hand over the completed buildings. Downstream: Includes the sales industry, real estate brokerage industry, financial industry, property management, homebuyers, and decorating industry

3. Product Trends and Competition

(1) The impacts of climate change and greenhouse effect are intensifying. Sustainable development has become a major issue that the world is facing and needs to be addressed actively. Under such circumstance, the construction industry is transforming rapidly, and is moving towards the new stage of digitalization, intelligence, and environmental-friendliness. The new generation of buildings is no longer just a space for sheltering from the wind and rain, but a living space combining technology and humanism.

Smart housing, green building, healthy housing, and mixed living of social housing are the innovative elements being introduced into new construction, redefining the function and value of architecture. Smart housing is realized with IoT technology to achieve home automation and energy saving control; green building emphasizes resource reuse and carbon reduction; healthy housing focuses on the physical and mental health of residents and the quality of the indoor environment; while the design of mixed living of social housing promotes diversity, inclusion and social fairness. These new trends not only respond to the sustainability and climate challenges, but also indicate the core direction of future architectural development - smarter, greener, and more caring for people.

(2) The 2-bedroom house type has jumped to the mainstream of the market, and all metropolitan areas account for more than 60% of the transactions. The supply of future projects is bound to increase, and the supply of house pads will be highly overlapping. The demand for 3-bedroom housing with good living spaces will gradually increase, mainly due to the return of the market to owner-occupier demand.

(3) With regard to owner-use home buyers, unit price is not the most important deciding factor. Instead, factors such as location, environment, product planning, building materials, and brand must often meet requirements before a price is set. As a consequence, the Company will strive to boost product competitiveness and brand reputation as it confronts a growing number of new competitors in the future.

(III) Technology and R&D Overview

The Company chiefly engages in real estate investment and development, and contracts construction projects to qualified builders. As a consequence, the Company has not established a dedicated production technology and R&D department. The Company collaborates with prominent architects and landscape design teams when conducting product planing. With regard to project construction, the Company has worked hard to improve the earthquake resistance of buildings to provide customers with high-quality products. In terms of environmental policies, the Company also responds to the government's efforts in energy conservation and carbon reduction, and increases the use of green building materials.

(IV) Short and Long Term Business Development Plans

1. Short term business development plans

   Sales projects in 2025

   “Sakura Zhongshan”, “Sakura Xiangshang”, “Sakura Da Zhan”, “Sakura Dajia - Mountain Beauty”, “Fuyi Section”.

2. Long-term business development plans

   (1) Professional land developers will look for parks, parkways, waterfront, near schools, convenient transportation or potential development areas.

   (2) Strengthening construction management and after-sales service quality, enhancing the Company's brand image.

   (3) Promoting smart and green buildings, and establishing energy-efficient and low-carbon communities

II. Overview of market, supply, and demand:

(I) Market analysis:

1. Chief product sale areas:

The Company has been building residential buildings mainly in the Greater Taichung area, while 2–3 projects per year are maintained in northern Taiwan. Since 2023, the projects have been expanded to the Changhua area and since 2024, the projects have been expanded to the southern area.

2. Market share and future market supply and demand and growth:

(1) Market share:

A. The Company's market share has been calculated on the basis of the Company's completed units from 2022 to 2024 and the number of units in central Taiwan issued use licenses:

Year	Project name	Number of units	Area	Number of units issued use licenses	Market share
2022	Sakura Giant	309	Taichung City	21,933	2.59%
	Sakura Kingdom - Oxford Garden	260			
2023	Sakura Just Perfect	178	Taichung City	21,366	1.64%
	Sakura Museum	173			
2024	Sakura Kingdom - London Garden	327	Taichung City	26,798	2.35%
	Sakura of Xingda	302	Taichung City		
	Sakura of the Golden Horse	214	Changhua City	5,272	4.06%

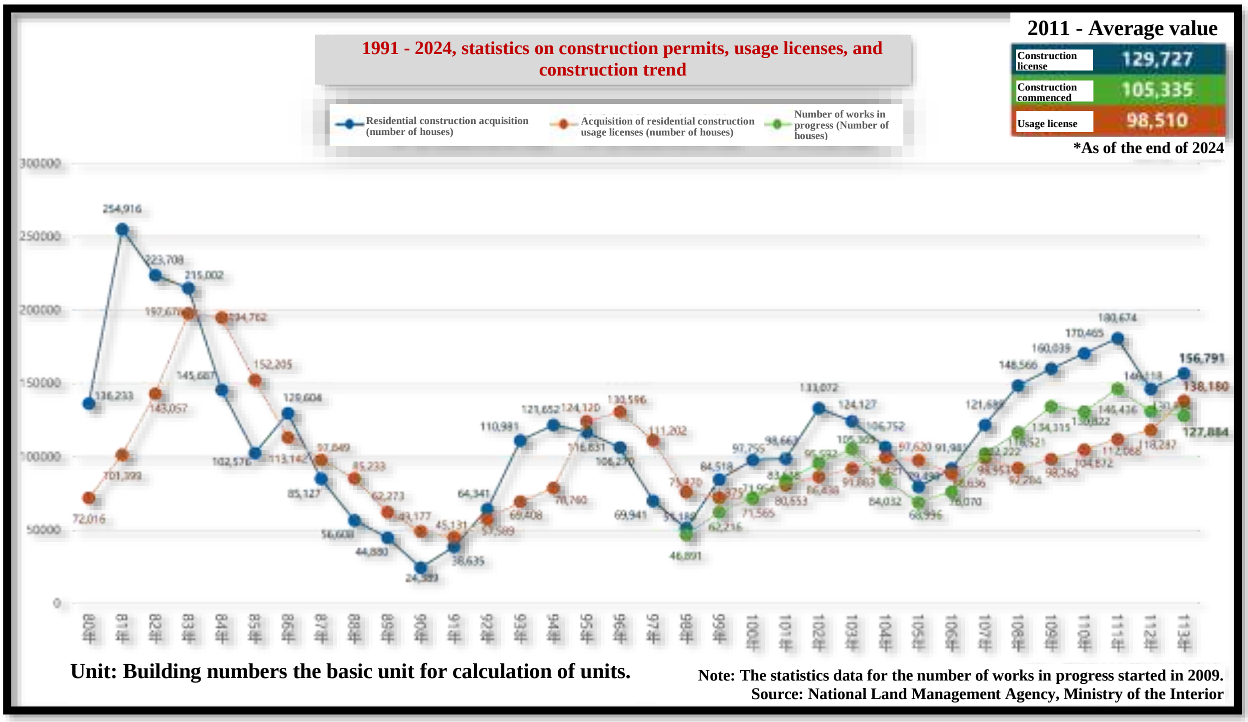
B. The Company's market share has been calculated on the basis of the Company's completed units from 2022 to 2024 and the number of units in northern Taiwan issued use licenses:

Year	Project name	Number of units	Area	Number of units issued use licenses	Market share
2022	Sakura Rain	108	Taoyuan City	16,864	1.83%
	Sakura Blossom	201			
2023	Sakura Cluster - Academic Cluster	55	Hsinchu County	4,072	1.35%
2024	Sakura Cluster - Bountiful Cluster	8	Hsinchu County	4,990	2.83%
	Sakura Cluster - Jufu District	133	Hsinchu County		

(2) Future Market Supply and Demand:

A. Supply side:

According to the statistics Department of the Ministry of the Interior, the number of housing construction licenses obtained and the number of housing construction started in 2024 has exceeded significantly from the average. The number of usage licenses granted has been increasing for five consecutive years, reaching the highest point in 27 years.



Unit: Building numbers the basic unit for calculation of units.

Note: The statistics data for the number of works in progress started in 2009.
Source: National Land Management Agency, Ministry of the Interior

Demand side:

The company has been deeply engaged in the greater Taichung area for a long time. Taichung city has considerable development potential due to the three advantages of massive population migration and growth, industrial upgrading and diversification, and the benefit of transportation construction. By the end of 2024, Taichung City's total population reached 2.86 million, ranking second in Taiwan in terms of population, and the population growth rate is the third among the six cities, indicating that there is still a demand in the real estate market.

3. Competitive niche, favorable and unfavorable factors, and response measures:

(1) Advantageous factors:

A. The tariff war has caused economic turbulence, and real estate is a good target for investment.

B. While its effective purchasing power has increased, The Company's sales are located in areas with good transportation conditions, good living functions, and high development potential, which are more in line with the needs of target customers and have a sales niche.

C. As the Company's products are well-positioned to meet market demand, sales are expected to remain stable, thereby ensuring a rapid turnover of funds.

D. Compared with other projects in the same areas, the Company's brand and quality possess good competitiveness.

(2) Unfavorable factors:

A. The operating cost caused by the shortage of labor continues to increase. The interest rate increase in the past two years has also significantly increased the cost of capital. In addition, the real estate market policy control and tax have significantly increased operating costs. The stacking of various costs has also indirectly driven up housing prices.

B. High end branded construction companies have started to control the total price and reduce the floor area. and small luxury home market, resulting in a high level of overlapping supply in the overall market.

C. In recent years, both land and housing prices have significant increased, making it extremely difficult to produce low priced products in the future. The overall housing price in Taichung has risen, severely testing the purchasing power of self-occupancy demand.

D. The bank credit control policy affects the Company's sales and delivery progress, and increases the capital and cost of land acquisition.

(3) Response measures:

A. The Company has a Customer Service Department that upholds the customer service philosophy of focusing on customers, providing comprehensive customer service, creating brand value, and developing new customer demands through existing customers.

B. The Company will develop land in low unit price areas with good transportation conditions and complete living functions, and produce competitive products.

C. Launch small and medium-sized products for the first purchase market, in line with market purchasing power.

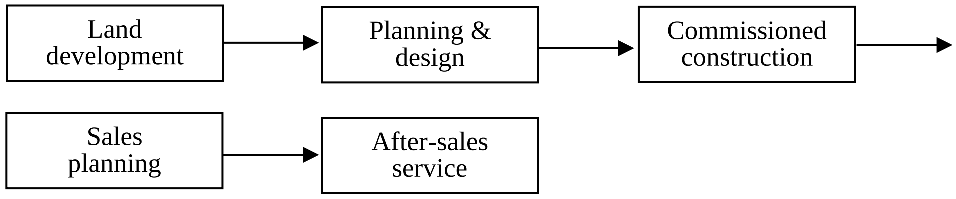
D. Refining the cost control and management advantages to reduce the risk of market changes.

E. Expand the coverage of Taiwan's population, diversify business risks, strengthen the market deployment in northern and southern Taiwan, and increase the opportunities for market sales.

(II) Important Applications and Manufacturing Processes of Major Products:

1. The Company's chief product consists of the construction of general multi-family residential buildings.

2. Chief product production processes:



(III) Supply Status of Main Materials:

1. Land:

   The Company acquires land mainly through land agents' recommendations and government tenders, and the principle of land evaluation is based on locations with development potential, or areas near parks, waterfronts, schools and amenities.

2. Construction projects

   The construction industry still faced the problem of labor shortage in 2024. The Company cooperates with excellent construction manufacturers and has set strict construction specifications. The contractors mainly cooperate with us on a long-term basis; although there has been some delay in the project, the overall impact is still within a controllable range.

3. Materials:

   Although the prices of various materials increased in 2024, the increase has slowed down. Materials such as steel bars, concrete and tiles are purchased from long-term domestic cooperative suppliers, domestic and the supply of materials is stable. In response, early signing and ordering of materials are adopted to avoid situations where material shortages will affect the project schedule.

(IV) Names of customers who contributed to more than 10% of total purchase (or sales) amount in one of the most recent two years and the corresponding purchase (or sales) amounts and percentages, as well as reasons for changes:

1. Detailed breakdown of customers who contributed to more than 10% of total purchase amount during the most recent two years:

   The Company chiefly sells units to members of the general public, and has no customers contributing more than 10% to annual sales.

2. Detailed breakdown of vendors that provided more than 10% of total purchased supplies during the most recent two years:

<u>Information on chief suppliers during the most recent two years:</u>

Unit: NT$1,000

	2023				2024				Year to the previous quarter (Note 2)			
Item	Name	Amount	As a share of net purchases during year (%)	Relationship with issuer	Name	Amount	As a share of net purchases during year (%)	Relationship with issuer	Name	Amount	As a share of net purchases during year to the previous quarter	Relationship with issuer
1	Land Administration Bureau of Taichung City Government	1,809,890	29.49	None	Miss Hsieh	1,468,323	17.93	None	As of the printing date of the annual report, the CPA had not yet issued audited financial information up to March 31, 2024.			
2	Guo Cheng Construction Co., Ltd.	1,410,254	22.98	None	Guo Cheng Construction Co., Ltd.	1,435,199	17.53	None				
3	Yih Dar Lih Steel Corporation	675,074	11.00	None								
4	Others	2,242,163	36.53	None	Others	5,285,045	64.54	None				
	Net purchase	6,137,381	100.00		Net purchase	8,188,567	100.00					

Note 1: List the names of suppliers providing more than 10% of total supply value during the most recent two years, and their supply payment amounts and percentages. However, in the case of suppliers whose names may not be disclosed in accordance with contractual requirements or transaction counterparties consisting of individuals who are not related parties, code names may be used in place of names.

Note 2: If, to the date of printing of the annual report, any listed companies or companies whose stock is traded at securities dealers premises have any CPA-attested or –audited financial information from the most recent period, such information must also be disclosed.

Note 3: Reasons for changes: Due to the characteristics of its industry, the Company has no fixed suppliers or sources of land available for purchase.

III. Number of employees, average years of service, average age, and distribution of educational level during the last 2 years to the date this report was printed.

Year		2023	2024	Current fiscal year up to March 31, 2025
Number of employees	Staff	76 persons	75 persons	78 persons
	Total	76 persons	75 persons	78 persons
Average age		34.86 years old	36.22 years old	36.60 years old
Average years of service		4.58 years	4.71 years	4.25 years
Distribution of educational level	Ph.D.	0.00%	0.00%	0.00%
	Masters	11.84%	9.33%	8.97%
	Bachelor's	85.53%	86.67%	85.9%
	Senior high school	2.63%	4.00%	3.85%
	Below senior high school	0.00%	0.00%	1.28%

IV. Information on environmental protection expenditures

Regarding the construction site environment maintenance, the Company complies with the relevant environmental protection regulations and requires the contractors to prevent noise and environmental mess. During construction, the site fences are decorated with greenery, and protective nets are placed around the site to keep gravel from falling and dust from flying, and to minimize noise and vibration. In 2024, the Company was fined NT$100,000 for one violation of environmental protection regulations (Article 23, paragraph 2 of the Air Pollution Control Act). In the future, the Company will continue to require contractors to strengthen air pollution prevention regulations, and apply for night construction in accordance with regulations and avoid incidents of overtime construction at night.

V. Labor-management Relations

(I) Employee welfare measures, continuing education, training and retirement systems and their implementation, as well as agreements between employers and employees and measures to protect the rights and interests of employees:

1. Employee welfare measures:

(1) In addition to the labor insurance and health insurance for employees as required by law, the Company also provides group insurance for employees.

(2) In order to encourage work morale, improve work efficiency, gather staff centripetal force and establish a stable working environment.

A. The company established the "Employee Welfare Committee of Sakura Construction Co., LTD." in September ,1984, to promote a number of employee welfare measures, such as birthday party, Dragon Boat Festival, Mid-Autumn Festival gift money, birthday gift certificate, and provide various community subsidies. Encourage like-minded people to form clubs together and enhance emotional communication through participating in leisure and entertainment activities during rest.

B. Subsidies for childbirth, weddings, funerals, housewarming and injuries: In order to encourage childbirth, the increased the subsidy for childbirth to NT$74,000 for, first child, NT$94,000 for the second child, and NT$114,000 for the third child.
C. Each employee may apply for a maximum of NT$20,000 of continuing education subsidies each year.
D. The Company provides remuneration to employees in accordance with the law.
E. Uniforms allowance
F. Overseas trips or domestic trips for employees every year.
G. The Company holds regular health checkups for employees and cares about their health.
H. Childcare allowance: The Company provides a child allowance of NTD 6,000 per child for employees who have worked for the Company for three months and have a child under the age of six.
I. The Company provides hospitalization subsidies for employees, their spouses, and direct relatives. Each subsidy is limited to 1/4 of the expense, and the total amount of subsidies is less than NTD 30,000 per year.

The rest of the welfare measures are processed in accordance with the provisions of the Labor Standards Act.

2. Implementation of employee benefits:
(1) Maternity benefits: Total spending on maternity gifts/money amounted to NT$148,000 in 2024.
(2) Employee education: In-house and outsourced education and training are conducted from time to time in accordance with the "Procedures for Employee Education and Training" so as to enhance their expertise and techniques. In 2024, 1,910 hours of training have been received, and the training cost is NT$474,323.
(3) Trips: In 2024, a 3-day trip visiting Chimei Museum and Sicao Green Tunnel was organized.
(4) Employee health checkup: 27 people participated in the health checkup in 2024, and the cost was NT$54,100.
(5) Childcare allowance: NT$120,000 in 2024.
(6) The hospitalization and medical treatment subsidies amounted to NTD 79,148 (including spouse and direct relatives) in 2024.

3. Retirement system and implementation status.
The Company's employees who joined the Company before July 1, 2005 have chosen the new system in accordance with the Labor Pension Act, and all employees are now subject to the new system. The Company pays a monthly pension of 6% in accordance with the Labor Pension Act, which is deposited in a personal pension account set up by the Bureau of Labor Insurance.

4. Agreements between employers and employees and measures to protect employees' rights and interests:
The Company's measures regarding labor relations have been well conducted in

accordance with the relevant laws and regulations; therefore, no disputes have yet occurred.

5. Working environment and personal safety protection measures:
   (1) The Company's management policies and procedures are drafted in compliance with the principles of relevant laws and international human rights conventions.
   (2) Complaints from employees can be handled through document, LINE, email or telephone.
   (3) Health stations have been set up at the construction sites and offices, providing 5-in-1 health measurement devices (including blood pressure monitors, oximeters, non-contact thermometers, blood glucose test kit, and weight/body fat scales). Our colleagues can also record and track measurement data through an APP to track their health status.
   (4) At present, all construction site employees are equipped with basic safety equipment, such as helmets, safety shoes, masks, belts, and other personal protective equipment. Monthly once safety agreement organization meetings are also held to promote safety awareness at the sites.
   (5) At the rest areas of the construction sites, we provide water dispensers, fans, and sunshade facilities to prevent hazards arising from working under in a high temperature environment.
   (6) The Company holds regular meetings to announce its major policies. Employees may propose relevant suggestions and receive responses.
   (7) The construction site and office are equipped with labor safety personnel to regularly inspect safety in the work environment.
   (8) The Company has access control in place that employees swipe their card coming in to and leaving the office. On a regular basis, the Company conducts a fire inspection in the building and has lightening and escape equipment to maintain the safety of the work environment.

(II) Losses caused by labor disputes from the most recent year to the date of publication of the annual report, and disclosure of the estimated amount of current and potential future losses and the measures to respond to them.

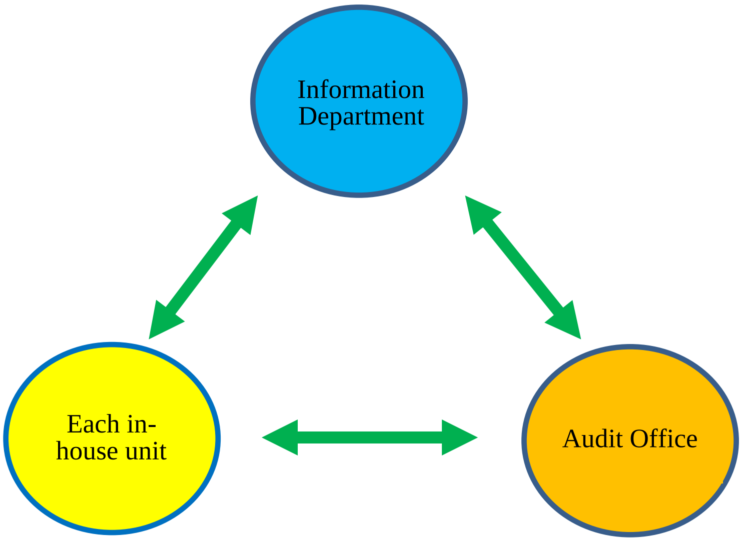
1. Losses incurred by labor disputes: The Company's labor relations are harmonious. Therefore, no labor disputes have occurred, and no losses have been incurred as a result of labor disputes.
2. Losses caused by labor disputes from the most recent year to the date of publication of the annual report, and disclosure of the estimated amount of current and potential future losses and measures to respond to them.

VI. Information security management:

(I) Information security risk management framework

The Information Security Department is responsible for the Company’s information security, establishing the internal information security system, planning and implementing information security operations and promoting and implementing

information security policies, with timely adjustments based on requirements.
The internal auditors are responsible for reviewing the status of internal information security implementation, and they conduct audits once a year.



(II) Information security policy

In order to fulfill the effective operation and execution of the Company's information management system, the confidentiality, integrity, and availability of major information systems are maintained so as to ensure the safe operation of information systems, thereby achieving the goal of sustainable management. Therefore, the Company's information security policy includes the following three aspects.

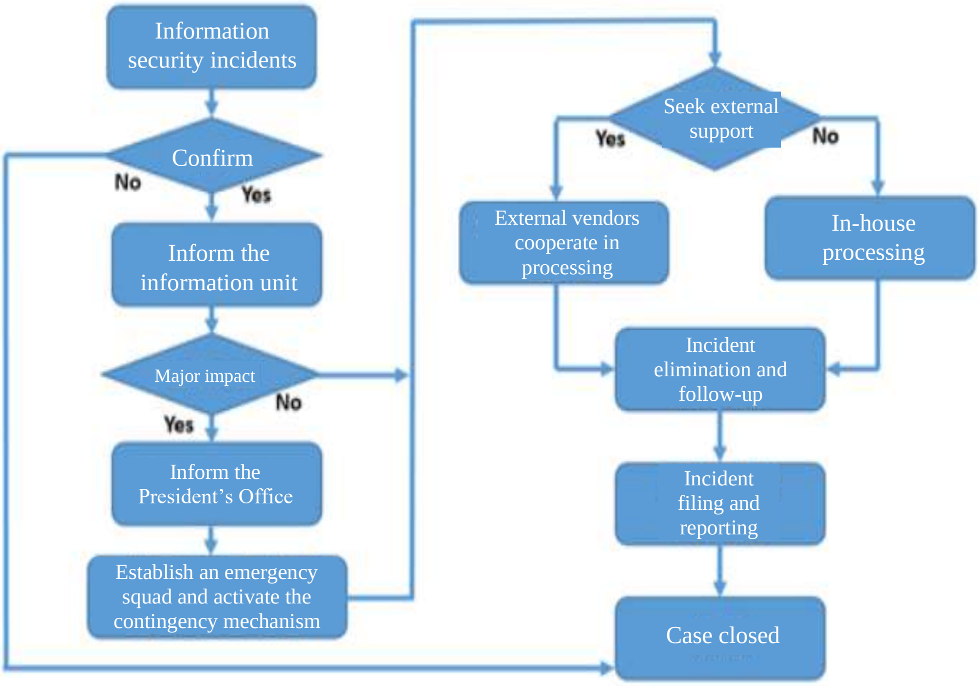
1. System regulation: The Company regularly reviews the relevant system every year to ensure that it is in conformity with laws and regulations and changes in the operating environment, and makes timely adjustments according to demand.
2. Installation of information security system: In order to prevent various external information security threats, in addition to the N-Tier Architecture design, various information security systems are built to enhance the security of the overall information environment.
3. Personnel information security awareness training: In order to reduce the impact of in-house human factors on information security, the Information Department regularly conducts information security training for employees in order to raise their awareness of and knowledge in information security.

(III) Information security management plans:

1. Computer equipment safety management
   (1) The Company's computer hosts, application servers and other equipment are located in a dedicated computer room, which is locked in order to prevent unauthorized personnel from entering.
   (2) The computer room is equipped with separate air conditioning to maintain the computer equipment in a proper temperature environment, and pharmacological fire extinguishers are placed for fires caused by Ordinary combustibles or electrical appliances.
   (3) The mainframe in the computer room is equipped with uninterruptible power

supply and voltage stabilization equipment to avoid system crashes caused by Taipower's unexpected transient power failure and to ensure that the operation of computer applications will not be interrupted during outages.

2. Network security management
   (1) The entrance to the external network is installed with an enterprise-grade firewall to block hackers from breaking in.
   (2) The Taichung office, Taipei office and each site is connected by VPN connection in order to strengthen the security of the network and avoid illegal access.
   (3) Internet behavior management and blocking applications are installed to control Internet access, enhance network security, prevent bandwidth resources from being misused.
3. Virus protection and management
   (1) Endpoint protection software is installed on the server and colleague terminal equipment, and its virus codes are automatically updated to ensure that the latest viruses are blocked. Meanwhile, It also detects and prevents the installation of potential threatening systems via executable files. Meanwhile. it can also detect and prevent the installation of executable files that are potential threatening systems.
   (2) The email server is installed with email anti-virus program and spam filtering system to prevent viruses or spam emails from accessing users' PCs.
4. System access control
   (1) Regarding the employee's access to each application system, through the Company's internal system authority application procedure and with the approval of the responsible supervisor, the Information Department will create a system account, and the system administrators will authorize access according to the requested functions.
   (2) When employees process the resignation procedures, they must contact the Information Department to delete their accounts from each system.
5. Ensuring the sustainable operation of the system
   (1) System backup: A backup management system is set up, and a daily backup mechanism is adopted. There are two copies of backup data, one is kept in the computer room and the other is stored in a safety deposit box in a bank (off-site).
   (2) The Company rents data lines from telecommunications companies， and manages network bandwidth through bandwidth management equipment.
6. Cyber security notification process (the notification and handling of information security incidents are subject to the norms of these procedure).



(IV) Resources invested in information security

1. There are increasing cyber attacks and the expanding scale of hacker attacks. In the face of the ever-changing information security threats from different ends of the network, the Company has upgraded its firewalls and internal network equipment, and adopted a HA dual-computer redundancy architecture to increase higher risk-resistance and ensure the high availability of the corporate network.
2. The internal system is virtualized and backed up online to ensure that the system can restore to normal operation in case of an anomaly and that it meets the maximum tolerance time limit stipulated in the Procedures for Information Security Operations.
3. All computers are installed with anti-virus software. Data backup is done by different machines and different time zones to increase the risk resistance against blackmail virus. Key data is backed up off-site to ensure that their important data will not be lost.

VII. Major contracts up to the date of publication of the annual report.

Contract type	Parties	Commencement date/ expiration date	Main businesses	Restrictive clauses
Construction project contracting	Guo Cheng Construction Co., Ltd.	2021.01.04	Contracting of structural project at Lot 227, Yuxian Section, Taiping District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2021.04.23	Contracting of structural project at five lots including Lot 45, Shizhen North Section, Qingshui District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2021.06.16	Contracting of structural project at 2 lots including Lot 1054, Beixin Section, Dali District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.01.03	Contracting of structural project at Lot 135, Xinronghe Section, Wuri District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.03.21	Contracting of structural project at 12 lots, including Lot 341, Toujia Section, Tanzi District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.04.21	Contracting of structural project at Lot 181, Yuxian Section, Taiping District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.06.06	Contracting of structural project at Lot 310, Toujia Section, Tanzi District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.06.20	Contracting of structural project at 9 lots, including Lot 278, Zhongshan Section, Changhua City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.08.05	Contracting of structural project at Lot 202-14, Touchongxi Section, Yangmei District, Taoyuan County	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.09.30	Contracting of structural project at 12 lots, including Lot 122, Dongguang Section, Beitun District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.10.05	Contracting of structural project at 2 lots, including Lot 15, Xinzhan South Section, Wuri District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2022.12.01	Contracting of structural project at 5 lots, including Lot 967, Zhiyong Section, Dajia District, Taichung City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2023.04.10	Contracting of structural project at 12 lots, including lot No. 299, Pingdao Section, Yongkang District, Tainan City	None
Construction project contracting	Guo Cheng Construction Co., Ltd.	2024.01.29	Contracting of structural project at 12 lots, including Lot 782, Zhiyong Section, Dajia District, Taichung City	None
Construction project contracting	Ying Hsiung Construction Co., Ltd.	2024.04.24	Contracting of structural project at 4 lots, including Lot 680, Zhongshe Section, Longjing District, Taichung City	None
Construction project contracting	Ying Hsiung Construction Co., Ltd.	2024.04.24	Contracting of 2 lots, including structural project at Lot 139, Xinronghe Section, Wuri District, Taichung City	None
Construction project contracting	Ying Hsiung Construction Co., Ltd.	2024.04.24	Contracting of 1 lot, including structural project at Lot 215, Fengxing Section, Zhongli District, Taoyuan City	None
Construction project contracting	Ying Hsiung Construction Co., Ltd.	2024.05.13	Contracting of 1 lot, including structural project at Lot 202, Touchongxi Section, Yangmei District, Taoyuan City	None
Construction project contracting	Ying Hsiung Construction Co., Ltd.	2024.11.20	Contracting of 7 lots, including new projects at Lot 5, Fuyi Section, Taiping District, Taichung City	None
Construction project contracting	Ying Hsiung Construction Co., Ltd.	2024.11.20	Contracting of a new project of 1 lot, including Lot 54, Xinzhan South Section, Wuri District, Taichung City	None
Construction project contracting	Ying Hsiung Construction Co., Ltd.	2025.03.17	Contracting of 2 lots of new construction projects, including Lot 961, Hezuo Section, Fenyuan District, Taichung City	None

Contract type	Parties	Commencement date/ expiration date	Main businesses	Restrictive clauses
Loan contract	Shin Kong Bank Chunggang Branch	2019.06.26-2026.10.03	"Zhongshan Section" construction land and under-construction project	None
Loan contract	Agricultural Bank of Taiwan Taichung Branch	2019.09.10-2025.09.10	"Shizhen North Section" construction land and under-construction project	None
Loan contract	CTBC Bank Shizheng Branch	2019.10.28-2026.12.25	"Yuxian Section Phase VIII" construction land and under-construction project	None
Loan contract	First Bank Taichung Branch	2020.10.07-2025.10.07	"Toujia Section Phase I" construction land and under-construction project	None
Loan contract	Taiwan Cooperative Bank Wu Chyuan Branch	2021.03.23-2025.12.31	"Xinronghe Section Phase II" construction land and under-construction project	None
Loan contract	Agriculture Banking Taichung Branch	2021.04.22-2026.04.22	"Xinronghe Section Phase III" construction land and under-construction project	None
Loan contract	Land Bank of Taiwan South Taichung Branch	2021.05.19-2026.05.19	"South Section, New Station Phase II" construction land and under-construction project	None
Loan contract	Taiwan Cooperative Bank Huilong Branch	2021.05.20-2027.07.31	"Touchongxi Section Phase II and III" construction land and under-construction project	None
Loan contract	Taishin Bank	2021.08.19-2025.08.19	"Zhongshe Section" construction land and under-construction project	None
Loan contract	Taiwan Cooperative Bank Situn Branch	2021.08.25-2026.06.30	"Dongguang Section" construction land and under-construction project	None
Loan contract	Chang Hwa Bank, South Taichung Branch	2024.05.24-2027.05.24	"Fengxing Section" construction land and under-construction project	None
Loan contract	First Bank Taichung Branch	2022.12.23-2029.01.23	"Fuyi Section" construction land and under-construction project	None
Loan contract	First Bank Taichung Branch	2023.01.07-2025.10.07	"Toujia Section Phase II" construction land and under-construction project	None
Loan contract	Far Eastern International Bank	2023.09.19-2026.11.12	"Pingdao Section" construction land and under-construction project	None
Loan contract	Sunny Bank Taichung Branch	2023.12.25-2027.12.25	"South Section, New Station Phase III" construction land	None
Loan contract	Mega International Commercial Bank Middle Taichung Branch	2024.01.23-2028.05.31	"Biliu Section" mid-term secured loan	None
Loan contract	Far Eastern International Bank	2024.07.17-2028.07.17	"Xindongfang Section" construction land and construction in progress	None
Loan contract	Agriculture Banking Taichung Branch	2024.06.24-2029.07.09	"Dongbin Section" construction land	None
Loan contract	Agriculture Banking Taichung Branch	2024.08.14-2029.09.24	"Zhongyun Section" construction land	None
Loan contract	Taiwan Cooperative Bank Taichung Branch	2024.09.18-2025.09.18	Short-term working funds loans	None
Loan contract	E.SUN Bank	2025.01.09-2029.08.23	"Qiaoai Section" construction land and under-construction project	None
Loan contract	Taiwan Cooperative Bank Taichung Branch	2025.03.03-2030.03.31	"New HSR Section" construction land and construction in progress	None
Loan contract	Maga Bills Finance Taichung Subsidiary	2025.03.11-2026.03.10	"Hezuo Section" construction land	None
Loan contract	Ta Ching BIlls Finance Corporation Taichung Subsidiary	2025.04.12-2026.04.11	"Zhìyong Section" construction land and under-construction project	None

Chapter 5. Review and analysis of financial status and financial performance and risk items

I. **Financial status:** Main reasons and impact of any material change in the company's assets, liabilities, or equity during the past two fiscal years, and explanation of future response plans in the case of any changes with material impact.

Unit: NT$1,000

Item \ Year	2024	2023	Difference		
			Amount	%	
Current asset	31,423,205	25,165,461	6,257,744	24.87%	Note 1
non-current assets	109,762	114,331	(4,569)	(4.00%)	
Total assets	31,532,967	25,279,792	6,253,175	24.74%	Note 1
Current liabilities	14,857,715	10,332,426	4,525,289	43.80%	Note 2
Non-current liabilities	2,392,394	3,152,385	(759,991)	(24.11%)	Note 2
Total liabilities	17,250,109	13,484,811	3,765,298	27.92%	Note 2
Share capital	9,942,521	8,571,139	1,371,382	16.00%	
Additional paid-in capital	95,086	94,820	266	0.28%	
Retained earnings	4,245,251	3,129,022	1,116,229	35.67%	Note 3
Total shareholders equity	14,282,858	11,794,981	2,487,877	21.09%	Note 3

(I) Analysis and explanation of increases or decreases exceeding 20% during the most recent two years:

Note 1: Increase in current assets and total assets: Due to the increase in inventory attributable to new purchase of land and project expenditures during the current period.

Note 2: Increase in current liabilities and total liabilities: This is due to an increase in the current portion of borrowings and contract liabilities.

Note 3: Increase in retained earnings and total shareholders' equity: Mainly due to the increase in net income in 2024 from 2023.

(II) The foregoing changes had no material impact on the Company's financial status, and major operating content had no major changes or change plans.

II. Financial performance: Main reasons for the major changes to operating income, net operating profit and Net PBIT over the last two years, expected volume of sales and its basis, and response plans to address the possible impact on the Company's future financial operations.

Unit: NT$1,000

Item \ Year	2024	2023	Amount of increase (decrease)	Ratio of change %	
Total operating revenue	9,023,193	7,065,688	1,957,505	27.70%	Note 1
Subtract: Sales returns and allowances	4,576	2,694	1,882	69.86%	Note 2
Net operating revenues	9,018,617	7,062,994	1,955,623	27.69%	Note 1
Operating costs	4,659,650	3,830,484	829,166	21.65%	Note 1
Gross operating profit	4,358,967	3,232,510	1,126,457	34.85%	Note 1
Operating expenses	790,834	765,463	25,371	3.31%	
Operating net profit (loss)	3,568,133	2,467,047	1,101,086	44.63%	Note 1
Non-operating revenue and expenses	16,069	4,676	11,393	243.65%	Note 3
Net profit (loss) before tax of departments with continued operation	3,584,202	2,471,723	1,112,479	45.01%	Note 1
income tax expense	753,745	556,854	196,891	35.36%	Note 4
After-tax net profit (loss) for the current period	2,830,457	1,914,869	915,588	47.81%	Note 1

(I) Analysis and explanation of increases or decreases exceeding 20% during the most recent two years:

Note 1: Increase in operating revenue, operating cost, operating gross profit, operating net profit, net income before tax, and net income after tax: Mainly due to the increase in the number of houses accounted for in the completed construction projects and the selling prices in 2024 from 2023.

Note 2: Increase in sales discounts: Mainly due to the increase in the interest rate of the mortgage loan before the customer delivered the houses in 2024 from 2023.

Note 3: Increase in non-operating income: Mainly due to the increase in interest income in 2024.

Note 4: Increase in income tax expenses: This is mainly due to an increase in pre-tax net profit.

(II) The reasons for the foregoing changes had no material impact on the Company's financial status, and major operating content had no major changes or change plans.

III. Cash flows:

(I) Analysis and explanation of changes in cash flow during the most recent year

Analysis of liquidity during the most recent two years:

Item \ Year	2024	2023	Ratio of increase (decrease) %
Cash flow ratio (%)	3.04	3.98	(23.62)
Cash flow adequacy ratio (%)	14.88	29.82	(50.10)
Cash reinvestment ratio (%)	0.65	1.76	(63.07)

Analysis and explanation of increases or decreases exceeding 20% during the most recent two years:

1. Decrease in cash flow ratio: Mainly due to the increase in current liabilities in 2024, resulting in a decrease in cash flow ratio.
2. Decrease in cash flow adequacy ratio: Mainly due to the increase in inventories in 2024, resulting in a decrease in cash flow adequacy ratio.
3. Decrease in cash reinvestment ratio: Mainly due to the increase in working capital in 2024, resulting in a decrease in cash reinvestment ratio.

(II) Remedial plan for insufficient liquidity: None.

(III) Analysis of cash liquidity during the coming year

Unit: NT$1,000

Cash balance at beginning of period (1)	Expected net cash flow (outflow) from operating activities throughout year (2)	Estimated cash flow for the full year (3)	Expected cash balance (shortfall) (1)+(2)+(3)	Remedial measures to be taken for expected cash shortfall	
				Investment plans	Financing plans
1,319,095	8,284,638	(2,196,341)	7,407,392	—	—

IV. Effect of major capital expenditures on financial operations during most recent year: None.

V. Investment Policy, Main Causes for Profits or Losses for the most recent year, Improvement Plans and Investment Plans for the Coming Year: None.

VI. Risk items in the most recent year to the date of printing of this Annual Report requiring analysis and assessment include the following items:

(I) Impact of interest rate and exchange rate changes and inflation on the company's profit and loss and future countermeasures: The Company's working capital financing mainly comes from bank loans. Currently, the Company's average interest rate for short-term borrowings is approximately 2.053% - 2.44%, and for long-term borrowings is approximately 2.48% - 3.08%. The possibility of a significant increase in interest rate in the future is not high. After evaluation, the Company has no significant credit risk. In terms of purchasing, the Company relies on domestic manufacturers, and mainly sells to domestic people, so exchange rate fluctuations and domestic inflation will not have too much of an impact on the Company.

(II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives: Currently the Company does not possess any high-risk or highly leveraged investments: and does not engage in the trading of derivatives; With regard to funds loans, third-party matters, and endorsement guarantees, the Company has drafted funds loan, third-party matter, and endorsement guarantee operating procedures in accordance with the competent authority's regulations.

(III) Future Research and Development Projects and expected R&D budget: None.

(IV) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales: The Company pays constant attention to relevant policy and law information and announcements, and complies with implementation. The impact on the Company's financial business is not great.

(V) The Company is mainly involved in the leasing and selling of multi-family residential buildings built by contracted construction companies. The impact of technological changes on the real estate industry is not significant. For information security management, please refer to p.66 of this annual report.

(VI) The Impact of Changes in Corporate Image on the Corporate Risk Management, and the Company's Response Measures: None.

(VII) Expected Benefits from, Risk Relating to and Response to Merger and Acquisition Plans: None.

(VIII) Expected Benefits from, Risk Relating to and Response to Factory Expansion Plans: None.

(IX) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Sales Concentration: The Company's purchasing chiefly consists of the acquisition of land and contracting of projects to builders, and there is consequently no excessive concentration of purchasing; Since sales targets consist of members of the general public, there is no excessive concentration of sales.

(X) Effects of, Risks Relating to and Response to Large Share Transfer or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholding of over 10%: None.

(XI) Effects of, Risks Relating to and Response to Changes in Control over the Company's Management: Not applicable.

(XII) In the case of any litigation or non-contentious matters, please list any major litigation, non-contentious matters, or administrative suits, including both those with confirmed decisions and still proceeding, involving the Company and the Company's directors, supervisors, general manager, actual responsible persons, major shareholders holding more than 10% of the Company's outstanding shares; when the results of such cases may have a major impact on shareholders equity or stock prices, the matter at issue, target amount, date of start of litigation, chief parties involved, and the state of handling of the case of the printing date of the annual report must be disclosed: Not applicable.

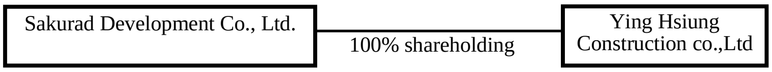
(XIII) Other Major Risks and Response Measures: There were no other major risks as of the printing date of the annual report.

VII. Other important matters: None.

Chapter 6. Special Disclosures

I. Information on affiliates:

(I) The organizational chart of the affiliated companies is shown below.



Ying Hsiung Construction CO., LTD is a subsidiary wholly owned by the parent company, Sakura Construction.

(II) The name, date of establishment, address, paid-in capital, and main business items of each affiliate:

Units: NT$1,000

Company name	Date of establishment	Address	Paid-in capital	Main business or production items
Ying Hsiung Construction CO., LTD	January 4, 2024	4F., No. 239, Sec. 2, Taiwan Blvd., Minlong Village, West Dist., Taichung City	220,000	Comprehensive construction

(III) For companies presumed to have a relationship of control and subordination: None.

(IV) The industries of the business operated by the affiliates overall:

1. The business of the affiliates is mainly building multi-family residential buildings.
2. The construction projects of Sakura Construction are mostly contracted to Ying Hsiung Construction.

(V) The names of directors, supervisors and general managers of the affiliates and their shareholding or contribution to the affiliates:

Company name	Title	Name or representative	Number of shares held	
			No. of Shares	Percentage
Ying Hsiung Construction CO., LTD	Chairman	SAKURA DEVELOPMENT CO.,LTD Legal representative: Chang, Keng-Wei	220,000	100%

(VI) Overview of the operation of the affiliates:

Units: NT$1,000

Company name	Capital	Total asset value	Total liabilities	Net worth	Operating revenue	Operating profit	Income (after tax)	EPS (NT$) (after tax)
Ying Hsiung Construction CO., LTD	220,000	351,059	144,452	206,607	148,631	(13,971)	(13,393)	(0.61)

II. Information on offering of securities through private placement during the Year recent year and to the date of print: Not applicable.

III. Other necessary explanations: None.

SAKURA DEVELOPMENT CO.,LTD

Chairman: Chen, Shin-Ying