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*<http://www.sunyad.com.tw>*

**SUN YAD CONSTRUCTION CO., LTD.**

2024

Date of publication: May 8, 2025

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

VI. Company website: <http://www.sunyad.com.tw>

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# One. A Message to Shareholders

Dear Ladies/Sirs:

We sincerely welcome all of your attendance to the shareholders' meeting during your busy schedules and also appreciate your long-term support and assistance for the Company.

The Company's consolidated net operating revenue was NT\$845,937 thousand in 2023, decreasing by 63.72% from NT\$2,331,605 thousand in 2022, primarily as a result of the decrease in settlement of houses in 2023 and the decrease in the sales and profit compared to 2022. The operating loss was NT\$179,157 thousand, decreasing by NT\$349,125, i.e. 205.41%, from the operating profit, NT\$169,968 thousand, in 2021. The non-operating expenditure was NT\$99,921 thousand, increasing by NT\$34,622 thousand, i.e. 134.65%, from the non-operating revenue, NT\$72,973 thousand, in 2022, primarily as a result of the net gain on the valuation of financial assets in 2023. Therefore, the overall net loss before tax was NT\$144,535 thousand in 2023, decreasing by NT\$214,582 thousand, i.e. 306.34%, from the net profit before tax, NT\$70,047 thousand, in 2022. The current self-assessed income tax expenses are NT\$4,344 thousand. The net loss after tax was NT\$148,879 thousand in 2023, decreasing by NT\$204,965 thousand, i.e. 365.45%, from the net profit after tax, NT\$56,086 thousand, in 2022.

In terms of the real estate market in 2023, despite the pressure from global inflation and the government's measures against real estate speculation, the overall market in Taiwan showed a situation of shrinking volume and stable price due to the high construction cost and the wait-and-see atmosphere in the market. The trading volume in Tainan can still grow due to the effect of Tainan Science Park. With the assurance of product quality and segmentation in the market, there is no doubt that the construction project can be closed successfully. The Company will continue to build different types of houses to create high revenue and profit for the Company.

Chairman of Board: Chang Yu-Ming

## I. 2023 Business Results

### 1. 2022 business plan implementation result report:

The Company's consolidated net operating revenue was NT\$845,937 thousand in 2023, decreasing by 63.72% from NT\$2,331,605 thousand in 2022, primarily as a result of the decrease in settlement of houses in 2023 and the decrease in the sales and profit compared to 2022. The operating loss was NT\$179,157 thousand, decreasing by NT\$349,125, i.e. 205.41%, from the operating profit, NT\$169,968 thousand, in 2021. The non-operating expenditure was NT\$99,921 thousand, increasing by NT\$34,622 thousand, i.e. 134.65%, from the non-operating revenue, NT\$72,973 thousand, in 2022, primarily as a result of the net gain on the valuation of financial assets in 2023. Therefore, the overall net loss before tax was NT\$144,535 thousand in 2023, decreasing by NT\$214,582 thousand, i.e. 306.34%, from the net profit before tax, NT\$70,047 thousand, in 2022. The current self-assessed income tax expenses are NT\$4,344 thousand. The net loss after tax was NT\$148,879 thousand in 2023, decreasing by NT\$204,965 thousand, i.e. 365.45%, from the net profit after tax, NT\$56,086 thousand, in 2022.

### 2. Analysis on financial revenue & expense and profitability

Unit: NT\$ Thousand

Analysis	Item	2022	2023
Financial revenue	Interest revenue	6,667	8,640
	Interest expenses	73,963	111,278
Profitability	ROA (%)	1.16	(0.31)
	ROE (%)	1.05	(2.68)
	Income before tax to paid-in capital (%)	3.20	(5.15)
	Profit margin (%)	2.41	(17.60)
	Earnings per share (NT\$)	0.70	0.68

### 3. R&D status

The Company's R&D expenditure totaled NT\$19,392 thousand, i.e. 2.29% of the net operating revenue, in 2023. Testing and certification of various resins and composite materials were conducted in 2023.

## II. Summary of the annual business plan (2024)

In 2024, the domestic real estate market was encouraged by the government's Youth Home Security Loan Policy, which led to an increase in the transaction volume and prices. In order to prevent the real estate market from losing control, the central bank has implemented a series of real estate market suppression policies since the second half of the year, resulting in a contraction in the real estate market of counties and cities in Taiwan, and prices have fallen. It

is expected that the low air pressure of this wave of price and volume will be extended to 2025, or even longer. Although the real estate market in Tainan, Tainan County, has the effect of adding to the housing market, it is still difficult to block the government's policy. The market is in a wait-and-see atmosphere, and only a few quality brands in specific areas or constructors can maintain a certain transaction volume. The Company's persistence in high-quality construction projects, plus a stable housing price strategy, has led to a growth in 2025 or even 2026.

I. Active promotion of the sale of remaining households in the completed project

Completed projects	Total number of households	Number of sold households	Number of remaining households	Remark
The King's Castle	88	88	0	
Tiffany	82	79	3	
Yun Qian	8	1	7	
Mayfair	73	68	5	
The King's Landscapes	71	17	54	

II. Construction projects for pre-sale:

The land on the north side to Jiufenzi Avenue, Guoan Section, Annan District is planned for the two 35-story super elevation complex buildings, and the building permit has been received by the Company in 2021. The project has also commenced the pre-sale, with the sales rate will be reaching 80% by end of 2023. The construction work commenced in Q1 of 2022. Currently, the construction is about to enter into the stage of erection of structural steelwork.

III. Construction projects under planning:

The land on the south side to Jiufenzi Avenue, Guoan Section, Annan District is planned for three 36-storey super elevation complex buildings, and the project is still under planning. We have received the building permit in Q1 of 2023, and expected to start the construction in 2025.

To summarize the Company's major projects, we believe that the domestic real estate market will remain uncertain in 2024 under the impact of various factors, and will probably show a "high price but low volume" pattern. The Company focuses on the household types catering to various groups. It is expected that the Company's operating revenue in 2024 will primarily come from the sale of The King's Landscapes finished households. As the project is intended for luxury households, its customer base targets at high-asset customers. If the sales are successful, there should be a significant increase in revenue for the current year. Meanwhile, subject to the fund status, the Company will purchase land successively for construction of various household types, hoping to derive more operating revenue and profit for the Company.

III. Future development strategies.

1. The Company upholds “Solidity, Utility and Pleasure” as the residential standard. Each project executed by the Company’s team aims to challenge the current status, think from various perspectives about how to innovate and improve to seek a better life, and plan the residents’ life for every detail, in order to enable the residents to enjoy unprecedented convenience and comfort here.
2. The Company continues to use the best effort to make arts and cultural & creative exquisite reflect in the architecture. By supporting the permanent tangible and intangible value, the Company achieves each piece of work as if it are building a work of fine art, and integrates the sole and unique craftsmanship design into the work. The Company is no only creating its status in the indicative case but also achieving the city's cultural spirit and historical fame. Meanwhile, the Company has kept leading the architecture of Tainan to different new milestones.
3. Each of the Company’s projects is based on the belief in “pursuing excellent quality and keeping surpassing and innovating” to continue creating the benchmark for architecture of Tainan. The Company commits to the vast consumers that it will combine the LOHAS elements, such as comfort, safety and convenience, in order to hit extraordinary record constantly.
4. The Company has acquired all of the most beautiful core north and south bases in the Jiufenzi redevelopment zone. The two 35-story Twin Towers consisting of pure residences is under construction at the north base, “The Twin Towers”, and three 38-story buildings will be built at the south base. The construction license has been acquired and the construction is under planning. The projects will be designed and planned with the best quality to build most eye-catching landmarks with architectural features in Tainan.

#### IV. Effects of external competition, legal environment, and overall business environment

##### 1. Effect of external competition

In 2025, due to the impact of the tariff policy of the new U.S. President on the global industrial deployment and regional conflicts, the probability of international funds returning to the U.S. is much higher, and the impact of tariff increase in the U.S. on exports is increasing, causing international funds may flee overseas, and the housing market may decline, and housing prices may fall.

##### 2. Effect of legal environment

- (1) Real estate control policy: The government suppresss speculation through the housing tax, the combined tax of land and building, the actual price registration 2.0, and the amendment to the Equalization of Land Rights Act, which affects investment behavior.
- (2) Land use and urban renewal policy: Urban renewal and reconstruction of dangerous and old buildings have affected the housing market, and the complex regulatory environment may lead to difficulty in promoting urban renewal.

##### 3. Effect of overall business environment

- (1) Interest rate and financial policy: The Central Bank has implemented strict control over the financing terms of real estate, which may increase the cost of loans, suppress housing prices, and lead to a decline in housing prices.

- (2) Economic growth and income: Looking ahead to the international situation in 2025, the domestic GDP growth may slow down, which may affect the real estate market demand.
- (3) Few children and old people: The long-term population structure changes may lead to a decrease in the future housing market due to structural needs.
- (4) Technology and smart building trend: The impact of technological advancement such as IoT and green building on the product structure and competitiveness of the housing market.

In conclusion, the effect of overall business environment was considered negative in 2024. The demand in the real estate market is primarily the rigid demand. Besides, the domestic gross national income doesn't increase significantly, while the housing price stays high, the demographic dividend is no longer available and the government's real estate speculation policy continues. Therefore, the real estate market development in 2024 should be oriented toward clearing of the house inventories.

Although the industry environment is unclear, the Company still persists in launching high-end and high-quality building materials, structures and market segmentation projects. In 2021, the two double-star high-rises of 35 stories high with 2 units in the Company's "Huiyang Bai" project were sold out almost completely, and are expected to be completed and delivered in 2026. The "Kwanghu" project of three double-star high-rises of 36 stories high is expected to be completed and delivered in 2028, which is the largest project of the Company's base development.

## Two. Corporate Governance Report

### I. Information About Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, Managers of All the Company's Divisions and Branch Units

#### (I) Information about directors/supervisors

##### 1. Information about directors/supervisors (I) Table 1

### Information about directors and supervisors (I)

March 30, 2024

Job title (Note 1)	Nationality or place of domicile	Name	Gender & Age (Note 2)	Date of election (appointment)	Term of office	Date of the initial election (Note 3)	Shareholding while elected		Current shares held		Current shares held by spouse and underage children		Shares held in the names of others		Major experience (academic degree) (Note 4)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remark (Note 5)
							Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %			Job title	Name	Relationship	
Director	R.O.C.	Jing Hong Ltd.	—	2022.05.27	3 years	2013.05.07	2,838	1.30	2,618	0.71	0	.0	0	0	N/A	None	None	None	None	
Chairman of Board	R.O.C.	Representative of Jing Hong Ltd.: Chang Yu-Ming	Male 51~60	2022.05.27	3 years	2016.06.22	2,838	1.30	1,324	0.36	0	0%	0	0%	Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University EMBA, National Sun Yat-sen University	Chairman and CEO of U-BEST INNOVATIVE TECHNOLOGY CO., LTD., Chairman and President of MYSON CENTURY, INC., Chairman of HSIN-LI CHEMICAL INDUSTRIAL CORP., and Chairman of FEEI CHERNG ENTERPRISE CO., LTD.	None	None	None	None
Director	R.O.C.	U-BEST INNOVATIVE TECHNOLOG Y CO., LTD.	—	2022.05.27	3 years	2022.05.27	18,454	8.42	19,983	5.44	0	0	0	0	N/A	None	None	None	None	

Job title (Note 1)	Nationality or place of domicile	Name	Gender & Age (Note 2)	Date of election (appointment)	Term of office	Date of the initial election (Note 3)	Shareholding while elected		Current shares held		Current shares held by spouse and underage children		Shares held in the names of others		Major experience (academic degree) (Note 4)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remark (Note 5)
							Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %			Job title	Name	Relationship	
Director	R.O.C.	Representative of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.; Tseng Peng-Kuang	Male 51~60	2022.05.27	3 years	2018.06.26	18,454	8.42	0	0	0	0	0	0	Doctor, Department of Architecture, NCKU	Adjunct Assistant Professor of Chang Jung Christian University and Kun Shan University, and juristic person representative of director of MYSON CENTURY, INC. and FEEI CHERNG ENTERPRISE CO., LTD. representative	None	None	None	None
Director	R.O.C.	Da-Du International Co., Ltd.	—	2022.05.27	3 years	2022.05.27	131	0.06	169	0.05	0	0	0	0	N/A	None	None	None	None	None
Director	R.O.C.	Representative of Metropolis Internet Technology; Li Tung-Hung	Male 31~40	2022.05.27	3 years	2022.05.27	131	0.06	152	0.04	0	0	0	0	Department of Mechanical Engineering, Nan Jeon Institute of Technology	-	None	None	None	None
Independent Director	R.O.C.	Hu Li-Yuan	Male 51~60	2022.05.27	3 years	108.06.24	0	0	0	0	0	0	0	0	Department of Statistics, NCKU/Credit Approval Lead of Dah-An Commercial Bank, South District Corporate Banking Center/CFO of Hwa Fong Rubber Ind. Co., Ltd.	Sales Manager of IBF Securities	None	None	None	None
Independent Director	R.O.C.	Lin Chia-Chia	Female 41~50	2022.05.27	3 years	2022.05.27	0	0	0	0	0	0	0	0	Department of Law, Soochow University, EMBA, National University of Kaohsiung/CEO, The Wordsmiths Attorneys at Law	CEO, The Wordsmiths Attorneys at Laws	None	None	None	None

Job title (Note 1)	Nationality or place of domicile	Name	Gender & Age (Note 2)	Date of election (appointment)	Term of office	Date of the initial election (Note 3)	Shareholding while elected		Current shares held		Current shares held by spouse and underage children		Shares held in the names of others		Major experience (academic degree) (Note 4)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remark (Note 5)
							Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %	Quantity of shares (thousand shares)	Shareholding %	Job title	Name	Relationship			
Independent Director	R.O.C.	Yeh Feng-Hua	Female 61~70	2022.05.27	3 years	2022.05.27	0	0	0	0	0	0	0	0	MBA, National Sun Yat-sen University; PhD in Finance, National Kaohsiung University of Science and Technology/Speciali st, DATA SYSTEMS CONSULTING CO., LTD.; Special Assistant of Chairman, JING FONG INDUSTRY CO., LTD. Special Assistant	Executive Vice President, HWA HSING SCREW INDUSTRY CO., LTD.	None	None	None	None
Independent Director	R.O.C.	Huang Ling-Chen	Female 51~60	112.05.29	3 years	2023.05.29	0	0	0	0	0	0	0	0	EMBA, National Yang Ming Chiao Tung University/ Vice President, ProLogium Technology	Chief Human Resources Officer of Spirox Corp.	None	None	None	None

Note 1: Juristic person shareholders shall be identified by the name and representative individually (in the case of a juristic person shareholder's representative, the juristic person shareholder's name shall be identified), and the following Table 1 shall be completed.

Note 2: Please identify the real age, and express it by interval, e.g. 41~50 years old or 51~60 years old.

Note 3: Please also specify if the initial term of office for the Company's director or supervisor is interrupted.

Note 4: Previous work experiences relating to their current roles; if the person worked in an auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 5: If the Company's Chairman and President or equivalent (the supreme management) of the Company are the same person, spouses or relatives within 1st degree of kinship, please disclose the reason, rationality, necessity and responsive measures (e.g. increasing the seats of independent director, and a majority of directors prohibited from serving as employees or managers concurrently).

**Table 1: Major Shareholders of Juristic Person Shareholders**

March 30, 2024

Name of juristic person shareholders	Major Shareholders of Juristic Person Shareholders
Jing Hong Ltd.	Chang Hui-Feng 40%, Chang Hu-Ming 10%, Chang Pai-Hung 25%, Chang Jen-Wei 25%
U-BEST Innovative Technology Co., Ltd.	SUN YAD CONSTRUCTION CO., LTD. 16.14%, Tseng Chun-Jung 2.10%, Chen Wen-Kuang 1.45%, Chen Su-Ling 0.99%, Sung Chuan-Kung 0.94%, Chen Fu-Hsing 0.90%, Kuo Che-Liang 0.87%, Zhong Qing Technology Co., Ltd. 0.61%, Tseng Chen Tui-Yu 0.57%, Yang Yuan-Wen 0.55%
Da-Du International Co., Ltd.	Chang, Yu-Ming 14.06%; Obo Seahorn Investment Co., Ltd. 63.55%; Chongqing Technology Co., Ltd. 22.39%

Note 1: Where the director or supervisor acts as a juristic person shareholder's representative, please specify the juristic person shareholder's name.

Note 2: Please specify the names of major shareholders of the juristic person shareholder (with shareholding ranking Top 10), and the shareholding thereof. Where the major shareholder is a juristic person, please also complete the following Table 2.

Note 3: If the juristic person shareholder is not a company, said shareholders' names and shareholdings shall mean the capital contributors' or donors' names and their contribution or donation percentage.

**Table 2: Major Shareholders of Major Shareholders Who are Juristic Persons**

March 30, 2024

Name of juristic person shareholders	Major Shareholders of Juristic Person
VOYAGE INVESTMENT LIMITED	Chang Hui-Feng 0.48%, Chang Yu-Ming 1.00%, Chang Pai-Hung 21.48%, Chang Jen-Wei 21.48%, Chang Yu-Chen 11.00%, Chang Yu-Ching 12.00%, Chang Yueh-Hua 10.28%, Lai Hsiu-Chiung 16.00%, Chang Chao Su-Chu 6.28%
Zhong Qing Technology Co., Ltd.	Chang Hui-Tsai 11.37%, Chang Yuo-Ming 38.23%, Chang Bai-Jen 22.52%, Chang Ren-Wei 26.09%, Chang Hua 1.78%, and Metropolitan International Development Co., Ltd. 0.01%

Note 1: Where the director or supervisor acts as a juristic person shareholder's representative, please specify the juristic person shareholder's name.

Note 2: Please specify the names of major shareholders of the juristic person shareholder (with shareholding ranking Top 10), and the shareholding thereof. Where the major shareholder is a juristic person, please also complete the following Table 2.

Note 3: If the juristic person shareholder is not a company, said shareholders' names and shareholdings shall mean the capital contributors' or donors' names and their contribution or donation percentage.

## 2. Information about directors and supervisors (II)

### I. Disclosure of directors' and supervisors' professional qualifications and independent directors' independence:

Qualifications Name	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual serves as an independent director concurrently
Chang Yu-Ming	<ol style="list-style-type: none"> <li>Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University; EMBA, National Sun Yat-sen University</li> <li>With the abundant experience in business administration, as the Chairman and CEO of U-BEST INNOVATIVE TECHNOLOGY CO., LTD., Chairman and President of MYSON CENTURY, INC., Chairman of HSIN-LI CHEMICAL INDUSTRIAL CORP. and Chairman of FEEI CHERNG ENTERPRISE CO., LTD.</li> <li>Free from the circumstances referred to in Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>The Company's current Chairman, and also Chairman of the Group's subsidiaries (U-BEST INNOVATIVE TECHNOLOGY CO., LTD., MYSON CENTURY, INC., HSIN-LI CHEMICAL INDUSTRIAL CORP., and FEEI CHERNG ENTERPRISE CO., LTD.) concurrently.</li> <li>The other parts were verified in accordance with the independence requirements referred to in the "the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission (FSC) and held satisfying such requirements.</li> </ol>	N/A

Qualifications Name	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of other public companies where the individual serves as an independent director concurrently
Tseng Peng-Kuang	<p>1. Doctor, Department of Architecture, NCKU</p> <p>2. Hold the license of architect.</p> <p>3. The former Adjunct Assistant Professor of Chang Jung Christian University and Kun Shan University, and juristic person representative of director of MYSON CENTURY, INC. and FEEI CHERNG ENTERPRISE CO., LTD., with professional skills and experience in management.</p> <p>4. Free from the circumstances referred to in Article 30 of the Company Act.</p>	<p>1. Also the General Architect of the subsidiary, Shangyu Construction Co., Ltd., and juristic person representative of director of the subsidiaries (MYSON CENTURY, INC. and FEEI CHERNG ENTERPRISE CO., LTD.) concurrently.</p> <p>2. The other parts were verified in accordance with the independence requirements referred to in the "the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission (FSC) and held satisfying such requirements.</p>	N/A
Li Tung-Hung	<p>1. Department of Mechanical Engineering, Nan Jeon Institute of Technology</p> <p>2. The supervisor of the Company for multiple terms</p> <p>3. Free from the circumstances referred to in Article 30 of the Company Act.</p>	The other parts were verified in accordance with the independence requirements referred to in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission (FSC) and held satisfying such requirements.	N/A
Hu Li-Yuan	<p>1. Department of Statistics, NCKU</p> <p>2. The former Credit Approval Lead of Dah-An Commercial Bank, South District Corporate Banking Center and CFO of Hwa Fong Rubber Ind. Co., Ltd.</p> <p>3. The current Sales Manager of IBF Securities</p> <p>4. With the expertise and background in accounting and finance.</p> <p>5. Free from the circumstances referred to in Article 30 of the Company Act.</p>	According to the Company's Articles of Incorporation and "Corporate Governance Best Practice Principles," the directors shall be elected under the candidate nomination system. When nominating and electing the Board members, the Company has received the written statement, information about work experience, current certificate of employment and kinship chart from each director and, therefore, already verified the independence of them, their spouses, and relatives within 3rd degree of kinship as to the Company. Meanwhile, upon verification, the three independent directors identified in the left column were held satisfying the qualification requirements under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by FSC and Article 14-2 of the Securities and Exchange Act within two years before	None
Lin Chia-Chia	<p>1. EMBA, National University of Kaohsiung</p> <p>2. CEO, The Wordsmiths Attorneys at Laws</p> <p>3. With the expertise and background in laws.</p> <p>4. Free from the circumstances referred to in Article 30 of the Company Act.</p>	they assume the positions and during their term of office. The independent directors have also been empowered to participate in the decision making and express opinions under Article 14-3 of the Securities and Exchange Act, in order to perform their job duties independently.	None
Yeh Feng-Hua	<p>1. PhD in Finance, National Kaohsiung University of Science and Technology</p> <p>2. Executive Vice President, HWA HSING SCREW INDUSTRY CO., LTD.</p> <p>3. With the expertise and background in accounting and finance.</p> <p>4. Free from the circumstances referred to in Article 30 of the Company Act.</p>		None
Huang Ling-Chen	<p>1. EMBA, National Yang Ming Chiao Tung University</p> <p>2. Chief Human Resources Officer of Spirox Corp.</p> <p>3. With the expertise and background in human resource management.</p> <p>4. Free from the circumstances referred to in Article 30 of the Company Act.</p>		

## II. Diversity and Independence of Board of Directors:

(I) Diversity of the Board of Directors: Please specify the Board of Directors' diversity policy, goals and achievement thereof. The Board of Directors' diversity policy includes without limitation to the directors' election criteria, professional qualifications and experience required from the Board of Directors, and the composition or percentage of gender, age, nationality and culture. Please also specify the Company's specific goals for said policy, and achievement thereof: Since June 2019, all of the Company's directors has been elected under the candidate nomination system. According to the Company's "Corporate Governance Best Practice Principles," the Board of Directors should consist of five or more directors, subject to the Company's business development scale and the major shareholders' shareholdings, as well as the practical business needs. The composition of the Board members shall take diversification into account. The directors who hold the position as manager of the Company concurrently shall be no more than one-third of the whole directors. Meanwhile, the Company shall adopt the adequate diversity policy subject to the Company's operations, business type and development needs. The Board members shall have the different professional knowledge and skills (professional background, expertise and industrial experience in laws, accounting, industry, finance, marketing or industrial technology), or cover different genders and age. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

1. Ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Ability to manage crisis, make decision and deal with problems.
4. Insight for industrial development and technological application.
5. Ability for forward-looking on sustainable development trends.
6. Accounting information and financial analysis ability.

The Company's 7 current directors are all native nationals with the necessary knowledge, skills, and experience required to perform their duties (please refer to said directors' educational background and experience), and also the experience in accounting, finance, commerce, laws, marketing or industrial technology. By age, 2 directors at the age of 41~50 years old (28.6%; Li, Tung-Hung and Lin, Chia-Chia), 4 at the age of 51~60 years old (57.1%; Chang, You-Ming, Tseng, Peng-Kuang, Hu, Li-Yuan, and Huang, Ling-Chen), and 1 at the age of 61~70 years old (14.3%, Yeh Feng-Hua).

Name of Director	Gender & Age	Serve as Independent Director		Diversified core profession				
		Not more than three terms	More than three terms	Finance & accounting	Commerce	Law	Marketing	Industrial technology
Representative of Jing Hong Ltd.: Chang Yu-Ming	Male 51~60				V		V	
Representative of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.: Tseng Peng-Kuang	Male 51~60				V	V	V	V
Representative of Metropolis Internet Technology: Li Tung-Hung	Male 41~50				V		V	
Hu Li-Yuan (Independent Director)	Male 51~60	V		V	V			
Lin Chia-Chia (Independent Director)	Female 41~50	V		V		V		

Name of Director	Gender & Age	Serve as Independent Director		Diversified core profession				
		Not more than three terms	More than three terms	Finance & accounting	Commerce	Law	Marketing	Industrial technology
Yeh Feng-Hua (Independent Director)	Female 61~70	V		V	V			
Huang Ling-Chen (Independent Director)	Female 51~60	V		V	V	V		

(II) Independence of the Board of Directors: Please specify the number and percentage of independent directors, and also explain that the Board of Directors is functioning independently, attached with the reasons to explain whether the circumstances referred to in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act are met or not, and also the statement about the relationship, such as spouse or relative within 2nd degree of kinship, between directors, supervisors, or directors and supervisors:

1. Structure of the Board of Directors:

The Company adopts the director election system. All of the directors are elected openly and fairly, in accordance with the Company's "Articles of Incorporation," "Regulations for Election of Directors" and "Corporate Governance Best Practice Principles." The current Board of Directors consists of 4 independent directors (57.2%) and 3 non-independent directors (42.8%), 1 out of them is also the employee/manager of the Company (14.3%, not exceed one-third of the whole directors), and the other directors free from the relationship, such as spouse or relative within the second degree of kinship, among them (not exceed one-third of the whole directors). Therefore, the composition of the Board of Directors is held satisfying Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act.

2. The Board of Directors is functioning independently:

The Company's Board of Directors directs the Company's strategies, supervises the management and is responsible to the Company and shareholders. Through the operations and arrangements under the corporate governance system, the Board of Directors exercises its powers per laws, the Articles of Incorporation, or resolutions made by shareholders' meetings. The Company's Board of Directors emphasizes the independent operation and transparent functions. Each director and independent director function and exercise their powers independently. The three independent directors also comply with related laws and regulations and, in response to the Audit Committee's powers, audit the control over the Company's existing or potential risks, in order to supervise the effective implementation of the Company's internal controls, appointment (discharge) and independence of the external auditors, and adequate preparation of financial statements. Meanwhile, according to the Company's "Regulations for Election of Directors," the Company adopts the cumulative voting system and candidate nomination system for election of directors and independent directors. The Company encourages shareholders to participate in the election. The shareholders who hold specific number of shares may propose the roster of candidates. The candidates' qualifications will be reviewed, whether they violate Article 30 of the Company Act will be verified, according to laws, and the review and verification results will be published according to laws, in order to protect shareholders' equity and prevent the right to nominate from being monopolized or abused to keep directors' independence.

The Company has established the Board of Directors' performance assessment system. The Company conducts the Board of Directors' internal self-assessment and Board members' self-assessment for once per year. The Board of Directors' performance assessment is decided subject to the five major indicators including (1) engagement in the Company's operation, (2) the Board decision-making quality, (3) composition and structure of the Board of Directors, (4) election and continuing education of directors and (5) internal control. The Board members' self-assessment is decided subject to the six major indicators including (1) alignment with the goals and mission of the Company, (2) knowledge of directors' duties, (3) engagement in the Company's operations, (4) management of internal relationship and communication, (5) professionalism and continuing education of directors and (6) internal control. Said related self-assessment results are disclosed in the Company's annual report and on the Company's official website after being reported to the Board of Directors.

Note 1: Professional qualification and experience: Please specify the individual directors' and supervisor's professional qualification and experience. In the case of an Audit Committee member specialized in accounting or finance, please specify his/her educational background and work experience in accounting or finance, and whether he/she meets the circumstances referred to in Article 30 of the Company Act.

Note 2: Please specify the independent directors' compliance of independence, including but not limited to, whether they or their spouses or relatives within 2nd degree of kinship serve as directors, supervisors or employees in the Company or any of its affiliated companies; the number and percentage of the Company's shares held in their own names or names of the spouses or relatives within 2nd degree of kinship (or proxy shareholder); whether they serve as directors, supervisors, or employees in any entity that has certain relationship with the Company (please refer to the subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company or its affiliated companies.

Note 3: For the method by which such information shall be disclosed, please refer to the sample annual report disclosed on the website of TWSE Corporate Governance Center.

(II) Information About Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, Managers of All the Company's Divisions and Branch Units

March 24, 2025

Job title (Note 1)	Nationality	Name	Gender	Date of election (appointment)	Shares held		Shares held by spouse and underage children Shares held		Shares held in the names of others		Major experience (academic degree) (Note 2)	Concurrent positions in the Company and other companies	Spouse or relatives within 2nd degree of kinship acting as managers			Remark 3
					Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Job title	Name	Relationship	
President	R.O.C.	Chang Yu-Ming	Male	2023.01.31	1,323,977	0.36%	0	0%	0	0%	Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University EMBA, National Sun Yat-sen University	Chairman and CEO of U-BEST INNOVATIVE TECHNOLOGY CO., LTD., Chairman and President of MYSON CENTURY, INC., Chairman of HSIN-LI CHEMICAL INDUSTRIAL CORP., and Chairman of FEEI CHERNG ENTERPRISE CO., LTD.	None	None	None	
Vice President, General Administration Division	R.O.C.	Kuo Yu-Cheng	Male	2021.07.02	10,375	-	0	0%	0	0%	Department of Accounting, Soochow University/Auditor, PwC Taiwan/the Company's audit manager	Director, Huikwang Corporation	None	None	None	

Note 1: It shall include the information concerning the president, vice presidents, assistant vice presidents, and department and branch managers. Meanwhile, the information for all persons holding a position equivalent to president, vice president, or assistant vice president must be disclosed, regardless of job title.

Note 2: Previous work experiences relating to their current roles; if the person worked in an auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 3: If the Company's President or equivalent (the supreme management) is the same person as the Company's Chairman, or the Chairman's spouse or relative within 1st degree of kinship, please disclose the reason, rationality, necessity and responsive measures (e.g. increasing the seats of independent director, and a majority of directors prohibited from serving as employees or managers concurrently).

(III) Compensation paid to directors, supervisors, president and vice president in the most recent year

1. Compensation to the general directors and independent directors (disclosed by name and compensation individually)

Unit: NT\$ Thousand; thousand shares

Job title	Name	Compensation to directors						The total amount of A, B, C and D as a percentage of net profit after tax (Note 10)	Employee compensation received by directors				The total amount of A, B, C, D, E, F and G as a percentage of net profit after tax (Note 10)			
		Return (A) (Note 2)	Retirement Pension (B)	Remuneration to directors (C) (Note 3)	Professional practice fees (D) (Note 4)	Salary, bonus and special allowance, et al. (E) (Note 5)	Retirement Pension (F)		Remuneration to employees (Note 6)	The Company	All companies in the financial statements (Note 7)	Amount in stock				
Chairman of Board	Chang Yu-Ming (Note 12)	0	0	0	0	0	90	581	(0.0419)	(0.2708)	0	0	0	(0.0419)	(0.2708)	0
Director	Tseng Peng-Kuang (Note 14)	0	0	0	0	0	80	327	(0.0373)	(0.1525)	4,304	4,954	0	(2.0450)	(2.4634)	0
Director	Li Tung-Hung (Note 15)	0	0	0	0	0	80	80	(0.0373)	(0.0373)	853	853	0	(0.4351)	(0.4351)	0
Independent Director	Hu Li-Yuan	0	0	0	0	0	170	170	(0.0793)	(0.0793)	0	0	0	(0.0793)	(0.0793)	0
Independent Director	Lin Chia-Chia	0	0	0	0	0	170	170	(0.0793)	(0.0793)	0	0	0	(0.0793)	(0.0793)	0
Independent Director	Yeh Feng-Hua	0	0	0	0	0	170	170	(0.0793)	(0.0793)	0	0	0	(0.0793)	(0.0793)	0
Independent Director	Huang Ling-Chen (Note 18)	0	0	0	0	0	150	150	(0.0700)	(0.0700)	0	0	0	(0.0700)	(0.0700)	0
1. Please state the policies, systems, standards and structure of compensation to independent directors, and the relations between the compensation and the job responsibility, risk and engagement hours borne by the independent directors: The Company's independent directors are paid the fixed remuneration, in addition to the transportation allowance for attendance at each Board of Directors' meeting. According to Article 29-1 of the Company's Articles of Incorporation, if the Company retains earnings in a year, it shall set aside 2%~5% of the annual earnings as the remuneration to employees and no more than 5% of the annual earnings as the remuneration to directors and supervisors, and propose the remuneration to independent directors based on the directors' performance evaluation results and subject to the allocation principle suggested by the Remuneration Committee, and submit the proposal to the Board of Directors for resolution. 2. Compensation received by directors for providing services (e.g. consultancy service without the title of an employee in the parent company/all companies included in the financial statements/ investees) in the most recent year, except those disclosed in the above table: None.																

## Compensation Scale Table

Breakdown of compensation to directors	Name of Director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Less than NT\$1,000,000	General directors Chang Yu-Ming, Sung Yu-Hao, Tseng Peng-Kuang, Li Tung-Hung Independent directors: Hu Li-Yuan, Lin Chia-Chia, Yeh Feng-Hua, Huang Ling-Chen	General directors Chang Yu-Ming, Sung Yu-Hao, Tseng Peng-Kuang, Li Tung-Hung Independent directors: Hu Li-Yuan, Lin Chia-Chia, Yeh Feng-Hua, Huang Ling-Chen	General directors Chang Yu-Ming, Sung Yu-Hao, Li Tung-Hung Independent directors: Hu Li-Yuan, Lin Chia-Chia, Yeh Feng-Hua, Huang Ling-Chen	General directors Chang Yu-Ming, Sung Yu-Hao, Li Tung-Hung Independent directors: Hu Li-Yuan, Lin Chia-Chia, Yeh Feng-Hua, Huang Ling-Chen
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	—	—	—	—
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	—	—	—	—
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	—	—	General Director: Tseng Peng-Kuang	—
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	—	—	—	General Director: Tseng Peng-Kuang
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	—	—	—	—
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	—	—	—	—
More than NT\$100,000,000	—	—	—	—
Total	7 persons	7 persons	7 persons	7 persons

Note 1: Directors' names shall be identified separately (juridic person shareholders shall be identified by the name and representative individually). The payment to the general directors and independent directors shall be summarized and then disclosed. Any director who serves as the President or Vice President concurrently shall be disclosed in this table and the following Table (3-1), or the following Table (3-2-1) and Table (3-2-2).

Note 2: The remuneration to directors in the most recent year (including director's salary, duty allowance, severance pay, bonus and reward, et al.).

Note 3: The amount of directors' remuneration that the Board of Directors has approved as part of the latest earnings appropriation.

Note 4: The professional practice fees for services rendered in the most recent year (including travel allowances, special allowances, various allowances, accommodation, corporate vehicle and other in-kind benefits). Where housing, cars, vehicles, or personal allowances are granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other benefits.

Where personal drivers are assigned, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries.

Note 5: Any salaries, duty allowances, severance pay, bonuses, rewards, travel allowances, special allowances, various allowances, accommodation, corporate vehicles and other in-kind benefits that the director received in the most recent year for assuming the role of the Company's employee concurrently (including President, Vice President, other managers and employees). Where housing, cars, vehicles, or personal allowances are granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other benefits. Where personal drivers are assigned, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense recognized according to IFRS 2 - "Share-based Payment," including employee stock warrants, restricted stock awards (RSAs) and subscription for new shares upon cash capital increase are treated as compensation.

Note 6: If the directors who act as employees concurrently (including President, Vice President, other managers and employees) receive employee remuneration (including stocks and cash) in the most recent year, please disclose the employee remuneration approved by the Board of Directors prior to the motion for earnings distribution submitted to the shareholders' meeting in the most recent year. If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year, and please also complete Table 1-3.

Note 7: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's directors.

Note 8: The aggregate of the compensation to directors by the Company, and the names of such directors, should be disclosed in the relevant space of the table.

Note 9: Please disclose the aggregate of the compensation paid by all companies included in the consolidated financial statements (including the Company) to each director, which shall include the director's name disclosed in the relevant space of the table.

Note 10: The net profit after tax refers to that shown in the most recent parent company only or separate report.

Note 11: a. This field represents all forms of compensation the Company's directors have received from the Company's investees other than subsidiaries, or from the parent company. (If none, please specify "None".)  
b. For the Company's directors who receive compensation from investees other than subsidiaries or from the parent company, amounts received from these investees shall be added to column I of the Compensation Scale Table, in which case, column I will be renamed "parent company and all investees."  
c. The compensation refers to any return or remuneration (including remuneration received as an employee, director and supervisor) and professional practice fees which the Company's directors receive for serving as directors, supervisors or managers in investees other than subsidiaries, or in the parent company.

\* The basis of compensation disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure and not for tax purpose.

Note 12: The representative of the juristic person director of Jing Hong Ltd.

Note 13: The representative of the juristic person director of ZHAO LE CO., LTD.

Note 14: The representative of the juristic person director of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.

Note 15: The representative of the juristic person director of Metropolis Internet Technology

Note 16: Dismissed upon the re-election of the Board of Directors on May 27, 2022.

Note 17: Resigned and dismissed on February 10, 2023.

Note 18: New elected through by-election at the shareholders' meeting on May 29, 2023.

## 2. Compensation to the president and vice presidents (disclosed by name and compensation individually)

\* Disclosure is mandatory for persons who hold positions equivalent to a president or vice president (e.g. president, CEO and general director, etc.).

Unit: NT\$ Thousand; thousand shares

Job title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonus and special allowance, et al. (C) (Note 3)		Remuneration to employees (D) (Note 4)				The total amount of A, B, C and D as a percentage of net profit after tax (%) (Note 8)		Compensation from investees other than subsidiaries (Note 9)	
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements (Note 5)		
		Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount in cash	Amount in stock								
President (Note 10)	Chang Yu-Ming	0	0	0	0	0	0	0	0	0	0	0	0	0	
Vice President, General Administration Division	Kuo Yu-Cheng	1,263	1,263	0	0	851	851	0	0	0	0	(0.9858)	(0.9858)	0	

\* Disclosure is mandatory for persons who hold positions equivalent to a president or vice president (e.g. president, CEO and general director, etc.).

Compensation Scale Table

Breakdown of compensation to each president and vice president of the Company	Name of President/Vice President	
	The Company (Note 6)	All companies in the financial statements (Note 7) E
Less than NT\$1,000,000	Chang Yu-Ming	Chang Yu-Ming
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Kuo Yu-Cheng	Kuo Yu-Cheng
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	—	—
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	—	—
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	—	—
More than NT\$100,000,000	—	—
Total	2 persons	2 persons

Note 1: The President's and Vice President's names shall be identified separately. The payment to the president and vice president shall be summarized and then disclosed. Any director who serves as the President or Vice President concurrently shall be disclosed in this table and the following Table (1-1), or the following Table (1-2-1) and Table (1-2-2).

Note 2: The salary, duty allowance and severance pay to the President and Vice President in the most recent year.

Note 3: Any bonuses, rewards, travel allowances, special allowances, various allowances, accommodation, corporate vehicles and other in-kind benefits that the President and Vice President received in the most recent year. Where housing, cars, vehicles, or personal allowances are granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other benefits. Where personal drivers are assigned, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of

the salary expense recognized according to IFRS 2 - "Share-based Payment," including employee stock warrants, restricted stock awards (RSAs) and subscription for new shares upon cash capital increase are treated as compensation.

Note 4: Please disclose the employee remuneration paid to the President and Vice President approved by the Board of Directors in the most recent year (including stocks and cash). If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year, and please also complete Table 1-3.

Note 5: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's President and Vice President.

Note 6: The aggregate of the compensation to each president and vice president by the Company, and the names of such president and vice president, should be disclosed in the relevant space of the table.

Note 7: Please disclose the aggregate of the compensation paid by all companies included in the consolidated financial statements (including the Company) to each president and vice president, which shall include the president's and vice president's names disclosed in the relevant space of the table.

Note 8: The net profit after tax refers to that shown in the most recent parent company only or separate report.

Note 9: a. This field represents all forms of compensation the Company's presidents and vice presidents have received from the Company's investees other than subsidiaries, or from the parent company. (If none, please specify "None".)  
b. For the Company's presidents and vice presidents who receive compensation from investees other than subsidiaries or from the parent company, amounts received from these investees shall be added to column E of the Compensation Scale Table, in which case, column E will be renamed "parent company and all investees."  
c. The compensation refers to any return or remuneration (including remuneration received as an employee, director and supervisor) and professional practice fees which the Company's presidents and vice presidents receive for serving as directors, supervisors or managers in investees other than subsidiaries, or in the parent company.

\* The basis of compensation disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure and not for tax purpose.

Note 10: Newly elected on January 31, 2023.

### 3. Compensation to Top 5 senior managers of the TWSE/TPEx listed company (individual disclosure by name and amount) (Note 1) 2022; Unit: NT\$ Thousand; Thousand Shares

Job title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonus and special allowance, et al. (C) (Note 3)		Remuneration to employees (D) (Note 4)				The total amount of A, B, C and D as a percentage of net profit after tax (%) (Note 8)		Compensation from investees other than subsidiaries (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements (Note 5)	
President (Note 8)	Chang Yu-Ming	0	0	0	0	0	0	0	0	0	0	0	0	0
Vice President, General Administration Division	Kuo Yu-Cheng	1,263	1,263	0	0	851	851	0	0	0	0	(0.9858)	(0.9858)	0

Note 1: The "Top 5 Senior Managers" refer to the Company's management. The standards governing identification of the management shall be subject to the requirements applicable to the "management" referred to in the letter of Securities and Futures Commission, Ministry of Finance under Tai-Cai-Zhen-3-Zi No. 0920001301 dated March 27, 2003. The principles for calculating the remuneration to the "top 5 senior managers" are based on the total of the Salaries, Retirement Pension, Bonuses and Special Allowances received by the managers from the companies included into the consolidated financial companies and the employee remuneration received by them (namely, the sum of A+B+C+D). Then, the top 5 senior managers are identified as the top 5 managers receiving the highest compensation in order. Any directors who serve as said managers concurrently shall be disclosed in this table and said Table (1-1).

Note 2: The salary, duty allowance and severance pay to the top 5 senior managers in the most recent year.

Note 3: Any bonuses, rewards, travel allowances, special allowances, various allowances, accommodation, corporate vehicles and other in-kind benefits that the top 5 senior managers received in the most recent year. Where housing, cars, vehicles, or personal allowances are granted, please also disclose the nature and cost of assets, the rental rates (calculated based on actual or fair value), costs of petrol and other benefits. Where personal drivers are assigned, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense recognized according to IFRS 2 - "Share-based Payment," including employee stock warrants, restricted stock awards (RSAs) and subscription for new shares upon cash capital increase are treated as compensation.

Note 4: Please disclose the employee remuneration paid to the top 5 senior managers approved by the Board of Directors in the most recent year (including stocks and cash). If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year, and please also complete Table 1-3.

Note 5: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the top 5 senior managers.

Note 6: The net profit after tax refers to that shown in the most recent parent company only or separate report.

Note 7: a. This field represents all forms of compensation the Company's top 5 senior managers have received from the Company's investees other than subsidiaries, or from the parent company. (If none, please specify "None".)  
b. The compensation refers to any return or remuneration (including remuneration received as an employee, director and supervisor) and professional practice fees which the Company's top 5 senior managers receive for serving as directors, supervisors or managers in investees other than subsidiaries, or in the parent company.

\* The basis of compensation disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure and not for tax purpose.

Note 8: Newly elected on January 31, 2023.

(IV) The compensation paid by the Company and all companies included in the consolidated financial statements to the directors, supervisors, presidents and vice presidents in the last two fiscal years, the analysis of the percentage of total compensation to net profit after tax in the parent company only financial reports or separate financial reports, the policy, standard and package of compensation payment, the procedure for determination of compensation and the connection with the operation performance and future risk:

1. Percentage of total compensation to net profit after tax:

The percentage of the total compensation paid by the Company to the Company's directors, supervisors, presidents and vice presidents in the last two fiscal years to the net profit after tax	2024		2023	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
		(0.99%)		(6.35%)
Notes to analysis on variance:				

The increase (decrease) in the percentage of the total compensation to the net profit after tax between the two years was a result of the increase in the net profit by NT\$225,689 thousand, i.e. the increase by 48.12%, in terms of the difference between the net profit after tax, NT\$140,078 thousand, in 2022, and the net loss after tax, NT\$856,101, in 2021.

2. Please explain the policy, standard and package of compensation payment, the procedure for determination of compensation and the connection with the operation performance and future risk:

(1) Please explain the policy, standard and package of compensation payment, the procedure for determination of compensation:

- A Director: According to Article 29-1 of the Company's Articles of Incorporation, subject to the profit sought for the current year, the Company shall allocate 1%~10% of the profit as the remuneration to employees and no more than 5% of the profit as the remuneration to directors. These shall be reported to the shareholders' meeting. In addition, the transportation allowance for the Company's directors is determined with reference to the industry standard. Independent directors do not participate in the Company's profit distribution. Their fixed monthly remuneration is determined by the Board of Directors with reference to the usual standards in the industry. In addition to the performance evaluation results of directors, the distribution is based on the principles recommended by the Remuneration Committee to be submitted to the board of directors for resolution.
- B Compensation to managers: According to Article 26 of the Company's Articles of Incorporation, "The Company shall employ several managers, and the appointment and dismissal of the managers and remuneration to them shall be handled pursuant to Article 29 of the Company Act. (Per the resolution rendered upon approval by a majority of the directors present at a meeting attended by a majority of the whole directors.) Managers' remuneration, including salary and bonus, is determined based on the position and responsibilities assumed and with reference to the results of the manager's performance evaluation. This shall be reviewed and approved by the "Remuneration Committee" of the Company, and then submitted to the Board of Directors for resolution.

(2) Connection with the operation performance and future risks:

- A The review of the payment standards and system related to the Company's remuneration policy takes the overall operation of the Company as the main consideration, and the payment standard is determined based on the achievement of the operation performance in order to improve the overall organizational efficiency of the Board of Directors and management departments.
- B The Company's policy of compensation payment is planned comprehensively, subject to the financial position, business results and future funding needs in the current year. The future risk assessment is also taken into consideration to minimize the possibility of risk and the likelihood for the Company to bear any responsibility, obligation or liability in the future.

## II. Corporate Governance Operations

### (I) Functionality of the Board of Directors:

10 Board of Directors' meetings were held in 2024, 3 meetings have been held by the date of publication of the prospectus in 2025, totaling 13 times (A). At least one independent director would attend each of the meetings. Below are the directors'/supervisors' attendance records:

Job title	Name (Note 1)		Actual presence (attendance) (times) B	Presence by proxy (times)	Actual presence (attendance) rate (%) [B/A] (Note 2)	Remark
Chairman of Board	Representative of Jing Hong Ltd.: Chang Yu-Ming		13	0	100	
Director a.	U-BEST Innovative Technology Co., Ltd.					
	Representative	Tseng Peng-Kuang	13	0	100	
Director b	Metropolis Internet Technology					
	Representative	Li Tung-Hung	13	0	100	
Independent	Hu Li-Yuan		13	0	100	
Independent	Chang Hsieh Chia-Chia		13	0	100	
Independent	Yeh Feng-Hua		13	0	100	
Independent	Huang Ling-Chen		12	0	92.31	

Independent directors' attendance record for each Board of Directors' meeting in 2024      ○: Presence in person; ☆: Presence by proxy; \* Absent

2024	1/12	3/5	3/12	4/9	5/9	7/15	8/12	10/8	11/12	12/27
Hu Li-Yuan	○	○	○	○	○	○	○	○	○	○
Chang Hsieh Chia-Chia	○	○	○	○	○	○	○	○	○	○
Yeh Feng-Hua	○	○	○	○	○	○	○	○	○	○
Huang Ling-Chen	○	○	○	○	○	○	○	○	○	○

#### Other disclosures to be noted:

I. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the session, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the results of resolutions by the Audit Committee, and the Company's response to the committee's opinions shall be specified:

(I) Circumstances referred to in Article 14-3 of the Securities and Exchange Act:

Board of Directors Date/Session	Content of the proposal	Circumstances referred to in Article 14-3 of the Securities and Exchange Act	How the Company has responded to the independent directors' opinions: None.	Resolution results
1st meeting in 2024 2024/01/12	Loans to the subsidiary	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.
	Discussion on matters to be reviewed at 1st meeting of the Remuneration Committee in 2024	Yes	None	Resolution: The motion was approved by all of the present directors, other than those recusing themselves from the resolution for conflict of interest, unanimously.
2nd meeting in 2024 2024/03/05	Change of the external auditors since 2024	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.
	The Company's engineering contract to the related party	Yes	None	Resolution: The motion was approved by all of the present directors, other than those recusing themselves from the resolution for conflict of interest, unanimously.
3rd meeting in 2024 2024/03/12	Declaration for appraisal on effectiveness of the internal control system and for Statement of Internal Control in 2023.	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.
	Discussion on 2024 CPA's audit fees	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.
4th meeting in 2024 2024/04/09	The Company's engineering contract to the related party	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.
5th meeting in 2024 2024/05/09	Loans to the subsidiary	Yes	None	Resolution: The motion was approved by all of the present directors, other than those recusing themselves from the resolution for conflict of interest, unanimously.
6th meeting in 2024 2024/07/15	to avoid the following resolutions of the Board of Directors with conflict of interest: 05. Loans to the subsidiary. 10. The Company's engineering contract to the related party. 2023/12/25: The Company's engineering contract to the related party. 2024/01/12: Loans to the subsidiary. 2024/03/05: The Company's engineering contract to the related party. 2024/05/09: Loans to the subsidiary.	Yes	None	Resolution: The motion was approved by all of the present directors, other than those recusing themselves from the resolution for conflict of interest, unanimously.
7th meeting in 2024 2024/08/12	Amendments to the "Corporate Governance Best Practice Principles"	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.
8th meeting in 2024 2024/10/08	The following resolutions of the Board of Directors with conflict of interest were again made: 2023/05/11. Loans to the subsidiary. 2023/12/25: The Company's engineering contract to the related party. 2024/05/09: Loans to the subsidiary.	Yes	None	Resolution: The motion was approved by all of the present directors, other than those recusing themselves from the resolution for conflict of interest, unanimously.

		The Company's proposal to issue new shares for cash capital increase and issue the 6th secured convertible corporate bonds in Taiwan.	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.	
		Establishment of the "Supplier Management Policy" of the Company.	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.	
9th meeting in 2024 2024/11/12	Amendments to the Company's "Regulations Governing Procedure for Board of Directors' Meetings"	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
	Formulate the Company's internal control system for the management of sustainable information.	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
	Loans to the subsidiary	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
	Discussion on 2024 CPA's audit fees	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
10th meeting in 2024 2024/12/27	Transfer of the Company's President	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
	Amendments to the Company's "Regulations Governing Procedure for Board of Directors' Meetings"	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
	Discussion on matters to be reviewed at 2nd meeting of the Remuneration Committee in 2024.	Yes	None	Resolution: The motion was approved by all of the present directors, other than those recusing themselves from the resolution for conflict of interest, unanimously.		
	Issuance of new shares for cash capital increase in 2023.	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
2nd meeting in 2025 2025/03/04	Amendments to the Company's level of authority	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
	Amendments to the "Articles of Incorporation"	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
	Amendments to the "Articles of Incorporation"	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		
	Declaration for appraisal on effectiveness of the internal control system and for Statement of Internal Control in 2024.	Yes	None	Resolution: The motion was approved by all of the present directors unanimously upon inquiry by the chairperson.		

(II) Any other resolution(s) by the Board of Directors' meetings passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

II. For directors' avoidance of motions which involves conflict of interest, the names of directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed:

- (1). Summary of 1st Board of Directors' meeting in 2024: During the discussion on matters to be reviewed at 1st meeting of the Remuneration Committee in 2024, the Chairman and relevant directors recused themselves in turn for conflict of interest.
- (2). Summary of 2nd Board of Directors' meeting in 2024: The related party, Myson Century, Inc., undertook the Company's contract for a project. The director, Chang Yu-Ming, recused himself for conflict of interest.
- (3). Summary of 2nd Board of Directors' meeting in 2024: The related party, Myson Century, Inc., undertook the Company's contract for a project. The director, Chang Yu-Ming, recused himself for conflict of interest.
- (4). The 6th session of the Board of Directors in 2024: Correct the following resolutions of the Board of Directors regarding avoidance of interests:

A.	2023.05.11 The loan of funds to the subsidiaries, Shangyu Construction Co., Ltd. and Century Life Tech Co., Ltd., has a conflict of interest with the directors, Chang, Chuo-Min and Tseng, Peng-Kuang recusing themselves.
B.	Summary of 9th Board of Directors' meeting in 2023: The related party, Myson Century, Inc., undertook the Company's contract for a project. The director, Chang Yu-Ming, recused himself for conflict of interest.
C.	Summary of 9th Board of Directors' meeting in 2023: The related party, Myson Century, Inc., undertook the Company's contract for a project. The director, Chang Yu-Ming, recused himself for conflict of interest.
D.	2024/01/12: The loan of funds to the subsidiary, Huan Hsu Technology Co., Ltd., has a conflict of interest with the directors, Chang, Chuo-Min and Tseng, Peng-Kuang, who recuse themselves.
E.	2024/03/05: For the Company's contract to the related party Myson Century, Inc., Directors You-Ming Chang and Peng-Kuang Tseng recused themselves due to conflicts of interests.
F.	2024/05/09: The loan of funds to the subsidiaries, Shangyu Construction Co., Ltd. and Century Life Tech Co., Ltd., has a conflict of interest with the directors, Chang, Chuo-Min and Tseng, Peng-Kuang recusing themselves.
(5).	The 8th session of the Board of Directors in 2024 was for the following: Re-avoidance of the conflict of interest in the Board of Directors
A.	2023.05.11 For the loan of funds to the subsidiary, Shangyu Construction Co., Ltd. and Century Life Tech Co., Ltd., there is a conflict of interest with the directors, Chang, Chuo-Min, Tseng, Peng-Kuang and Li, Dong-Hung recusing themselves.
B.	Summary of 9th Board of Directors' meeting in 2023: The related party, Myson Century, Inc., undertook the Company's contract for a project. The director, Chang Yu-Ming, recused himself for conflict of interest.
C.	2024/05/09: The loan of funds to the subsidiaries, Shangyu Construction Co., Ltd. and Century Life Tech Co., Ltd., has a conflict of interest with the directors, Chang, Yuo-Min, Tseng, Peng-Kuang, and Li, Dong-Hung recusing themselves.
(6).	Summary of 1st Board of Directors' meeting in 2024: During the discussion on matters to be reviewed at 1st meeting of the Remuneration Committee in 2024, the Chairman and relevant directors recused themselves in turn for conflict of interest.

### III. Status of evaluation conducted by the Board of Directors

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Contents of evaluation
Once per year	Evaluating the performance of the Board of Directors from 2023/1/1 to 2023/11/30.	Board of Directors	Board of Directors' internal self-assessment	<ol style="list-style-type: none"> <li>Engagement in the Company's operation.</li> <li>Improvement of the Board decision-making quality.</li> <li>Composition and structure of the Board of Directors.</li> <li>Election and continuing education of directors.</li> <li>Internal control.</li> </ol>
Once per year	Evaluating the performance of individual board members from 2023/1/1 to 2023/11/30.	Individual board members	Self-evaluation of directors	<ol style="list-style-type: none"> <li>Alignment of the goals and mission of the Company.</li> <li>Awareness toward directors' duties.</li> <li>Engagement in the Company's operation.</li> <li>Management of internal relationship and communication.</li> <li>Directors' professionalism and continuing education.</li> <li>Internal control.</li> </ol>

Once per year	Evaluating the performance of the Audit Committee members from 2023/1/1 to 2023/11/30.	Audit Committee	Internal self-evaluation of the Audit Committee	<ol style="list-style-type: none"> <li>1. Engagement in the Company's operation.</li> <li>2. Awareness toward the duties of the functional committee.</li> <li>3. Decision-making quality of the functional committee.</li> <li>4. Composition of the functional committee and election of its members.</li> <li>5. Internal control.</li> </ol>	
Once per year	Evaluating the performance of the Remuneration Committee members from 2023/1/1 to 2023/11/30.	Remuneration Committee	Internal self-evaluation of the Remuneration Committee	<ol style="list-style-type: none"> <li>1. Engagement in the Company's operation.</li> <li>2. Awareness toward the duties of the functional committee.</li> <li>3. Decision-making quality of the functional committee.</li> <li>4. Composition of the functional committee and election of its members.</li> <li>5. Internal control.</li> </ol>	
Once per year	Evaluating the performance of the Nomination Committee members from 2023/1/1 to 2023/11/30.	Nomination Committee	Internal self-evaluation of the Nomination Committee	<ol style="list-style-type: none"> <li>1. Engagement in the Company's operation.</li> <li>2. Awareness toward the duties of the functional committee.</li> <li>3. Decision-making quality of the functional committee.</li> <li>4. Composition of the functional committee and election of its members.</li> <li>5. Internal control.</li> </ol>	

IV. Enhancement of the functionality of the Board of Directors in the current and the most recent year (e.g. the establishment of an Audit Committee, the improvement of information transparency, etc.) and the respective progress reports:

1. In addition to providing the directors and supervisors with the information about laws and regulations, the Company makes the relevant materials available to the director for reference before the Board of Directors' meeting is held and reports the overview of its business to the directors and supervisors.
2. Improvement of information transparency: The Board members continue to attend the corporate governance themed-based continuing education courses when they are elected or during their term of office. The independent directors all comply with the Securities and Exchange Act and Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
3. The Company established the Audit Committee on May 27, 2022, in accordance with the law.
4. The Board members held different professional functions. To implement the board diversification policy and ensure that the number of directors of both genders exceeds one third, two new female directors were elected through the re-election on May 27, 2022 and a female director was elected in the by-election of directors on May 29, 2023.

Note 1: The name and representative of the juristic-person shareholder of any director who is a juristic person, if any, shall be disclosed.

Note 2: (1) Before the end of the year, if a director or supervisor resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence (attendance) rate (%) should be calculated based on how often the Board of Directors meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of

office.

(2) If a re-election of directors or supervisors had taken place by the end of the year, old and new directors or supervisors are listed, in which case, the remarks column would specify whether they are former, newly elected or re-elected directors or supervisors, and the date of the reelection. The actual presence (attendance) rate (%) will be calculated based on how often the Board of Directors meeting is convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

(II) The operations of the Audit Committee:

9 Audit Committee meetings were held 2024, 2 meetings has been held by the date of publication of the prospectus in 2025, totaling 11 times (A). Below is the attendance status:

Job title	Name	Actual attendance (times) (B)	Presence by proxy (times)	Actual attendance rate (%) (B/A) (Note)	Remark
Independent Director	Hu Li-Yuan	11	0	100%	
Independent Director	Lin Chia-Chia	11	0	100%	
Independent Director	Yeh Feng-Hua	11	0	100%	
Independent Director	Huang Ling-Chen	11	0	100%	

Other disclosures to be noted:

I. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the session, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the results of resolutions by the Audit Committee, and the Company's response to the committee's opinions shall be specified :

(I) Circumstances referred to in Article 14-5 of the Securities and Exchange Act:

Audit Committee Date/Session	Content of the proposal	How the Company has responded to the Committee's opinions	Resolution results
1st meeting in 2024 2024/01/12	Loans to the subsidiary	None	Approved by the whole present members unanimously upon review.
2nd meeting in 2024 2024/03/05	Change of the external auditors since 2024	None	Approved by the whole present members unanimously upon review.
	The Company's engineering contract to the related party	None	Approved by the whole present members unanimously upon review.
3rd meeting in 2024 2024/03/12	Declaration for appraisal on effectiveness of the internal control system and for Statement of Internal Control in 2023.	None	Approved by the whole present members unanimously upon review.
	Discussion on 2024 CPA's audit fees	None	Approved by the whole present members unanimously upon review.
4th meeting in 2024 2024/04/09	The Company's engineering contract to the related party	None	Approved by the whole present members unanimously upon review.
5th meeting in 2024 2024/05/09	Loans to the subsidiary	None	Approved by the whole present members unanimously upon review.
6th meeting in 2024 2024/08/12	Amendments to the "Corporate Governance Best Practice Principles"	None	Approved by the whole present members unanimously upon review.
7th meeting in 2024 2024/10/08	The Company's proposal to issue new shares for cash capital increase and issue the 6th secured convertible corporate bonds in Taiwan.	None	Approved by the whole present members unanimously upon review.
	Establishment of the "Supplier Management Policy" of the Company.	None	Approved by the whole present members unanimously upon review.
8th meeting in 2024 2024/11/12	Amendments to the Company's "Regulations Governing Procedure for Board of Directors' Meetings"	None	Approved by the whole present members unanimously upon review.
	Formulate the Company's internal control system for the management of sustainable information.	None	Approved by the whole present members unanimously upon review.
	Loans to the subsidiary	None	Approved by the whole present members unanimously upon review.
9th meeting in 2024 2024/12/27	Discussion on 2024 CPA's audit fees	None	Approved by the whole present members unanimously upon review.
	Transfer of the Company's President	None	Approved by the whole present members unanimously upon review.
	Amendments to the Company's "Regulations Governing Procedure for Board of Directors' Meetings"	None	Approved by the whole present members unanimously upon review.
1st meeting in 2025 2025/03/04	Issuance of new shares for cash capital increase in 2023.	None	Approved by the whole present members unanimously upon review.

		Amendments to the Company's level of authority	None	Approved by the whole present members unanimously upon review.	
2nd meeting in 2025 2025/03/12	Amendments to the "Articles of Incorporation"	None	Approved by the whole present members unanimously upon review.		
	Amendments to the "Articles of Incorporation"	None	Approved by the whole present members unanimously upon review.		
	Declaration for appraisal on effectiveness of the internal control system and for Statement of Internal Control in 2024.	None	Approved by the whole present members unanimously upon review.		

(II) Other than those described above, any resolutions not approved by the Audit Committee but approved by more than two-third of all directors: None.

II. In the event of independent directors' recusal from proposals, the name of independent director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified: None.

III. Communication between independent directors and the chief internal auditor/CPAs (including material financial and business matters communicated and communication methods and results): Please refer to the Company's official website for details. <https://sunnyad.com.tw/internalaudit.asp> . Click the "Communication between Independent Directors and the Chief Internal Auditor/CPAs in 2023" at the bottom for reference.

(III) Status of corporate governance, and deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof:

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best practice principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has adopted its own corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," subject to approval of the Board of Directors on August 6, 2015. The amendments thereto were approved by the Board of Directors on March 8, 2022, which were disclosed on the MOPS and the Company's website ( <a href="http://www.sunyad.com.tw">http://www.sunyad.com.tw</a> ) where you may access and download the same.	They are considered in line with the the requirements under the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
II. The Company's equity structure and shareholders' equity				
(I) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly?	V		(I) The Company has established the spokesperson and deputy spokesperson mechanism dedicated to processing any suggestions and dispute from shareholders.	(I) Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(II) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders?	V		(II) According to Article 25 of the Securities and Exchange Act, the Company has disclosed on the MOPS designated by the competent authority any changes in the equity held by its directors, supervisors, managers, and shareholders holding more than 10% of the total shares of the Company, on a monthly basis.	(II) Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(III) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies?	V		(III) The Company has established internal control systems such as the "Regulations Governing the Finance and Business Relationships with Related Parties" and "Regulations Governing Control and Supervision Over Subsidiaries", and has established and implemented risk	(III) Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
(IV) Does the Company adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	V	control and firewall mechanisms between the Company and affiliated companies.  (IV) The Company has established the “Regulations Governing Prevention of Insider Trading” to prohibit the Company’s insiders, such as directors and employees, from trading securities using information not disclosed to the market, including (without limitation to) the requirements that directors shall not trade their stocks within the lockup period for 30 days prior to disclosure of the annual report, and within 15 days prior to disclosure of the quarterly financial statements.	(IV) Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies	
III. Composition and responsibilities of the Board of Directors  (I) Does the Board of Directors have member diversity policies and specific management goals regulated and implemented substantively?	V	(I) A. The Company has established the Corporate Governance Best Practice Principles and amended Article 20 on May 13, 2020 to require that the Company's director composition shall be diversified and board members shall have the necessary knowledge, skill, and experience to perform their duties. The nomination and selection of the Company's board members comply with the Articles of Incorporation and the candidate nomination system is adopted. In addition to assessing the education backgrounds, experiences and qualifications of each candidate, the Company takes the opinions of stakeholders into account and follows with the "Regulations Governing Election of Directors and Supervisors" and the "Corporate Governance Best Practice Principles" to ensure the diversity and independence of board members.	(I) Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>B. 2 out of the 7 directors elected on May 27, 2022 are female directors. Mr. Chang Yu-Ming Sung Yu-Hao are specialized in business judgment, accounting and financial analysis, business administration, crisis management, industrial knowledge , leadership and decision-making ability. Mr. Li Tung-Hung is specialized in business judgment, crisis management and industrial knowledge. Mr. Tseng Peng-Kuang was an adjunct Assistant Professor of Chang Jung Christian University and Kun Shan University. The three independent directors include Ms. Lin Chia-Chia specialized in corporate governance and laws, Mr. Hu Li-Yuan specialized in auditing and finance, and Ms. Yeh Feng-Hua specialized in financial management and corporate governance.</p> <p>C. The Company values the gender equality of the composition of the Board of Directors, and aims to increase the proportion of a single gender directors by more than 1/3. After the resignation of Director Song Yu-Hao on January 31, 2023, a female independent director, Ms. Huang, Yen-Hsiu, was elected as the new independent director in the shareholders' meeting on May 29, 2023, so that the number of female directors reached three, accounting for 42.86% of the total number of directors, reaching one-third or more. Ms. Huang, Yen-Yi, an independent director, has more than 10 years of experience in corporate governance and human resource management.</p> <p>D. The Company's Board of Directors consists of 7</p>	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?	V		<p>directors. After the shareholders' meeting on May 29, 2023, the number of independent directors reached 4, and the number of non-independent directors was 3. In order to diversify the Board members, irrelevant with gender or age, the Company takes the professional qualification and engagement into consideration primarily. 3 out of the current directors also serve as the Company's employees concurrently, i.e. 42.86%. The directors also include 4 independent directors, i.e. 57.14%, and 2 female directors, i.e. 42.86%. 3 independent directors hold the term of office for less than 3 years, and 1 independent director holds the term of office for 4~6 years. In terms of the age, 1 director attains the age of less than 40 years old, 2 directors the age of 41~50 years old, 3 director the age of 51~60 years old, and 1 director the age of 61~70 years old. For the Board of Directors' diversity policy implementation status, please refer to the Company's website for details.</p> <p>(II) In order to enhance the corporate governance and improve the Board of Directors' performance, the Company established the Corporate Governance and Nomination Committee per the resolution of the Board of Directors, in accordance with Article 18-1 of the Company's Articles of Incorporation and in reference to Article 27 of the Company's Corporate Governance Best Practice Principles, on August 12, 2020. On November 10, 2023, the Board of Directors resolved to split into two functional committees, namely the "Corporate</p>	(II) In response to the laws and regulations

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
(III) Does the Company establish a set of policies and assessment methods to evaluate the Board of Directors' performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, and their nomination for additional office term?	V	<p>Governance Committee" and the "Nomination Committee".</p> <p>(III) The Company conducts performance evaluation of Board of Directors before the end of the year in accordance with the Board of Directors' Performance Evaluation Regulations.</p> <p>The Company has conducted the performance evaluation of Board of Directors, individual directors' self-evaluation, and functional committee performance evaluation in mid December 2023, and reported the evaluation results to the Board of Directors on December 25, 2023. These will be included as a reference in the future for the remuneration to individual directors and their nomination and re-appointment. The evaluation results, please refer to the Company's website <a href="https://sunnyad.com.tw/committee.asp">https://sunnyad.com.tw/committee.asp</a> and click the "Performance Evaluation Results of the Board of Directors, Remuneration and Audit Committee for 2023".</p>	(III) No deviation from Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.	
(IV) Does the Company have the independence of the external auditors evaluated regularly?	V	<p>(IV) The Company evaluates the external auditors' independence and competence periodically each year, in accordance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."</p> <p>1. The Company has obtained the CPA Independence Statement issued by KPMG Taiwan and information on the 13 Audit Quality Indicators (AQIs) that it provides. The audit quality of the CPA team is evaluated by the Company in accordance with the</p>	(IV) Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>“Guidance for the Audit Committee to Interpret Audit Quality Indicators (AQIs)”. The evaluation of CPAs in 2024 was conducted internally by the Company. The evaluation standards are as follows:</p> <ul style="list-style-type: none"> <li>(1) The accountant has a direct or material indirect financial interest relationship with the Company.</li> <li>(2) Financing or guarantees entered into between the accountant and the Company or its directors or supervisors.</li> <li>(3) The accountant considers the possibility of loss of the Company.</li> <li>(4) There is a close business relationship between the accountant and the Company.</li> <li>(5) There is a potential employment relationship between the accountant and the Company.</li> <li>(6) The CPA's request for contingent expenses related to the audit case.</li> <li>(7) Members of the CPA/Audit Service Team who are currently or in the last 2 years serve as the Company's director/supervisor, manager, or in a position that has a significant impact on the audit case.</li> <li>(8) The non-audit service provided by the CPAs to the Company will directly affect the important items of the audit case.</li> <li>(9) Publicity or brokerage of the shares or other securities issued by the Company.</li> <li>(10) The CPAs act as the defenders of the Company or coordinate conflicts with other third parties</li> </ul>	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>on behalf of the Company.</p> <p>(11) The accountant has a family relationship with the Company's directors, supervisors, managers, or personnel who have a significant impact on the audit case.</p> <p>(12) Co-practising accountants within one year of resignation serve as directors, supervisors, managers, or positions that have a significant impact on audit cases.</p> <p>(13) The auditor's acceptance of gifts or gifts of great value from the Company, its directors, supervisors, or managers.</p> <p>(14) The CPAs were required to accept the management's improper choice of accounting policies or improper disclosure in the financial statements.</p> <p>(15) In order to reduce audit fees, the Company had pressured the accountants to inappropriately reduce the audit work that should be performed.</p> <p>2. The evaluation results are as follows:</p> <p>(1) The independence between CPAs and the Company complies with the Certified Public Accountant Act of the Republic of China, the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, the SEC and the PCAOB of the United States.</p> <p>(2) The Company did not appoint the same CPAs for five consecutive years.</p> <p>(3) There was no significant difference from other</p>	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>companies in the industry in terms of AQIs.</p> <p>3. The 2023 evaluation results were submitted to and approved by the Board of Directors on March 5, 2024 after discussion and approval by the Audit Committee on March 5, 2024.</p>	
IV. Does the TWSE/TPEX-listed company assign the adequate number of competent corporate governance officers, and appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors of the information needed by them to perform their duties, assistance to directors/supervisors in compliance, organization of the Board of Directors' meetings and shareholders' meetings, and preparation of the Board of Directors' meetings and shareholders' meeting minutes, etc.)?	V		<p>The Company has the General Administration Division serve as the unit dedicated to corporate governance. On July 30, 2020, the Board of Directors approved that the Vice President of the General Administration Division to serve as the chief corporate governance officer concurrently, who are experienced in management of finance, shareholders service and parliamentary affairs of public companies for more than three years, in order to protect the shareholders' equity and strengthen the Board of Directors' functions.</p> <p>The chief corporate governance officer is primarily responsible for 1. organization of the Board of Directors' meetings and shareholders' meetings, 2. preparation of the Board of Directors' meetings and shareholders' meeting minutes, 3. assistance to directors in assumption of the position and continuing education, 4. provision to directors/supervisors of the information needed by them to perform their duties, 5. assistance to directors in compliance, 6. review of the legal suitability of the qualifications of independent directors, 7. matters with regard to the change of directors, and 8. other matters stipulated by the Company's Articles of Incorporation or contracts .</p>	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
V. Does the Company provide proper channels of communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and	V		<p>The Company has provided proper channels of communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and created a stakeholder section on its website to address</p>	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
create a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders?			corporate social responsibility issues that are of significant concern to stakeholders. For the details about communication with the stakeholders, please visit the website of SUN YAD CONSTRUCTION CO., LTD./stakeholder section.	Companies
VI. Does the Company engage a Shareholders Service Agency to handle Shareholders' Meeting affairs?	V		The Company appoints Yuanta Securities Co., Ltd., Shareholders Service Agency Dept. to serve its shareholders service agent.	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
VII. Information disclosure (I) Does the Company set up a website to disclose the Company's business, finance and corporate governance information?  (II) Does the Company adopt other information disclosure methods (e.g., establishing an English website, designating responsible person for collecting and disclosing information of the Company, practicing the spokesman system, posting the investor conference on the Company's website, etc.)?  (III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	V		(I) The Company has set up the website. Meanwhile, the Company will disclose the information about business, finance and corporate governance to the investors for reference. Website: <a href="http://www.sunyad.com.tw">http://www.sunyad.com.tw</a>  (II) The Company has designated dedicated personnel responsible for collecting the disclosed information, and also had the spokesperson system in place. The brief and video recording the investor conference are posted on the Company's website. Website: <a href="http://sunyad.com.tw/management.asp">http://sunyad.com.tw/management.asp</a>  (III) For the time being, the Company publishes and reports its annual financial report within three months after the end of a fiscal year, and publishes and reports its financial reports for the first, second and third quarters as well as its operating status for each month within 45 days at the end of a quarter, as required. The Company will evaluate the possibility of compliance with said requirements earlier subject to the operational condition.	(I) The related information has been disclosed on the MOPS pursuant to laws.  (II) Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies  (III) The Company publishes and reports the same within the prescribed time limit, while it is still impossible for the Company to publish and report the same earlier before the prescribed time

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
				limit now.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors and supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and the Company's purchase of liability insurance for directors and supervisors)?	V	<p>(I) For the employee rights and employee care, the Company adopts and implements the policies in line with the government regulations governing labors, welfare and health &amp; safety, in order to protect the employees' interest and right and also care the employees' life. Please refer to "V. Labor-Management Relations of Five. Overview of Operation" in the Company's 2024 annual report for details.</p> <p>(II) Investor relations, supplier relations, and the rights of stakeholders: The Company has clearly stated the investor relations, supplier relations, and the rights of stakeholders in the "Corporate Governance Best Practice Principles" and put these into practice in daily operations. The key points of the implementation are as follows:</p> <ol style="list-style-type: none"> <li>1. The Company shall maintain smooth communication channels with banks and other creditors, employees, consumers, suppliers, communities or other stakeholders of the Company, and respect and safeguard their due and legal rights.</li> <li>2. The Company has established finance and business related information and corporate governance information on the website as a reference for shareholders and stakeholders. A stakeholder section has been set up on our website. When the legitimate rights and interests of stakeholders are infringed upon, the Company shall handle the matter appropriately in the principle of good faith.</li> </ol>	Compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>(III) The Company arranges for directors to receive training from designated training institutions from time to time. For further information on directors' training, please visit the MOPS website:<a href="https://mops.twse.com.tw/mops/web/t100sb07">https://mops.twse.com.tw/mops/web/t100sb07</a>, and enter the stock code of 1316 for inquiry.</p> <p>(IV) Implementation of risk management policies and risk measurement criteria:</p> <ol style="list-style-type: none"> <li>1. Risk Management Policy and Procedure: In order to enhance the corporate governance and achieve the robust risk management operations, the Company controls the risk potentially arising from various operations to the tolerable extent as possible as it can, in order to ensure that the Company's business and overall management may continue to develop stably and achieve the Company's sustainable business target. The Company's Board of Directors resolved to pass the "Risk Management Policy and Procedure" on December 28, 2021, hoping to have the risk management in place through identification, evaluation, control, supervision, report and disclosure of the risk.</li> <li>2. Risk management category: The policy manages all potential risks over strategies, operations and finance that might pose any impact to the operations and profit. The risk categories include without limitation to, e.g., business risk, financial risk, investment risk, procurement risk, development risk, design risk,</li> </ol>	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>construction and product liability risk, environmental pollution risk, disaster risk and other risks, et al..</p> <p>3. Risk management organizational framework and functions:</p> <p>(1) Board of Directors</p> <p>The Company's Board of Directors serves as the supreme unit of risk management responsible for approving, reviewing and supervising the Company's risk management policies, aiming to comply with laws, ensure the effectiveness of risk management, and promote and practice the overall risk management.</p> <p>(2) Risk management team's organizational framework:</p> <p>The risk management team refers to the unit responsible for executing the risk management. The Company's President serves as the team's convener to establish an inter-departmental team to listen to the report by various functional units' heads. Each functional unit's head is responsible for the risk management, and considering the initial recognition, evaluation and control of the risk and preventing the risk, and shall ensure that the risk management and control mechanism and procedure may be executed effectively.</p> <p>(3) Risk management team's functions</p> <p>◆ Take charge of the Company's overall risk</p>	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>management, adopt the risk management policy, framework, organization and mechanism, and note the changes in domestic/foreign laws and regulations from time to time in order to amend the policies in response to such changes.</p> <ul style="list-style-type: none"> <li>◆ The management meeting convened on October 23, 2023 identified the potential risk. In 2024, the significant risk types include “financial investment risk,” “operating risk,” “pollution and climate change risk,” “product &amp; construction risk” and “corporate governance risk.” The responsive measures were proposed for individual risks. After being subjected to the supervision under the Corporate Governance Committee, at the level of Board of Directors, on November 10, 2023, they were reported to the Board of Directors for approval on the same day.</li> <li>◆ Other compliance requirements instructed per resolution of the Board of Directors.</li> </ul> <p>4. Implementation of risk management policies and risk measurement criteria: Please visit the Company's website for the title “Operations” <u>(<a href="http://sunnyad.com.tw/management.asp">http://sunnyad.com.tw/management.asp</a>).</u></p> <p>(V) Implementation of customer policy: The Company provides services to customers in the spirit of ethical management, and designates dedicated personnel to</p>	

Evaluation criteria	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>process customers' complaints and maintain fair long-term stable relationship with customers.</p> <p>(VI) The Company's purchase of liability insurance for directors and supervisors, and social responsibility: In 2025, the Company has underwritten the directors' liability insurance amounting to NT\$60 million. The insurance still remains valid on the date of publication of the annual report, but will be renewed prior to expiration in August 2025. The key contents of the insurance will also be reported to the most recent Board of Directors' meeting.</p>	

IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not applicable, if the Company is not one of the evaluated subjects.)

Continued on next page

No.	Item	Improved or not?	Remarks
1.3	Does the Company have the Chairperson, a majority of the Directors, and the convener of the Audit Committee attend the general shareholders' meeting in person, and disclose the attendance list in the minutes of the meeting?	No	To be improved in 2021 financial statements.
1.7	Does the Company upload the Chinese and English versions of the meeting handbook and supplementary materials 30 days prior to the shareholders' meeting?	Yes	To be improved in 2021 financial statements.
1.8	Does the Company upload the English version of the annual report 18 days prior to the shareholders' meeting?	Yes	To be improved in 2021 financial statements.
2.2	Does the Company adopt the Board member diversity policies and disclose the specific management goals and implementation status of such policies on the Company's website and in the Company's annual report?	Yes	The board member diversification policy and achievement status will be disclosed on the website and in the 2023 annual report.

Evaluation criteria		Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
		Yes	No	Summary	
3.5	Does the Company upload the English annual report at the same time within 18 days prior to the annual general meeting?		No	To be improved in 2021 financial statements.	
3.14	Does the Company disclose the association between the directors and managers' performance evaluation results and their remuneration in the annual report?		No	The Company will remunerate the scope of performance evaluation in 2023 annual report.	
4.4	Does the Company compile and upload the sustainability report to the Market Observation Post System and the Company's website in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI)?		No	The 2024 Sustainability Report will be compiled in accordance with the latest GRI Standards, and the GRI Indicator Index Comparison Table will be disclosed.	
4.11	(4) Does the Company disclose statistics on GHG emission, water consumption, and total waste volume in the last two years?		Yes	These have been disclosed in the annual report and on the website.	
4.17	(VI) Does the Company adopt any specific supplier management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?		Yes	The Company has formulated the supplier management policy and conducted the first supplier evaluation in 2024.	
4.24	Are the sustainability reports prepared by the Company submitted to the Board of Directors for approval?		No	To be improved in 2021 financial statements.	

(IV) If a remuneration committee is established within the Company, the composition, responsibilities and functionality of such a committee must be disclosed:

### **(1) Information about the Remuneration Committee members**

ID (Note 1)	Name	Qualifications	Professional qualification and experience (Note 2)	The following: V for Yes; X for No				Number of other public companies in which the member concurrently serves as a remuneration committee member
				(1)	(2)	(3)	(4)	
Independent Director	Hu Li-Yuan		With the related experience in securities, finance and audit needed by the Company's business. For the details on the educational background and experience, please refer to Table 1. Information about directors and supervisors (I) on Pages 6~8.	X	X	X	X	0
Independent Director (Convener)	Lin Chia-Chia		With the experience in corporate governance and laws needed by the Company's business. For the details on the educational background and experience, please refer to Table 1. Information about directors and supervisors (I) on Pages 6~8.	X	X	X	X	0
Independent Director	Yeh Feng-Hua		With the experience in financial management and corporate governance needed by the Company's business. For the details on the educational background and experience, please refer to Table 1. Information about directors and supervisors (I) on Pages 6~8.	X	X	X	X	0

Note 1: Please specify the related seniority, professional qualification & experience, and independence of each Remuneration Committee member in the Table. For members who are also independent directors, references have been made to Table 1 - Information about Directors and Supervisors (I) on page OO. Please describe the party's identity as independent director, or others (with additional remark for the role of convener, if any).

Note 2: **Professional qualification and experience:** Please specify the professional qualification and experience of the Remuneration Committee members individually.

Note 3: **Compliance of independence:** Please specify the Remuneration Committee members' compliance of independence, including but not limited to,

- (1) whether they or their spouses or relatives within 2nd degree of kinship serve as directors, supervisors or employees in the Company or any of its affiliates;
- (2) the number and percentage of the Company's shares held in their own names or

names of the spouses or relatives within 2nd degree of kinship (or proxy shareholder);

- (3) whether they serve as directors, supervisors, or employees in any entity that has certain relationship with the Company (please refer to the subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange);
- (4) and the amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates.

Note 4: For the method by which such information shall be disclosed, please refer to the sample annual report disclosed on the website of TWSE Corporate Governance Center.

## **(2) Information about functionality of Remuneration Committee**

**I. The Company's Remuneration Committee consists of 3 members.**

**II. The current members' term of office: The term of office commences from May 27, 2022 to May 26, 2025. A total of 2 (A) Remuneration Committee meetings were convened in the most recent year, i.e. 2024. Below are the members' qualifications and attendance records:**

Job title	Name	Actual presence (times) (B)	Presence by proxy (times)	Actual presence rate (%) (B/A) (Note)	Remark
Member	Hu Li-Yuan	2	0	100%	
Convener	Lin Chia-Chia	2	0	100%	
Member	Yeh Feng-Hua	2	0	100%	

Other disclosures to be noted:

I. Where the Board of Directors rejects or modifies the suggestions from the Remuneration Committee, please disclose the date and session of the meeting, contents of the motions, resolution made by Board of Directors' meeting, and how the Company has responded to Remuneration Committee's opinions (describe the differences and reasons, if any, should the Board of Directors approve a solution that is more favorable than the one proposed by the Remuneration Committee): None.

Note:

- (1) Before the end of the year, if any Remuneration Committee member resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence rate (%) should be calculated based on how often the Remuneration Committee meeting is convened (times) and his/her actual presence (times) during his/her term of office.
- (2) If a re-election of the Remuneration Committee members had taken place by the end of the year, old and new Remuneration Committee members are listed, in which case, the remarks column would specify whether they are former, newly elected or re-elected members, and the date of the reelection. The actual presence rate (%) will be calculated based on how often the Remuneration Committee meeting is convened (times) and his/her actual presence (times) during his/her term of office.

II. Where any resolution(s) by the Remuneration Committee be passed but with member voicing opposing or qualified opinions on the record or in writing, please disclose the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: None.

Date/Session Date	Contents of the motion	Resolution results	The opinions of all members and the handling of their opinions
1st on 2024/01/12, 2024	1. Review of the policy, system, standard and structure of the performance evaluation and	Approved unanimously upon review.	None

Date/Session Date	Contents of the motion	Resolution results	The opinions of all members and the handling of their opinions
	<p>remuneration of directors and managers.</p> <p>2. Evaluation on the Company's 2024 payment of salary &amp; remuneration to directors and managers</p>		
2nd session on December 27, 2024	<p>1. Review of the remuneration to new managers.</p> <p>2. The Company's 2024 year-end bonus to managers</p> <p>3. Allocation of the construction project bonus to Company's managers at the end of 2024.</p>	Approved unanimously upon review.	None

### **(3) Information about members and functionality of Nomination Committee**

I. Please specify the qualifications and responsibilities of the Company's Nomination Committee members.

(I) Qualifications for the appointment of Nomination Committee members: It consists of three directors (including two independent directors).

(II) The duties of the Nomination Committee are as follows:

1. Formulate and review the composition, qualifications, and other standards for election and succession of directors and managers.
2. The Company selects and reviews the candidates for the seats of Directors and managers, and evaluates the independence of the Independent Directors. The Company also proposes the list of candidates to the Board of Directors, carefully evaluates the qualifications of the nominees and the existence of any other matters listed in Article 30 of the Company Act, and handles the matter in accordance with Article 192-1 of the Company Act.
3. Formulate and review the establishment, duties and operations of each committee of the Board of Directors, and review the qualifications and potential conflicts of interest of each committee member.
4. Plan and implement the continuing education of directors.
5. Other compliance requirements instructed per resolution of the Board of Directors.

II. Professional qualification and experience of the Nomination Committee members, and functionality of the Committee:

(I) The Company's Nomination Committee consists of 3 members.

(II) The current members' term of office: **The term of office commences from May 27, 2022 until May 26, 2025. A total of 2 (A) Remuneration Committee meetings were convened in the most recent year and until the date of publication of the annual report. Below are the members' qualifications and attendance records:**

Job title	Name	Professional qualifications and experience	Actual presence (times) (B)	Presence by proxy (times)	Actual presence rate (%) (B/A) (Note)	Remark
Member	Chang Yu-Ming	With the experience in business administration and marketing needed by the Company's business. For the details on the educational background and experience, please refer to Table 1. Information about Directors and Supervisors (I) on Pages 6~8.	1	0	100%	
Convener	Yeh Feng-Hua	With the experience in financial management and corporate governance needed by the Company's business. For the details on the educational background and experience, please refer to Table 1. Information about Directors and Supervisors (I) on Pages 6~8.	1	0	100%	
Member	Huang Ling-Chen	With the experience in business administration and human resources management needed by the Company's business. For the details on the educational background and experience,	1	0	100%	

	please refer to Table 1. Information about Directors and Supervisors (I) on Pages 6~8.				
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Other disclosures to be noted:

Please disclose the date and session of the meeting for the main motion of Nomination Committee, contents of the motion, suggestions or objections from the Nomination Committee members, resolution made by the Nomination Committee, and how the Company has responded to Nomination Committee's opinions.

Note:

- (1) Before the end of the year, if any Nomination Committee member resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence rate (%) should be calculated based on how often the Remuneration Committee meeting is convened (times) and his/her actual presence (times) during his/her term of office.
- (2) If a re-election of the Nomination Committee members had taken place by the end of the year, old and new Nomination Committee members are listed, in which case, the remarks column would specify whether they are former, newly elected or re-elected members, and the date of the reelection. The actual presence rate (%) will be calculated based on how often the Nomination Committee meeting is convened (times) and his/her actual presence (times) during his/her term of office.

**III. Important resolutions made by the Nomination Committee in the most recent year until the date of publication of the annual report:**

Date/Session	Contents of the motion	Opinions of all members	How the Company has responded to the Committee's opinions
2024/12/27	Evaluation of the candidate for the new General Manager	Approved unanimously upon review.	None

**(V) Status of sustainable development, and deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof**

<u>Items</u>	<u>Status</u> (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company <u>implement a governance framework that promotes sustainable development</u> , and designated a unit that specializes (or is involved) in the promotion of <u>sustainable development</u> ? Is the unit empowered by the 'Board of Directors and run by senior management, and how does the Board supervise progress?	V		<p>1. The “Sustainable Development Committee” as the Company’s governance framework that promotes sustainable development: It establishes the subordinate “Corporate Governance Team,” “Sustainable Environment Team” and “Social Public Welfare Team” to take charge of the corporate sustainable development plans. The implementation status and results are disclosed in the “Sustainable Development Report” on the Company’s website. The implementation status will be reported to the Board of Directors each year.</p> <p>2. The implementation status of the Company’s organizations includes without limitation to:</p> <p>(1) The Company established the “CSR” Committee in 2020, which was renamed as “Sustainable Development Committee” in 2022. The Committee is identified as the supreme sustainable development decision-making center. The Chairman of Board serves as the chairman of the Committee, and the Vice president executes the decision.</p> <p>(2) Composition and operation of the promotion unit members, and the implementation status: The unit convened a meeting in 2023. The contents of the motion included: (A) identification of the potential business risk, (B) and propose responsive measures subject to the risks.</p> <p>(3) Report to the Board of Directors on December 9, 2022.</p> <p>3. Please specify the supervision of the Board of Directors on sustainable development: The Board of Directors listens to the reports from the management team (including ESG-related reports) and the promotion of sustainable development every year. The Board of Directors discusses the</p>	No specific deviation was found.

<u>Items</u>	<u>Status</u> (Note 1)			Deviation from <u>Sustainable</u> <u>Development</u> Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			<p>possibility of improving the corporate governance evaluation scale and goals, and also reviews the process of the strategies. In 2023, with the support of the directors, the "Corporate Governance and Nomination Committee" was divided into two functional committees, namely the "Corporate Governance Committee" and the "Nomination Committee," to strengthen the corporate governance function.</p> <p>A dedicated information security officer and at least one person in charge of information security have been set up. To strengthen the joint defense of corporate information security, the dedicated information security officer has joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT) to share information security.</p> <p>The greenhouse gas inventory and verification schedule was reported to the Board of Directors on a quarterly basis in 2024. The talent training, strategic goals, control mechanism, and internal verification plan have been completed by the end of September 2024. All of the above were accomplished with the strong support and supervision of the Board of Directors for sustainable development. For details, please refer to the Company's website at <a href="http://sunnyad.com.tw/responsibility.asp">http://sunnyad.com.tw/responsibility.asp</a>. File name "Operation of Unit Dedicated to (Concurrently Involved in) Promoting the Sustainable Development Established by SUN YAD+Risk Management-2024.pdf"</p>	
II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations	V		<p>In order to enhance the corporate governance and achieve the robust risk management operations, the Company controls the risk potentially arising from various operations to the tolerable extent as possible as it can, in order to ensure that the Company's business and overall management may continue to develop stably and achieve the Company's sustainable business target. The Company's Board of</p>	No specific deviation was found.

<u>Items</u>	<u>Status</u> (Note 1)			Deviation from <u>Sustainable</u> <u>Development</u> Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
as per the principle of materiality? Has the Company formulated relevant risk management policies or strategies? (Note 2)			<p>Directors resolved to pass the “Risk Management Policy and Procedure” on December 28, 2021, hoping to have the risk management in place through identification, evaluation, control, supervision, report and disclosure of the risk. The risk assessment boundary is primarily based on the Company, and also includes the subsidiaries, Shangyu and BOROMI OPTRONICS CORP., subject to their relevance to the core profession and level of impact to the major topics.</p> <p>Identify risk evaluation criteria, processes, results and risk management policies or strategies that identify the importance of environmental, social, corporate governance issues.</p> <ol style="list-style-type: none"> <li>1. Risk identification Each responsible department shall identify the potential risks encountered by it within the scope of its authority.</li> <li>2. Risk measurement Each responsible department shall set quantitative or other feasible qualitative standards subject to various risk types, consider the nature, scale and complexity of each business line and operating activity, and review each business line and operating activity from time to time.</li> <li>3. Risk monitoring Each responsible department shall monitor the potential business risk vested in it. When assessing based on the risk level that such risk might endanger the business controlled by it and cause damages, the department shall propose the responsive measures and report the same to the responsible department’s meeting and related unit’s meeting.</li> <li>4. Risk response After assessing and summarizing the risk, the responsible department shall</li> </ol>	

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			<p>5. respond to the potential risk to be encountered by it in a timely manner.</p> <p>5. Risk reporting and disclosure</p> <p>The Company shall report the risk profile to the Board of Directors for the management's reference regularly (at least once per year), in order to practice the risk management procedure and implementation result. The management meeting convened on October 23, 2023 identified the potential risk. In 113, the significant risk types include "financial investment risk," "operating risk," "pollution and climate change risk," "product &amp; construction risk" and "corporate governance risk." The responsive measures were proposed for individual risks. After being subjected to the supervision under the Corporate Governance Committee, at the level of Board of Directors, on November 10, 2023, they were reported to the Board of Directors for approval on the same day:</p> <table border="1"> <thead> <tr> <th><b>Risk type</b></th> <th><b>Risk indicators</b></th> <th><b>Responsive measures</b></th> </tr> </thead> <tbody> <tr> <td>Financial investment risk</td> <td>The government's real estate speculation policy caused the risk over funding gap and lift rate. The government's real estate speculation policy includes: (The land loan ratio is cut as 50%, and 10% retained as the payment for construction commencement, and a specific construction plan attached, and undertaking that the construction work will commence within</td> <td>In response to the decrease in the land loan ratio, the Company plans to increase the ratio of the own capital for acquisition of land.</td> </tr> </tbody> </table>	<b>Risk type</b>	<b>Risk indicators</b>	<b>Responsive measures</b>	Financial investment risk	The government's real estate speculation policy caused the risk over funding gap and lift rate. The government's real estate speculation policy includes: (The land loan ratio is cut as 50%, and 10% retained as the payment for construction commencement, and a specific construction plan attached, and undertaking that the construction work will commence within	In response to the decrease in the land loan ratio, the Company plans to increase the ratio of the own capital for acquisition of land.	
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			specific time limit (18 months). The remaining household loan ratio is cut as 40%.)		
			<p>Operational risk</p> <ul style="list-style-type: none"> <li>● Inflation has driven the land auction price to record highs. The raw material price has continued to rise.</li> <li>● The short supply of labors has affected the construction cost.</li> <li>● As for the government's measures against real estate speculation, the sub-laws of "The Equalization of Land Rights Act", which was officially launched on July 1, 2023, will affect real estate sales.</li> <li>● The 7th wave of housing market was</li> </ul>	<p>A. Attention is paid to the changes of the market conditions at any time and the composition of the unit price and market price is analyzed.</p> <p>B. Sign long-term contracts if possible. If the price must be increased as a last resort, communication coordination shall be made with the suppliers based on the construction cost index.</p> <p>C. Actively develop new suppliers that can be used as substitutes.</p> <p>The increase of the construction cost due to labor shortage is taken into account in the construction budget when evaluating a project.</p> <p>A. In line with the government's measures against real estate speculation, investors have completely withdrawn from the market due to prohibition from transfer of pre-sale houses and the real estate market has become more healthy.</p> <p>B. Most of the Company's sales are to self-residents. Most of the Company's sales projects are promoted with the owner-occupiers as the target. The product planning</p>	

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			<p>launched by the government. After being launched on September 20, 2024, the impact on the real estate market was affected.</p> <p><b>Pollution and climate change risk</b></p> <ul style="list-style-type: none"> <li>● Environmental pollution risk: The problems caused nearby the construction site, such as dust, noise, sewage, construction waste and damage to neighboring property, etc.</li> <li>● Risk over thermal injury caused to employees when employees are working under high temperature outdoor arising from the climate changes</li> </ul>	<p>is close to the needs of the owner-occupiers and carried out in the sales business.</p> <p>C. We enhance the description of building materials and structure to give consumers more peace of mind and smooth sales.</p> <p>A. The wheels and rear of the vehicles must be cleaned before they leave the site. The exit and entrance of the gate are always kept moist to prevent dust from spreading along the road.</p> <p>B. Priority will be given to low-noise machines and noise reduction construction methods. In case of crushing period, the construction work will be stopped before 17:30 to reduce the disturbance to the neighborhood.</p> <p>C. Waste is sorted for transportation and disposal, and the recyclable parts are cleaned up by a recycling contractor to reduce the total amount of waste.</p> <p>Set up an area covered with iron roof where labors can take rest, equipped with electric fans, sunshade curtains and seats; designate labor safety personnel to conduct inspection on the site at specific time and measure the temperature and humidity at the construction site, on a daily basis. If</p>	

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				<p>the heat index exceeds 54.4, order the labors to stop working immediately to avoid any accidents caused by the heat diseases; provide the construction workers with the heat hazard education and training at the toolbox meeting and establish the first aid system.</p> <p>● In line with the government's carbon reduction targets, the Company must increase the proportion of energy-saving and carbon-reducing products. The design of green buildings and the procurement of low-carbon raw materials will cause construction costs to rise</p>	<p>A. We develop green (smart) buildings and energy conservation and carbon reduction measures to improve energy efficiency</p> <p>B. For the greening building, we start from the creation of energy sources. For example, solar panels are installed on the roof of the building to sell the electricity to Taipower. The energy-saving plan for the lighting of the exterior of the building, elevator hall, parking lot, and garden landscape uses a large number of energy-saving and long-life LED lamps. Although the installation cost is high, it can create long-term electricity-saving benefits in the future and, by doing so, we make a contribution to the technology-based environmental protection. The high-performance insulation of the roof and the deeply recessed window design of the outer walls can avoid direct sunlight, reduce indoor temperatures, and minimize the use</p>

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				<p>of air conditioning.</p> <ul style="list-style-type: none"> <li>For the buildings, we implement source reduction and resource recycling in construction. For example, the rainwater recycling system, garbage sorting and refrigeration, and car charging as adopted in the green building design, and resources are reused to achieve the effect of energy storage.</li> <li>We design energy-saving products and apply for green building labels.</li> </ul> <p>Product &amp; construction risk</p> <ul style="list-style-type: none"> <li>Unstable construction quality.</li> <li>Risk over natural calamity, such as earthquake, typhoon, heavy rain and construction safety.</li> </ul>	

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					<p>and whether the trees at the site are trimmed and fixed, and ensure smooth communication with the contact persons at each site.</p> <p>B. In the case of the emergency, such as earthquake, the director of each construction site shall confirm the conditions at the site and dispatch personnel to complete the urgent response and feed back to the Company's management immediately.</p>
			Corporate governance risk	<ul style="list-style-type: none"> <li>● Due to improper repairs identified during the acceptance, the house cannot be handed over and the payment cannot not be collected on time.</li> <li>● Customer complaint arising from leakage of personal information</li> </ul>	<p>Specialists are sent to inspect the repair the defects themselves, and a strict inspection and delivery SOP is established. In addition, the repair shall be completed within two weeks and the sales department follows up the situations to save the customers valuable time and facilitate the delivery of the house.</p> <p>A. The sales department is requested to sign the "Personal Information Protection Commitment" with the advertising agency.</p> <p>B. The trading contract contains a personal information clause and is filed confidentially after the customer give his/her consent by affixing the signature.</p>
III. Environmental issues (I) Does the Company have an	V		1.	The Company values the environmental quality very much, implements the	The Company has not

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appropriate environmental management system established in accordance with its industrial character?			<p>measures such as energy, power and water conservation in the course of its business, and contracts professional and legal environmental protection companies to dispose of the waste at all construction sites for it, in order to do its part for the green environmental protection.</p> <p>2. The Company will establish environmental safety and health management measures in accordance with environmental protection regulations (such as the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, etc.) established by the Ministry of Environment. The Company has not yet asked any international certification unit to certify it.</p>	yet asked any international certification unit to certify it. To execute the inspection per the progress planned by the GHG accounting and verification schedule.
(II) Does the Company endeavor to utilize all resources more efficiently, and use renewable materials which have a low impact on the environment?	V		<p>(II)</p> <p>1. The Company endeavors to utilize all resources more efficiently when executing its business activities and internal management, in order to enable the global resources to be used sustainably. The related environmental protection policies include promotion of the recycling and reuse of photocopying paper, and implementation of recycling.</p> <p>2. For the buildings, we implement source reduction and resource recycling in construction. For example, the rainwater recycling system, garbage sorting and refrigeration, and car charging as adopted in the green building design, and resources are reused to achieve the effect of energy storage.</p>	No specific deviation was found.
(III) Does the Company assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt the responsive measures against	V		<p>(III)</p> <p>The Company identifies the Sustainable Development Committee as the supreme body dedicated to the climate change management. The Chairman shall serve as the Committee's chairman responsible for reviewing the Company's climate change strategies and targets, managing the climate change risk, opportunity &amp; action and implementation status, discussing the future plans and reporting to the Board of Directors, each year.</p>	No specific deviation was found.

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climate-related issues?			<p>1. Physical risk suffered by enterprise from the climate change</p> <p>The Company realizes the huge impact posed by the risk caused by climate changes to the environment and ecology, and also the huge harm caused by it to the long-term economic development. that the risks brought by climate change will have a great impact on the environment and ecology, and knows that it will also cause great harm to long-term economic development. The risk assessment completed in 2024 indicated the risks over environmental laws &amp; regulations, increase in the cost of green construction materials and the heat injury caused to employees when they are working under high temperature outdoors, and the risks caused to the construction projects by various contingencies, such as storm, flood, earthquake and power outage.</p> <p>2. Opportunities provided by climate changes to enterprises</p> <p>The extreme environmental transformation arising in recent years has caused the probability of urban flooding and drought to increase significantly. Given this, the Company will consider the rational use and disposal of resources when choosing the building and construction materials, in order to make the water resource recyclable as possible as it can, and enable buildings to recycle water resources in rainy days to reduce the water flow in urban cities and thereby mitigate the opportunity of floods. Meanwhile, in the drought season, with the construction base's capability in retention of water and the recycled rainwater, we can do irrigation and general cleaning work, in order to mitigate the impact posed by drought. Focusing on the environmental protection and climate change issues, and supply of excellent households, will both benefit the sales of the Company's construction projects.</p> <p>The Company's analysis of climate change risk and opportunity has been disclosed in the Company's sustainability report <a href="https://sunnyad.com.tw/responsibility.asp">https://sunnyad.com.tw/responsibility.asp</a>.</p>	

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(IV) Does the Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years, and implement policies aiming at reducing GHG, water, or other wastes?	V		<p>1. The following statistics on the last two years, the density (such as: calculated based on the unit of products, services, or sales volume), and the scope of data (such as: all plants and subsidiaries) are provided below:</p> <p>(1) As for inventory of corporate greenhouse gas emissions, the main greenhouse gas generated from the company's operations is carbon dioxide, which mainly falls into scope 2 (indirect energy greenhouse gas emissions). As for scope 1 (direct energy greenhouse gas emissions), except for the use of company cars, there are no other energy direct greenhouse gas emissions. In 2022, the Company mistakenly classified the energy emission from company cars as Scope 3 and corrected it to Scope 1 in 2023.</p> <p>The scope of the data includes the offices, reception centers and unsold buildings of the construction projects, and construction offices of the Company and the subsidiaries in the construction industry (Shangyu Construction Co., Ltd. and Boromi Optronics Corp.) The data for the most recent two years are summarized as following:</p> <p>The Company's electricity consumption accounting in 2024 (falling within the Scope 2 for indirect energy emission):  The Company's electricity consumption was 548,469 kWh, with the CO<sub>2</sub> weighing 278.752 tons, in 2024.  The Company's electricity consumption was 193,001 kWh, with the CO<sub>2</sub> weighing 97.339 tons, in 2023.  The Company's electricity consumption was 422,462 kWh, with the CO<sub>2</sub> weighing 213.229 tons, in 2022 (after correction).</p>	No specific deviation was found.

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<p>The annual water consumption decreased by 355,468 degrees, with a decrease of CO2 by 65kg, from last year. The electricity consumption decreased by 229,461 kWh from last year. The emissions per unit area dropped significantly due to the fact that no new construction projects were completed in the current year and the number of remaining houses decreased. The Company will continue to promote the energy conservation and carbon reduction, control the carbon emission effectively, and continue to pursue the goal to become a low-carbon green enterprise.</p> <p>(Scope 1) In 2022, the Company started to gather the statistics about the GHG emission generated by the mobile fuel combustion of company cars. The Company calculated the GHG emission based on the driving distance. The CO2 generated by the company cars weighed 6.812 tons in 2024.</p> <p>(2) The Company's paper consumption accounting in 2023:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water consumption (tonne)</th> <th>Intensity (tons/area square meters)</th> </tr> </thead> </table>							Year	Water consumption (tonne)	Intensity (tons/area square meters)																										
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IV. Social issues (I) Does the Company develop its policies and procedures in accordance with laws and International Bill of Human Rights?	V		<p>In order to support and maintain the employees' basic human rights, the Company adopts the "Human Rights Policy of SUN YAD CONSTRUCTION CO., LTD.," and posts the Policy on the Company's website. It will carry out the related educational training in 2024. In the future, the Company will continue to pay attention to human rights protection issues and promote related education and training to improve human rights protection awareness and reduce the possibility of relevant risks.</p>	No specific deviation was found.									

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(II) Does the Company adopt and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflect the operating performance or results to the remuneration to employees adequately?	V		<p>Remuneration to employees: The Company has already reflected the operating results to the remuneration to employees. According to the Articles of Incorporation, if the Company retains earnings at the end of a fiscal year, the Company shall allocate 1%~10% thereof as the remuneration to employees and no more than 5% thereof as the remuneration to directors, provided that the profit must first be taken to offset against the Company's cumulative losses, if any, and then the remuneration to employees and directors/supervisors may be allocated subject to the proportions referred to in the preceding paragraph. The remuneration to individual employees includes the Company's operating performance bonus. The bonus shall be decided subject to the business performance achieved in the year.</p> <p>Employee benefits: The Company values the employee care, employees' retirement system and friendly workplace. The Company provides the employees with complete salary, bonus, dividend and welfare systems to enable each employee to do his/her part at work. The related welfare measures include enrollment of employees to the labor insurance/national health insurance/group insurance programs, payment of gift money for the three major festivals, organization of employees' health checkup and employee trip at home and abroad, provision of the meal allowance, pension and disability subsidies to the employees, and establishment of the welfare committee to handle the subsidies for employees' marriage/death, and birthday parties. The Company also allows the applications for parental leave.</p> <p>Employees are one of the most important assets of an enterprise. The Company hopes to help employees meet their housing needs and improve their quality of life and happiness. At the same time, the Company enhances employees' loyalty to the organization and their long-term intention of remaining in office, while attracting and retaining outstanding talents. The "Regulations Governing Subsidies for Attracting</p>	No specific deviation was found.

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			<p>and Retaining Talents for SUN YAD Group" was established and brought into force in 2023.</p> <p>Workplace diversity and equality: Realize the equal pay for equal work incentive conditions and equal promotion opportunities between female and male workers, and maintain more than 20% female managerial officers. In 2024, the female employees accounted for 60.42%, and the female managerial officers accounted for 30.77%.</p>	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	V		<p>The Company uses the best effort to provide the employees with a safe and healthy working environment, and takes the following actions:</p> <ol style="list-style-type: none"> <li>1. The Company sets forth its safety and health management plan subject to its business scale and nature, in accordance with the Occupational Safety and Health Act. It also establishes the safety and health organization and personnel to implement the safety and health management and automatic inspection.</li> <li>2. The Company also provides the employees with the occupational safety education regularly. With respect to the construction safety and health and disaster prevention, the "prevention of unsafe behaviors" will promote and implement the labor safety education when the work is commenced each day, demanding that workers should wear personal protective gears accurately, and also prohibiting dangerous activities. For prevention of unsafe environment, the Company also prepares the budget to install various protection facilities to prevent any hazards at the construction site, in order to achieve a harmless working environment.</li> <li>3. Before entering the construction site every day, suppliers are notified of working environment hazards and preventive measures and sign the "toolbox meeting, pre-danger and (work environment hazards and preventive measures) notice."</li> <li>4. There was 0 employee occupational accident in 2023.</li> </ol>	No specific deviation was found.

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(IV) Does the Company have an effective career capacity development training program established for employees?	V		<p>In order to help colleagues continue learning and growing in a diversified manner, the Company has organized:</p> <ul style="list-style-type: none"> <li>* Internal education and training for employees: For a total of 62 hours and attended by 215 persons in total;</li> <li>* External education and training for employees: For a total of 106 hours; in order to help them with their career development effectively.</li> </ul>	No specific deviation was found.
(V) Does the Company comply with laws and international standards with respect to the issues including customers' health, safety, and privacy, marketing and labeling in all products and services offered, and adopt consumer <u>or</u> customer interest protection policies and grievance procedures?	V		<ul style="list-style-type: none"> <li>* In order to achieve information equivalence and transparency, the Company provides customers with the correct and complete information at the stages including sales, execution of contract, customers' request for design changes and property settlement, and also sets forth related management regulations to ensure customers' interests and rights. Starting from the stage of sales, any marketing tools (poster, DM and media advertisement, etc.) shall be subject to strict review. Meanwhile, customers will be provided the real estate transaction contract (including the exclusive household floor plan, and construction materials and equipment list) for perusal before buying the house.</li> <li>* The Company values customers' privacy and protects customers' personal data. Meanwhile, the Company adopts a standard sales contract in accordance with the principles of equality and honest. The related contracts and documents will specify the personal data clauses, in order to maintain the customers' privacy in accordance with the Personal Data Act.</li> <li>* The Company cares customers' feeling about the after-sale services, and provides diversified and accessible complaint platforms, e.g. sales service hotline, email address, sales centers, head office, and company website, etc., which are all available to process customers' request for services and provide correction and improvement immediately.</li> </ul>	No specific deviation was found.
(VI) Does the Company adopt any specific supplier management policy demanding that the	V		Does the Company adopt any specific supplier management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?	No specific deviation was found.

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suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?			<ul style="list-style-type: none"> <li>* The above terms are included in the contracts with major suppliers, and it is required to strictly implement the implementation, and this is the basis for evaluation.</li> <li>* Qualified suppliers are selected through the "Supplier Score Sheet". The selection criteria include: project progress/delivery progress, project/material quality, labor safety and health, site management, environmental protection, coordination and cooperation, industry evaluation, price inquiry and cooperation, emergency cooperation, financial position, etc.</li> <li>* The supplier assessment is initiated by the Procurement Department in August to September of each year. The "Supplier Score Sheet" is submitted to the relevant departments for scoring. Finally, the Deputy General Manager of the business group conducts a re-assessment and then it is handed over to the Procurement Department for reference.</li> </ul> <table border="1" data-bbox="673 841 1482 1318"> <thead> <tr> <th>Item</th><th>Content of the proposal</th><th>Implementation Status</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Supplier assessment is conducted at the end of each project.</td><td> <ul style="list-style-type: none"> <li>(1) The contract suppliers of the construction retention payment and final payment for the construction contract from July last year to the end of June this year.</li> <li>(2) Includes Shang Ya Construction, Shang Yu Construction Co., Ltd. under the Group, Yong Hui Interior Decoration Co., Ltd., Century Interior Decoration Enterprise Group.</li> <li>(3) The procurement department</li> </ul> </td></tr> </tbody> </table>	Item	Content of the proposal	Implementation Status	1.	Supplier assessment is conducted at the end of each project.	<ul style="list-style-type: none"> <li>(1) The contract suppliers of the construction retention payment and final payment for the construction contract from July last year to the end of June this year.</li> <li>(2) Includes Shang Ya Construction, Shang Yu Construction Co., Ltd. under the Group, Yong Hui Interior Decoration Co., Ltd., Century Interior Decoration Enterprise Group.</li> <li>(3) The procurement department</li> </ul>	
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<u>Items</u>	<u>Status</u> (Note 1)				<u>Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof</u>
	Yes	No	Summary		
				<p>will initiate the evaluation, and the "Supplier Score Sheet" will be submitted to the relevant departments for evaluation. Finally, the General Manager will conduct a re-evaluation and then hand over the evaluation to the procurement department for reference.</p> <p>(4) A total of 64 suppliers were assessed in the current year, and 83 of which were rated as having completed the assigned work.</p> <p>2. (1) (VI) Does the Company adopt any specific supplier management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational</p> <p>(1) When contracting construction projects, the contract has specified that the supplier must comply with the construction laws, construction safety and health facility standards, environmental protection and noise control laws, and government-related regulations. The Company pays attention to construction safety at all times in accordance with the Labor Safety and Health Act and the</p>	

Items	Status (Note 1)				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary		
			(2) safety and health or labors' human rights, and how the policy is implemented? Contracts with a value of more than NTD 100,000 are required to be signed "Supplier Integrity Commitment".	implementation rules thereof, and applicable laws and regulations related to environmental protection. The Company also cooperates with the Company's waste disposal operations to improve environmental hygiene and protect the health of the public. (2) The Company signed 87 newconstruction contracts or material purchase contractswith a total amount of more than NTD 100,000 in the current year, and all of which have been signed the "Supplier Integrity Commitment".	
V. Does the Company prepare the <u>sustainable development</u> report or any report on non-financial information based on international reporting standards or guidelines? Does said report have been assured	V		The Company has prepared the "2024 Sustainability Report" in accordance with the general standards, industry standards and major theme standards published by the Global Reporting Initiative (GRI). The sustainability report is used to strengthen the reliability of stakeholder information. In the future, the Company will consider the verification standards of relevant certification agencies based on the development trend of domestic and overseas sustainability reports.	No assurance or guarantee opinions from a third-party verification body has been obtained . In the future, depending on the development trend of domestic and	

<u>Items</u>	<u>Status</u> (Note 1)			Deviation from <u>Sustainable</u> <u>Development</u> Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
or guaranteed by a third party certification unit?				foreign sustainability reports, the Company will take passing the verification standards of relevant verification bodies into account.
<p>VI. If the Company has established <u>sustainable development</u> best practice principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the current practices and any deviations thereof from such principles:</p> <p>In November 2016, the Board of Directors of the Company approved the establishment of the "Corporate Social Responsibility Best Practice Principles" to strengthen the implementation of corporate social responsibility. On April 14, 2022, the Company also made the revision of the "Corporate Social Responsibility Best Practice Principles" in accordance with the latest amendment of the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" to manage the risks and impacts of the Company on the economy, environment and society, and to improve accordingly. There is no difference up to now.</p>				
<p>VII. Other information useful to the understanding of <u>promotion of the sustainable development</u>:</p> <ol style="list-style-type: none"> <li>1. Identify the potential significant business risk in 2024, and propose the responsive strategies subject to the risks.</li> <li>2. Promote the green building design, consider "contribution of greening environmental carrying capacity," "base greening," "water resources," "daily energy conservation," "CO<sub>2</sub> reduction," "waste reduction," "sewage and waste improvement," "bio-diversity" and "indoor environment" in the overall design, and strive to apply for green building candidate certificates and green building labels proactively.</li> <li>3. Organize the ethical management educational training for employees.</li> <li>4. Organize the insider trading prevention educational training for employees and directors/supervisors.</li> <li>5. Attend the dengue fever prevention educational training.</li> <li>6. The construction site promotes waste reduction, recycling, energy conservation, water conservation, and improvement of gasoline, water and power performance to upgrade the utilization efficiency of various energy resources.</li> <li>7. Statistics about the Company's GHG emission and reduction and water consumption in 2023.</li> </ol>				

<u>Items</u>			<u>Status</u> (Note 1)	Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
<p><u>8.</u> The Company has deeply rooted in Tainan and has continued to fulfill its corporate social responsibility for many years. Since 2022, the Company has established the Music Dream Project and has continued for five years. With a contribution of NT\$300,000 per year, we have contributed a total of NT\$1.5 million to support the public welfare project of Tainan Municipal Jiufenzi Elementary and Junior High School. The goal is to "enhance teachers' ability to integrate information and use them in group learning," "develop diverse arts clubs and inspire students' appreciation for arts, literature, and aesthetics," and "show children's self-confidence and expression through practices and presentations."</p> <p><u>9.</u> Participate in the adoption and maintenance management plan for "Gong 103 Park" in Annan Dist., Tainan City. The work includes (1) maintenance, watering and weed removal of the existing environment, and (2) grass planting and trimming (3) maintenance of facilities in parks and green belts.</p> <p><u>10.</u> Participate in the adoption and maintenance management plan for "Gong 103 Park" at Land No. 1559, Guoan Sec., from February 1, 2023 to January 31, 2025. The work includes (1) maintenance, watering and weed removal of the existing environment, and (2) grass planting and maintenance (3) maintenance of facilities in parks and green belts.</p> <p><u>11.</u> Adopt the sidewalk at Section 5, Hewei Road (Lane 59-89, Section 5, Hewei Road), Tainan City (in front of Land No. 1508, Dingmei Section, West Central District, Tainan City) from May 1, 2023 to April 30, 2026. The work includes (1) repair of sidewalk pavement and related facilities, and (2) management and maintenance of trees on the sidewalk.</p> <p><u>12.</u> The adoption of the sidewalk at Section 5, Hewei Road, West Central District, Tainan City in 2024 (from Lane 187 of Xixian 2nd Street to Xixian 1st Street, in front of Land Nos. 56-10 and 56-11 Chengguang Section) is expected to expire on September 18, 2025. The work includes (1) repair of sidewalk pavement and related facilities, and (2) management and maintenance of the trees on the sidewalk.</p> <p><u>13.</u> Sponsored the scholarship fund for the disadvantaged students in Kunshan University of Science and Technology, and donated NTD 30,000.</p> <p><u>14.</u> Purchase of fire rescue high-pressure fine mist equipment for NTD 600,000 and gift to the fire department of Tainan City Government.</p>				

For the consolidated company's various sustainable development operations, please refer to the official website of the company:

<https://sunyad.com.tw/responsibility.asp>

Note 1: If the implementation status is specified "Yes," please specifically explain the key policies, strategies, and measures taken and the execution progress. If the implementation status is specified "No," please explain deviation and cause of deviation in the field titled "Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof," and state any policy, strategy, and measure planned for the future.

Note 2: The materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

Note 3: For the method by which such information shall be disclosed, please refer to the sample annual report disclosed on the website of TWSE Corporate Governance Center.

## Implementation status of climate-related information

Item	Status
1. Specify the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<ul style="list-style-type: none"> <li>The greenhouse gas inventory and verification schedule was reported to the Board of Directors on a quarterly basis in 2024. The talent training, strategic goals, control mechanism, and internal verification plan have been completed by the end of September 2024.</li> <li>In response to the high uncertainty of climate and the rapid changes in policies and markets, and to keep track of and estimate the possible impact of climate change, the Company's supervisors' meeting on October 23, 2024 identified the major climate risks and opportunities. The Company also further evaluates the possible risks that flooding, drought, typhoons and high temperatures may bring to each construction in progress or after completion and to the operations of the construction sites, in order to grasp the climate changes and market dynamics of the external environment, and to comprehensively consider the overall operational strategy planning. The report will be made to the Board of Directors on the same day after the supervision by the Board of Directors' level corporate governance committee on November 12, 2024.</li> </ul>
2. Specify how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	For more details, please refer to the "SUN YAD-2023, 2022 and 2021 GHG emissions and reduction information" on the website of the Company <a href="http://sunnyad.com.tw">sunnyad.com.tw</a> [Social Responsibility] / Corporate Sustainability Report] [Social Responsibility] / Corporate Sustainability Report].
3. Specify the financial impact of extreme climate events and transformation actions.	<ul style="list-style-type: none"> <li>The government promotes the carbon pricing mechanism. The Company will incur fines for excessive carbon emissions and increase operating costs.</li> <li>Energy price (such as: The price of electricity will continue to rise, which will increase operating costs.</li> <li>In line with the government's carbon reduction targets, the Company must increase the proportion of energy-saving and carbon-reducing products. The design of green buildings and the procurement of low-carbon raw materials will cause construction costs to rise.</li> </ul>
4. Specify how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Risk management not only affects the company's operations, but also has a significant impact on the company's reputation. The overall risk management related policies of the Company have been approved by the board of directors and documented principles has been established. After identifying the risks and presenting countermeasures, the departments report these to the President, who in turn reports to the Corporate Governance Committee and eventually to the Board of Directors. Each relevant department is responsible for assessing the occurrence possibility of each risk factor and the extent of the impact, They shall formulate and implement necessary measures and properly manage each risk.

Item	Status
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be specified.	No scenario analysis has been used to assess the parameters and the main financial impact.
6. If there is a transformation plan to manage climate-related risks, specify the contents of the plan, and the indicators and goals used to identify and manage physical and transition risks.	For more details, please refer to the "SUN YAD-2024, 2023 and 2022 GHG emissions and reduction information" on the website of the Company sunyad.com.tw [Social Responsibility] / Corporate Sustainability Report] [Social Responsibility] / Corporate Sustainability Report], or refer to the sustainability report.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be specified.	Internal carbon pricing has not yet been used as a planning tool.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information shall be specified; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of offset carbon reduction credits or the quantity of RECs shall be specified.	<ul style="list-style-type: none"> <li>For more details, please refer to the "SUN YAD-2023, 2022 and 2021 GHG emissions and reduction information" on the website of the Company sunyad.com.tw [Social Responsibility] / Corporate Sustainability Report] [Social Responsibility] / Corporate Sustainability Report], or refer to the sustainability report.</li> <li>The Company has not yet used carbon offsets or renewable energy certificates (RECs) to achieve relevant goals. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs) shall be specified.</li> </ul>
9. Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans (to be provided 1-1 and 1-2 separately).	

## 1-1 Greenhouse gas inventory and assurance status in the most recent two years

### 1-1-1 Greenhouse gas inventory information

Specify the greenhouse gas emissions (tCO2e), intensity (kgCO2e/36 sq ft) and data coverage in the most recent two years

I. According to the inventory of corporate greenhouse gas emissions, the main greenhouse gas generated by the Company's operations is carbon dioxide. The coverage and boundary are as follows:

(I) Scope 1 is direct greenhouse gas emissions: In 2022, the Company mistakenly classified the energy emission from company cars as Scope 3 and corrected it to Scope 1 in 2023. Except for the use of company cars, there are no other direct greenhouse gas emission sources in Scope 1.

(II) Scope 2 is the indirect energy greenhouse gas emissions: Mainly from purchased electricity

(III) The inventory boundary includes the offices, reception centers and unsold buildings of the construction projects, and construction offices of the Company and the subsidiaries in the construction industry (Shangyu Construction Co., Ltd. and Boromi Optronics Corp.) The data for the most recent two years are summarized as following:

Unit: tCO2e

Year		2023		2024	
Item		The carbon emission was CO2e.	Intensity (ton CO2e/area square meter)	The carbon emission was CO2e.	Intensity (ton CO2e/area square meter)
the Company and its construction subsidiaries	Scope 1	6.638		6.812	
	Scope 2	97.339		278.752	
	Scope 3	No statistics available		No statistics available	
Total		103.977	0.00042	285.564	0.00052

Note 1: Direct emissions (scope 1, i.e. directly from the emission sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e. indirect greenhouse gas emissions from input electricity, heat or steam), and other indirect emissions (scope 3 i.e. emissions generated from company activities that are not indirect energy emissions but come from emission sources owned or controlled by other companies) .

Note 2: The data coverage of the direct emissions and the indirect emissions from energy shall be handled in accordance with the schedule specified in the regulations referred to in Paragraph 2, Article 10 of these Guidelines. The information of other indirect emissions may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, and at least the data calculated based on turnover (NT\$ million) shall be stated.

1-1-2 Specify the assurance status in the most recent two years and up to the publication date of this annual report, including the scope, institution, criteria and opinion of the assurance.

Assurance from external institutions has not yet been implemented. The process will be completed in accordance with the FSC's "Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies."

Note 1: The schedule specified in the regulations referred to in Paragraph 2, Article 10 of these Guidelines shall apply. If the company fails to obtain a complete greenhouse gas assurance opinion as the publication date of this annual report, it shall indicate that "the complete assurance information will be disclosed in

the sustainability report." If the company does not prepare a sustainability report, it shall indicate that "the complete assurance information will be disclosed on the MOPS", and shall disclose complete assurance information in the annual report of the next year.

Note 2: The assurance institution shall comply with the relevant requirements that TWSE and TPEx have established for sustainability report assurance institutions.

Note 3: For disclosure content, please refer to the best practice reference examples on the website of the TWSE Corporate Governance Center.

1-2 Specify the base year for reduction of greenhouse gases and reduction data, reduction goals, strategies and specific action plans, and achievement status of the reduction goals.

In order to continue to achieve the international reduction trend, the Company conducted reduction tracking through greenhouse gas inventories and the Sustainable Development Committee, and proposed a carbon neutrality path plan for 2022 to 2050, in order to promote green operations and develop green energy (smart) buildings to achieve energy saving and carbon reduction. The Company has implemented an annual greenhouse gas inventory since 2022, set 2022 as the energy saving and carbon reduction base year, and planned a yearly reduction volume to achieve the long-term carbon management goal of carbon neutrality for 2050.

Carbon Neutrality Roadmap of SUN YAD CONSTRUCTION CO., LTD.			
	Short-term goals	Mid-term goals	Long-term goals
Time	2026	2030	2050
Carbon reduction goals	Reducing emissions by 10% compared to 2022	Reducing emissions by 30% compared to 2022	To achieve carbon neutrality
Strategy and action plan	<p>Promote green operations to reduce energy consumption and carbon emissions. Example:</p> <ul style="list-style-type: none"><li>● Turning off lights are switched off in offices, whenever necessary, and during lunch breaks, and conducting off-hours inspections.</li><li>● Replacement with electrical appliances of frequency conversion and regular maintenance of air conditioners in offices.</li><li>● Replacement with airtight</li></ul>	<ul style="list-style-type: none"><li>● Developing green buildings and energy conservation and carbon reduction measures to improve energy efficiency</li><li>● For the buildings, we implement source reduction and resource recycling in construction.</li><li>● Using more efficient construction operations to shorten the construction period and achieve the purpose of energy conservation.</li><li>● Reviewing and changing construction processes at any</li></ul>	<ul style="list-style-type: none"><li>● Developing green and low-carbon buildings.</li><li>● Promoting green buildings and continuing to develop methods that save building materials.</li><li>● Cooperating with industry chain manufacturers to develop low-carbon, energy-saving and recyclable products.</li></ul>

	<ul style="list-style-type: none"> <li>• windows to reduce cold air leakage.</li> <li>• Applying insulation films to the curtains at office floors, and using energy-saving lamps for lighting.</li> <li>• Promoting electronic operations to reduce energy resource consumption.</li> <li>• The Company has implemented various eco-friendly measures on the construction site, such as: increase the landscaping engineering, and adopt the landscaping around the base.</li> </ul>	<ul style="list-style-type: none"> <li>• time to avoid dry energy consumption.</li> <li>• Adopting circular construction practices to improve resource efficiency.</li> </ul>	
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(VI) Implementation of ethical management and measures adopted therefor:

**Implementation of corporate ethical management, deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof**

Item	Yes	No	Status	Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
I. Establishment of ethical management policies and plans				
(I) Does the Company state in its regulations or external correspondence about the ethical management policies and practices passed by the Board of Directors and the commitment of the Board of Directors and senior management to actively implement the operating policies?	V		(I) The Company has adopted its “Ethical Management Best Practice Principles” on August 6, 2015, and disclosed the same on the MOPS and the Company’s website, in order to demonstrate its ethical management policies and practices, and the Board of Directors’ and management’s	No specific deviation was found.

Item	Yes	No	Status	Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
(II) Does the Company establish the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopt the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	V		<p>commitment to practice the business policies. The Company adopted the “Ethics Undertaking of Supplier” on October 5, 2020. Meanwhile, from now on, the “Ethics Undertaking of Supplier” will be attached to each official procurement agreement.</p>	
(III) Does the Company expressly state the SOP, guidelines for conduct and reward & punishment and grievance systems in the unethical conduct prevention program, implement the same precisely, and review amendments to said program?	V		<p>(II) The “Ethical Management Best Practice Principles” established by the Company have expressly stated the code of ethics to be followed by all employees, and analyzed and assessed the activities within its business scope which are at a higher risk of being involved in unethical conduct regularly, demanding that they should comply with laws and ethical codes to maintain the Company’s assets, interest and image. Meanwhile, the Company organizes the education and training programs regularly.</p> <p>(III) The Company engages in business activities in a fair and transparent manner. In order to practice the ethical management policy, the Company adopted the “Company’s Internal/External Personnel’s Whistleblowing System Against Illegal (including corruption) and Unethical Conduct” in 2018, in order to regulate that the employees shall be free from any malpractice or corruption, disclosure of the Company’s confidential information, or any other misconduct,</p>	<p>No specific deviation was found.</p> <p>No specific deviation was found.</p>

Item	Yes	No	Status	Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
			<p>refrain from accepting, demanding or agreeing on any remuneration by virtue of their powers, and shall comply with the related laws and regulations including the Company Act, Securities and Exchange Act, Business Entity Accounting Act and laws &amp; regulations governing listing on TWSE/TPEX, as the disciplinary and reporting system against misconduct to implement the ethical management. The Company will also review and amend said principles, if necessary. No employee was found involved in unethical conduct in 2023.</p>	
<p>II. Implementation of ethical management</p> <p>(I) Does the Company evaluate the ethical record of all counterparts it has business relationships with? Are there any ethical management clauses in the agreements it signs with business partners?</p>	V		<p>(I) The Company expressly states in its business contracts the relevant provisions on prevention and punishment of any violation of the ethical management principles. Meanwhile, the Company adopted the "Ethics Undertaking of Supplier" on October 5, 2020. From now on, the "Ethics Undertaking of Supplier" will be attached to each official procurement agreement.</p> <p>As of the end of November 2023, the contracts signed accounted for 40.09% of all contracts. All construction contracts have signed the "Supplier Integrity Commitment Letter", but the reason for the decrease is that the contracts signed do not include the general contracts that do not include</p>	<p>No specific deviation was found.</p>

Item	Yes	No	Status	Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
(II) Does the Company established a dedicated (or concurrently assigned) unit under the Board of Directors to promote ethical corporate management, and does it report to the Board of Directors on its progress on a regular basis (at least once a year)?	V		<p>the "Supplier Integrity Commitment Letter" and the contracts signed in 2024 have a higher proportion of the contracts.</p> <p>(II) The Company has the Chairman's Office and General Administration Division form the "Ethical Management Promotion Taskforce." Chairman, Chang Yu-Ming, serves as the convener of the Taskforce, responsible for promoting the Company's corporate governance practices including ethical management, anti-corruption, anti-bribery and compliance with laws, and report the implementation status to the Board of Directors at the end of each year. It reported to the Board of Directors on December 9, 2022.</p>	Established in response to the laws and regulations.
(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflict of interest?	V		<p>(III) The "Regulations Governing Procedure for Board of Directors' Meetings" adopted by the Company provide the directors' avoidance of conflict of interest system, specifying that when a director or the juristic person represented by the director is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that director may not participate in discussion and voting on that item, but should recuse himself from the discussion and voting or exercise voting rights as proxy for any other director. The Board of Directors' meetings dated January 22, 2021,</p>	No specific deviation was found.

Item	Yes	No	Status	Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
(IV) Does the Company fulfill the ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoint a CPA to conduct the audits?	V		<p>July 2, 2021, August 11, 2021, October 5, 2021 and December 28, 2021 have complied with the avoidance of conflict of interest requirements under the Regulations Governing Procedure for Board of Directors' Meetings.</p> <p>(IV) In order to ensure the implementation of ethical management, the Company has established effective accounting system and internal control system. The internal auditors also audit the compliance with the systems referred to in the preceding paragraph periodically, report the same to the Board of Directors and follow up various units' improvement status, in order to verify the implementation of ethical management and avoidance of corruption. The chief internal auditor officer submitted the audit report to the Board of Directors at the most recent Board of Directors' meeting upon completion of the audit.</p>	No specific deviation was found.
(V) Does the Company organize internal or external training on a regular basis to maintain ethical management?	V		<p>(V) The Company organizes the educational training and promotional events for the Company's personnel from time to time. Meanwhile, the Company adopts the "Employee Educational Training Plan" to organize the ethical management educational training and announce and discuss the amendments to any important laws and regulations, in order to ensure that the Company may comply with related laws and regulations at</p>	No specific deviation was found.

Item	Yes	No	Status	Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
			the same time when it is developing business. On November 30, 2022 and February 15, 2023, the Company organized the internal educational training for “Implementation of Ethical Management” and “What Corporate Anti-corruption Can Do for You (Fu Cheng Office of Tainan City Field Division)” for two hours, respectively, which were attended by about 15 persons (85.24% of the employees) and 50 persons (85% of the employees), respectively.	
III. Implementation of the Company's whistleblowing system (I) Does the Company have a specific whistleblowing and reward system stipulated, a convenient whistleblowing channel established, and a responsible staff designated to deal with the accused party?	V		(I) In order to ensure the sustainable development and encourage the whistleblowing against any illegal activities, the Company adopted the “Company’s Internal/External Personnel’s Whistleblowing System Against Illegal (including corruption) and Unethical Conduct” in 2018. The Company sets up the email systems on its intranet and also the Internet in order to provide the employees and related personnel with the access to whistleblow any illegal activities. The President’s Office serves as the unit dedicated to accepting the whistleblowing against any colleagues who are involved in unethical conduct. The stakeholder section on the official website provides the employees, shareholders, stakeholders and outsiders with the effective communication	No significant deviation was found.

Item	Yes	No	Status	Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
(II) Does the Company define the standard operating procedure, followup measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of reported cases as accepted?	V		<p>method.</p> <p>(II) The “Company’s Internal/External Personnel’s Whistleblowing System Against Illegal (including corruption) and Unethical Conduct” adopted by the Company provides the whistleblowing mechanism. Any violations of the ethical management regulations shall be punished according to the reward &amp; punishment requirements referred to in the Company’s work rules. The whistleblowing involving directors or senior management shall be reported to independent directors. The whistleblower protection system shall also be established to keep in confidence the whistleblower’s identity and contents, and protect the whistleblowers from any unfair treatment due to the whistleblowing. Where the disciplined person referred to in the preceding paragraph considers that the Company’s treatment should be so unfair to cause infringement on his/her interest and right, he/she shall file a complaint with the Administration Dept. pursuant to the Company’s requirements about complaint to seek the appropriate remedy. No whistleblowing cases existed internally or externally in 2023.</p>	No significant deviation was found.
(III) Does the Company have taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	V		<p>(III) The “Company’s Internal/External Personnel’s Whistleblowing System Against Illegal (including corruption) and Unethical Conduct” adopted by</p>	No significant deviation was found.

Item	Yes	No	Status	Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
			the Company keeps in confidence the whistleblower's identity and contents, and commits to protect the whistleblowers from any unfair treatment due to the whistleblowing.	
IV. Enhanced information disclosure Does the Company disclose the contents of its ethical management best practice principles and the result of implementation at its official website and MOPS?	V		The Company has already disclosed the contents of the ethical management best practice principles adopted by it on its website and the MOPS, as well as the result of implementation on its website.	No significant deviation was found.
V. If the Company has established sustainable development best practice principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe the current practices and any deviations therefrom from such principles: In order to build the enterprise culture of ethical management for the Company's sustainable development, the Company adopts these principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." The current practices have no deviations from these principles.				
VI. Other important information that is helpful in understanding the ethical corporate management practices of the Company: (e.g. the Company's discussion on amendments to the ethical management best practice principles adopted by it)				
1. The transactions between the Company and related parties are all disclosed on the MOPS pursuant to laws and regulations. 2. The Audit Office is established to perform the random check on the Company's business activities internally periodically, and submit the audit report to the Board of Directors periodically.				

(VII) Other information material to the understanding of corporate governance within the Company:

## (VIII) Implementation of internal control system

### 1. Declaration for Statement of Internal Control:

上曜建設開發股份有限公司  
內部控制制度聲明書

日期：114年03月12日

本公司民國113年度之內部控制制度，依據自行評估的結果，謹聲明如下：

- 本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標的達成，提供合理的確保。
- 內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。
- 本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理準則」)規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有成效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1.控制環境，2.風險評估，3.控制作業，4.資訊及溝通，及5.監督作業。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。
- 本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。
- 本公司基於前項評估結果，認為本公司於民國113年12月31日的內部控制制度(含對子公司之監督與管理)，包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。
- 本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第三十二條、第一百七十一條及第一百七十四條等之法律責任。
- 本聲明書業經本公司民國114年3月12日董事會通過，出席董事7人中，無人持反對意見，餘均同意本聲明書之內容，併此聲明。

上曜建設開發股份有限公司



董事長：張祐銘



簽章

總經理：張祐銘



簽章

2. The external auditor's report issued by the CPA commissioned to conduct an internal control audit, if any:

None.

(IX) Important resolution of the shareholders' meeting, Board of Directors and functional committees for the latest year until the date of publication of the annual report:

1. Important resolution of the shareholders' meetings

Date/Session	Content of the proposal			Special notes
	Important resolution	Resolution	Status	
2023 Annual General Meeting on May 29, 2023	(1) Ratification of 2023 business report and financial statements.	Pass the motion per the resolution adopted based on the present shareholders' voting results. No shareholders asked questions or made a statement Total votes: 178,204,213; approval votes: 165,359,466, 92.79% of the total votes. Disapproval votes: 64,888 Invalid votes: 0 Abstention votes/no votes: 12,779,859.	Compliance with the resolution.	None
	(2) Acknowledgement of 2021 loss compensation plan.	Pass the motion per the resolution adopted based on the present shareholders' voting results. No shareholders asked questions or made a statement Total votes: 178,204,213; approval votes: 165,289,382 92.75% of the total votes Disapproval votes: 219,607 Invalid votes: 0 Abstention votes/no votes: 12,695,224.	Already executed per the resolution of the shareholders' meeting	
	Extraordinary Motions	Shareholder Account No. 60604 said: Please ask about the pre-sale of the construction project, Huying-Bai? When the construction of the south base in Guoan Section starts? The chairperson replied that the pre-sale of the Huying-Bai construction project has reached 85%, the construction of the Guoan section's south base in the second half of the year, and the project.	After the chairperson's reply, the shareholders shall consult with each other.	

2. Important resolutions of the Board of Directors in 2023 and until the date of publication of the annual report:

Board of Directors	Date	Important resolution
1st Board of Directors' meeting in 2024	2024/01/12	<ol style="list-style-type: none"> <li>2024 business plan</li> <li>The Company's 4th issuance of unsecured convertible corporate bonds for conversion into common shares to change the capital stock in 2023 Q4.</li> <li>Loans to the subsidiary</li> <li>Discussion on matters to be reviewed at 1st meeting of the Remuneration Committee in 2024</li> </ol>
2nd Board of Directors' meeting in 2024	2024/03/05	<ol style="list-style-type: none"> <li>Change of the external auditors since 2024</li> <li>2024 evaluation of the CPA's independence.</li> <li>The Company's engineering contract to the related party</li> </ol>
3Rd Board of Directors' meeting in 2024	2024/03/12	<ol style="list-style-type: none"> <li>Review on 2023 business report and financial statements</li> <li>2023 loss compensation plan.</li> <li>Declaration for appraisal on effectiveness of the internal control system and for Statement of Internal Control in 2023.</li> <li>Discussion on 2024 CPA's audit fees</li> <li>Organization of 2024 shareholders' meeting and acceptance of proposals submitted by shareholders</li> </ol>
4th Board of Directors' meeting in 2024	2024/04/09	<ol style="list-style-type: none"> <li>The Company's issuance of convertible corporate bonds for conversion into common shares to change the capital stock in 2024 Q1.</li> <li>The Company's issuance of convertible corporate bonds for conversion into common shares to change the capital stock in 2024 Q1.</li> <li>The Company's engineering contract to the related party</li> </ol>
5th Board of Directors' meeting in 2024	2024/05/09	<ol style="list-style-type: none"> <li>Discussion on the Company's consolidated financial statements of 2023 Q1</li> <li>Loans to the subsidiary</li> </ol>
6th Board of Directors' meeting in 2024	2024/07/15	<ol style="list-style-type: none"> <li>1. The Company's issuance of convertible corporate bonds for conversion into common shares to change the capital stock in 2022 Q2.</li> <li>Corrective action has been taken in response to the following resolutions of the Board of Directors regarding avoidance of conflicting interests:</li> <li>Loans to the subsidiary.</li> <li>The Company's engineering contract to the related party.</li> <li>2023/12/25: The Company's engineering contract to the related party.</li> <li>Loans to the subsidiary</li> <li>The Company's engineering contract to the related party</li> </ol>

Board of Directors	Date	Important resolution
		related party 2024/05/09: Loans to the subsidiary
7th Board of Directors' meeting in 2024	113/08/12	<ol style="list-style-type: none"> <li>1. Discussion on the Company's consolidated financial statements of 2023 Q2</li> <li>2. Amendments to the "Corporate Governance Best Practice Principles"</li> <li>3. 2023 Q2 loss compensation plan.</li> <li>4. Financing extension for the Company's land.</li> </ol>
8th Board of Directors' meeting in 2024	113/10/08	<ol style="list-style-type: none"> <li>1. The Company's issuance of convertible corporate bonds for conversion into common shares to change the capital stock in 2024 Q1.</li> <li>2. The Company's issuance of convertible corporate bonds for conversion into common shares to change the capital stock in 2024 Q1.</li> <li>3. The Board of Directors has resolved to recuse from the following motions due to conflict of interest. 2023/05/11. Loans to the subsidiary. 2023/12/25: The Company's engineering contract to the related party. 2024/05/09: Loans to the subsidiary.</li> <li>4. The Company's proposal to issue new shares for cash capital increase and issue the 6th secured convertible corporate bonds in Taiwan.</li> <li>5. Proposal for enactment of the Company's general principles for pre-approved non-assurance service policy.</li> <li>6. Establishment of the "Supplier Management Policy" of the Company.</li> </ol>
9th Board of Directors' meeting in 2024	2024/11/12	<ol style="list-style-type: none"> <li>1. Discussion on the Company's consolidated financial statements of 2023 Q3</li> <li>2. Amendments to the Company's "Regulations Governing Procedure for Board of Directors' Meetings"</li> <li>3. Formulate the Company's internal control system for the management of sustainable information.</li> <li>4. Loans to the subsidiary</li> <li>5. The motion for the Company's 6th issuance of secured convertible bonds with the Bank of Taiwan as the guarantor.</li> </ol>
10th Board of Directors' meeting in 2024	2024/12/27	<ol style="list-style-type: none"> <li>1. The Company's "2024 Audit Plan"</li> <li>2. The Company's "2024 Budget"</li> <li>3. Discussion on 2024 CPA's audit fees</li> <li>4. Transfer of the Company's President</li> <li>5. Amendments to the Company's "Regulations Governing Procedure for Board of Directors' Meetings"</li> <li>6. Discussion on matters to be reviewed at 2nd</li> </ol>

Board of Directors	Date	Important resolution
		meeting of the Remuneration Committee in 2024.
1st Board of Directors' meeting in 2025	2025/01/17	<ol style="list-style-type: none"> <li>2025 business plan</li> <li>The Company's 4th issuance of unsecured convertible corporate bonds for conversion into common shares to change the capital stock in 2023 Q4.</li> <li>Application for the facility with financial institutions</li> </ol>
2nd Board of Directors' meeting in 2025	2025/03/04	<ol style="list-style-type: none"> <li>Issuance of new shares for cash capital increase in 2023.</li> <li>Amendments to the Company's level of authority</li> <li>Organization of 2025 shareholders' meeting and acceptance of proposals submitted by shareholders</li> <li>Operating procedure for nomination of candidates for independent directors at the 2023 annual general meeting.</li> <li>Termination of the non-competition restriction imposed on new directors.</li> </ol>
3rd Board of Directors' meeting in 2025	2025/03/12	<ol style="list-style-type: none"> <li>Review on 2023 business report and financial statements</li> <li>2024 loss compensation plan.</li> <li>Amendments to the "Articles of Incorporation"</li> <li>Amendments to the "Articles of Incorporation"</li> <li>The Company shall issues the 2024 declaration for appraisal on effectiveness of the internal control system and for Statement of Internal Control.</li> <li>7. Re-election of the Company's whole directors (including independent directors)</li> <li>Amendment to the reasons for convening the 2025 shareholders' meeting.</li> </ol>

3. Important resolutions made by the Remuneration Committee in 2023 until the date of publication of the annual report:

Date/Session	Content of the proposal	
	Important resolution	Status
January 12, 2024 1st meeting of the Remuneration Committee	<ol style="list-style-type: none"> <li>Review of the policy, system, standard and structure of the performance evaluation and remuneration of directors and managers.</li> <li>Evaluation on the 2024 payment of salary \$ remuneration to directors and managers.</li> </ol>	Approved unanimously.

2024/12/27 2nd meeting of the Remuneration Committee	<ol style="list-style-type: none"> <li>1. Review of the remuneration to new managers.</li> <li>2. The Company's 2024 year-end bonus to managers</li> <li>3. Allocation of the construction project bonus to Company's managers at the end of 2024.</li> </ol>	Approved unanimously.
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(X) The main contents of important resolutions of the Board of Directors passed but with directors or supervisors voicing opposing opinions on the record or in writing during the most recent year and up to the date of publication of the annual report: None.

### III. Information about CPA's Audit Fees

**Table 2-4**

Information about external auditors' audit fees (Please insert the amount.)

Unit: NT\$ Thousand

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees	Total	Remark
KPMG Taiwan	Hsu Cheng-Long	2024/01/01-2024/12/31	1,850	777	2,627	
	Kao, Yun-Lun	2024/01/01-2024/12/31				

Please specify the contents of services based on non-audit fees: (e.g. tax certification, assurance or other financial consulting and advising services).

Please specify the non-audit services and fees: (e.g. tax certification, assurance or other financial consulting services) Non-audit stock services: Tax certification: NT\$250 thousand; transfer pricing report NT\$240 thousand; cash capital increase service fee NT\$100 thousand and industrial and commercial registration fee of NT\$187 thousand.

Note: If there is any change of CPA or CPA firm during the year, please specify the duration of their services separately and state the reason for making the change in the remarks column. Any audit and non-audit fee paid to CPAs should also be disclosed separately. Details of services rendered based on the non-audit fees must be specified in the remarks column.

IV. Replacement of CPA: N/A.

V. Where any of the Company's Chairman, President, or managers responsible for financial or accounting affairs is employed by the external auditor's firm or any of its affiliated company in the most recent year, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

Note: The term "affiliated company of the external auditor's firm" means one in which the CPAs at the firm of the external auditors hold more than 50 percent of the shares, or of which such CPAs hold more than half of the directorships, or a company or institution listed as an affiliated company in the external publications or printed materials of the firm of the external auditors.

## Assessment on the independence and competence of external auditors

### CPA: KPMG Taiwan

Factors Affecting the CPA's Independence		Yes	None
1.	The accountant has a direct or material indirect financial interest relationship with the Company.		✓
2.	Financing or guarantees entered into between the accountant and the Company or its directors or supervisors.		✓
3.	The accountant considers the possibility of loss of the Company.		✓
4.	There is a close business relationship between the accountant and the Company.		✓
5.	There is a potential employment relationship between the accountant and the Company.		✓
6.	The CPA's request for contingent expenses related to the audit case.		✓
7.	Members of the CPA/Audit Service Team who are currently or in the last 2 years serve as the Company's director/supervisor, manager, or in a position that has a significant impact on the audit case.		✓
8.	The non-audit service provided by the CPAs to the Company will directly affect the important items of the audit case.		✓
9.	Publicity or brokerage of the shares or other securities issued by the Company.		✓
10.	The CPAs act as the defenders of the Company or coordinate conflicts with other third parties on behalf of the Company.		✓
11.	The accountant has a family relationship with the Company's directors, supervisors, managers, or personnel who have a significant impact on the audit case.		✓
12.	Co-practising accountants within one year of resignation serve as directors, supervisors, managers, or positions that have a significant impact on audit cases.		✓
13.	The auditor's acceptance of gifts or gifts of great value from the Company, its directors, supervisors, or managers.		✓
14.	The CPAs were required to accept the management's improper choice of accounting policies or improper disclosure in the financial statements.		✓
15.	In order to reduce audit fees, the Company had pressured the accountants to inappropriately reduce the audit work that should be performed.		✓

VI. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10 percent during the most recent fiscal year and up to the date of publication of the annual report:

Job title	Name	2023		Ending on March 31	
		Increase (decrease) in shares held (shares)	Increase (decrease) in shares pledged (shares)	Increase (decrease) in shares held (shares)	Increase (decrease) in shares pledged (shares)
Chairman and also President	Jing Hong Ltd.	0	0	0	0
Representative	Chang Yu-Ming	0	0	0	0
Director	U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	0	0	0	0
Representative	Tseng Peng-Kuang	0	0	0	0
Director	Metropolis Internet Technology	0	0	23,590	0
Representative	Li Tung-Hung	0	0	0	0
Independent Director	Hu Li-Yuan	0	0	0	0
Independent Director	Chang Hsieh Chia-Chia	0	0	0	0
Independent Director	Yeh Feng-Hua	0	0	0	0
Independent Director	Huang Ling-Chen	0	0	0	0

Information about transfer of equity

Name	Cause of transfer of equity	Trading date	Trading counterpart	Relationship between the trading counterpart and the Company, directors, supervisors, managers, and shareholders with more than 10% ownership interest	Quantity of shares	Trading price
None.						

Information about pledge of equity

Name	Cause of change in the pledge	Date of change	Trading counterpart	Relationship between the trading counterpart and the Company, directors, supervisors, managers, and shareholders with more than 10% ownership interest	Quantity of shares	Shareholding	Pledge ratio	Pledged (redeemed) amount
None.								

**VII. Disclosure of relationships**, such as related party defined under the Statement of Financial Accounting Standards No. 6, or spouse, or relative within the second degree of kinship, among the top ten shareholders

**Disclosure of relationship among the top ten shareholders**

March 24, 2025

Name (Note 1)		Shares held under own name		Shares held by spouse or underage children		Total shares held in the names of others		If there is relationship, such as spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship. (Note 3)		Remark
		Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Name	Relationship	
U-BEST Innovative Technology Co., Ltd.		19,983,058	5.44%	0	0%	0	0%	Chang Yu-Ming	Chairman of that company	None
Representative	Tseng Peng-Kuang	0	0%	0	0%	0	0%	FEEI CHERNG ENTERPRISE CO., LTD.	Juristic person representative of the director of that company	None
He Rui Investment Ltd.		5,225,000	1.42%	0	0%	0	0%	Chang Yu-Ming	Responsible person of that company	None
Kao Jung-Te		4,900,000	1.35%	0	0%	0	0%	None	None	None
VOYAGE INVESTMENT LIMITED		4,803,017	1.31%	0	0%	0	0%	Chang Yu-Ming	Responsible person of that company	None
Shih Sheng-Chang		3,999,667	1.09%	0	0%	0	0%	None	None	None
SBL/PB investment account held in trust by Citibank		3,807,979	1.04%	0	0%	0	0%	None	None	None
Jing Hong Ltd.		2,618,180	0.71%	0	0%	0	0%	Chang Yu-Ming	Responsible person of that company	None
Representative	Chang Yu-Ming	1,323,977	0.36%	0	0	0%	0	U-BEST Innovative Technology Co., Ltd.	Chairman of that company	None
								He Rui Investment Ltd.	Responsible person of that company	None
								VOYAGE INVESTMENT LIMITED	Responsible person of that company	None
Yang, Wen-Ching		2,000,000	0.54%	0	0%	0	0%	None	None	None
Investment Account of Sanchong Investment Co., Ltd. in the Trust of Bank SinoPac		1,729,000	0.47	0	0%	0	0%	None	None	None
JP Morgan Securities Investment Account in the Trust of JP Morgan Chase Bank		1,547,859	0.42%	0	0%		0%	None	None	None

Note 1: Shareholders' names shall be identified separately (juristic person shareholders shall be identified by the name and representative individually).

Note 2: The shareholdings are calculated based on the total of the shares held by oneself, spouses or underage children, or proxy shareholder.

Note 3: Relations among said shareholders (including juristic person and natural person shareholders) shall be disclosed in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

VIII. The total number of shares and total equity stake held in any single investee by the Company, its directors and supervisors, managers, and any enterprises controlled either directly or indirectly by the Company

Total equity stake

Unit: Thousand shares; March 30, 2024

Information on investees	The Company		Investment by directors, supervisors, managers and enterprises controlled either directly or indirectly by the Company		Integrated investment	
	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding
VICTORY ENTERPRISES LTD.	163	64.36%	0	0	163	64.36%
U-BEST Innovative Technology Co., Ltd.	22,506	16.14%	4,567	3.21%	27,073	19.35%
BOROMI OPTRONICS CORP.	0	0%	20,000	100.00%	20,000	100.00%
Shangyu Construction Co., Ltd.	25,460	99.99%	0	0	25,460	99.99%
HSIN-LI CHEMICAL INDUSTRIAL CORP.	0	0	26,525	39.30%	26,525	39.30%
FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.	22,000	13.04%	74,223	43.98%	96,223	57.02%
Sen Tai Engineering Co., Ltd.	0	0	25,172	82.53%	25,172	82.53%
MYSON CENTURY, INC.	2,507	17.06%	4,384	29.82%	6,891	46.88%
ZAVIO INC.	0	0	900	100.00%	900	100.00%
YUAN QIAO Corporation	0	0	1,920	80.00%	1,920	80.00%
HOA KANG FIRE PROTECTION CO., LTD.	0	0	1,500	100.00%	1,500	100.00%
Hua Han Insurance Brokers Co., Ltd.	0	0	1,080	27.00%	1,080	27.00%
PRIT Applied Materials Co., Ltd.	0	0	27,800	69.67%	27,800	69.67%

Note: The Company's investment under equity method.

# Three. Funding Status

## I. Capital and Outstanding Shares

### (I) Source of capital share

Unit: NT\$ Thousand; shares

Year/ Month	Issue price	Increase in authorized capital		Paid-in		Remark		
		Quantity of shares	Amount	Quantity of shares	Amount	Source of capital share	Offset share capital via properties other than cash (Note 22)	Others
1979/12	1,000	3,000	3,000,000	3,000	3,000,000	Contributed by business startup expenditure in cash	None	Note 1
1981/6	1,000	7,700	7,700,000	7,700	7,700,000	Cash capital increase by 4,700,000	None	Note 2
1983/8	1,000	18,000	18,000,000	18,000	18,000,000	Cash capital increase by 10,300,000	None	Note 3
1984/6	1,000	42,000	42,000,000	42,000	42,000,000	Cash capital increase by 24,000,000	None	Note 4
1987/4	1,000	90,000	90,000,000	90,000	90,000,000	Cash capital increase by 48,000,000	None	Note 5
1989/12	1,000	156,000	156,000,000	156,000	156,000,000	Recapitalization of earnings by 12,000,000 Cash capital increase by 54,000,000	None	Note 6
1990/8	1,000	196,560	196,560,000	196,560	196,560,000	Recapitalization of earnings by 40,560,000	None	Note 7
1991/8	10	32,096,000	320,960,000	32,096,000	320,960,000	Recapitalization of earnings by 64,400,000 Cash capital increase by 60,000,000	None	Note 8
1992/8	10	45,000,000	450,000,000	45,000,000	450,000,000	Recapitalization of earnings by 129,040,000	None	Note 9
1993/7	10	70,500,000	705,000,000	70,500,000	705,000,000	Recapitalization of earnings by 135,000,000 Cash capital increase by 120,000,000	None	Note 10
1994/8	10	84,770,000	847,700,000	84,770,000	847,700,000	Recapitalization of earnings by 81,075,000 Recapitalization of capital surplus by 59925000 Recapitalization of employee bonus by 1,700,000	None	Note 11
1995/7	10	97,574,700	975,747,000	97,574,700	975,747,000	Recapitalization of earnings by 42,385,000 Recapitalization of capital surplus by 84770,000 Recapitalization of employee bonus by 892,000	None	Note 12
1997/10	10	127,574,700	1,275,747,700	127,574,700	1,275,747,000	Cash capital increase	None	Note

Year/ Month	Issue price	Increase in authorized capital		Paid-in		Remark		
		Quantity of shares	Amount	Quantity of shares	Amount	Source of capital share	Offset share capital via properties other than cash (Note 22)	Others
						by 300,000,000		13
1998/08	10	140,332,170	1,403,321,700	140,332,170	1,403,321,700	Recapitalization of capital surplus by 127574700	None	Note 14
2005/10	10	70,166,085	701,660,850	70,166,085	701,660,850	Capital reduction by 701,660,850		Note 15
2008/7	10	65,166,085	651,660,850	65,166,08 5	651,660, 850	Capital reduction by 50,000,000		Note 16
2011/7	10	100,000,000	1,000,000,000	65,166,08 5	651,660, 850	Increase in authorized capital	None	Note 17
2011/10	10	100,000,000	1,000,000,000	65,178,133	651,781,330	Convertible bonds converted to capital stock by 120,480	None	Note 18
2012/07	10	100,000,000	1,000,000,000	66,812,667	668,126,670	Convertible bonds converted to capital stock by 16,345,340	None	Note 19
2013/01	10	120,000,000	1,200,000,000	78,812,667	788,126,670	<u>Common stock in private placement</u> by 120,000,000 shares (at the price of NT\$8.15 per share)	None	Note 20
2013/01	10	120,000,000	1,200,000,000	96,812,667	968,126,670	<u>Common stock in private placement</u> by 180,000,000 shares (at the price of NT\$8.75 per share)	None	Note 21
2013/10	10	200,000,000	2,000,000,000	136,812,667	1,368,126,670	Common stock in private placement by <u>400</u> ,000,000 shares (at the price of NT\$9.45 per share)	None	Note 22
2014/04	10	200,000,000	2,000,000,000	138,181,713	1,381,817,130	Convertible bonds converted to capital stock by 13,690,460	None	Note 23
2014/07	10	200,000,000	2,000,000,000	139,312,664	1,393,126,640	Convertible bonds converted to capital stock by 11,309,510	None	Note 24
2014/10	10	200,000,000	2,000,000,000	139,907,902	1,399,079,020	Convertible bonds converted to capital stock by 5,952,380	None	Note 25
2014/04	10	200,000,000	2,000,000,000	169,907,902	1,699,079,020	Cash capital increase by 300,000,000	None	Note 26
2016/11	10	200,000,000	2,000,000,000	114,857,742	1,148,577,420	Capital reduction by NT\$550,501,600 (including NT\$226,800,000 in private placement)	None	Note 27
2017/03	10	200,000,000	2,000,000,000	117,239,900	1,172,399,000	Convertible bonds converted to capital stock by 14,011,580 Recapitalization of employee stock options by 9,810,000	None	Note 28
2017/06	10	200,000,000	2,000,000,000	117,454,526	1,174,545,260	Convertible bonds converted to capital stock by 116,260 Recapitalization of employee stock options by 2,030,000	None	Note 29
2017/09	10	200,000,000	2,000,000,000	118,226,103	1,182,261,030	Convertible bonds converted to capital	None	Note 30

Year/ Month	Issue price	Increase in authorized capital		Paid-in		Remark		
		Quantity of shares	Amount	Quantity of shares	Amount	Source of capital share	Offset share capital via properties other than cash (Note 22)	Others
						stock by 6,220,770 Recapitalization of employee stock options by 1,495,000		
2017/12	10	200,000,000	2,000,000,000	127,809,971	1,278,099,710	Convertible bonds converted to capital stock by 95,638,680 Recapitalization of employee stock options by 200,000	None	Note 31
2018/03	10	200,000,000	2,000,000,000	128,450,721	1,284,507,210	Recapitalization of employee stock options by 6,407,500	None	Note 32
2018/07	10	200,000,000	2,000,000,000	128,990,971	1,289,909,710	Recapitalization of employee stock options by 540,250	None	Note 33
2018/10	10	200,000,000	2,000,000,000	129,072,471	1,290,724,710	Recapitalization of employee stock options by 815,000	None	Note 34
2019/01	10	200,000,000	2,000,000,000	179,082,471	1,790,824,710	Cash capital increase by 500,000,000 Recapitalization of employee stock options by 100,000	None	Note 35
2019/03	10	300,000,000	3,000,000,000	179,082,471	1,790,824,710	Increase in authorized capital	None	Note 36
2019/07	10	300,000,000	3,000,000,000	179,541,221	1,795,412,210	Recapitalization of employee stock options by 4,587,500	None	Note 37
2019/11	10	300,000,000	3,000,000,000	183,276,266	1,832,762,660	Convertible bonds converted to capital stock by 16,190,450 Recapitalization of employee stock options by 21,160,000	None	Note 38
2020/02	10	300,000,000	3,000,000,000	184,677,626	1,846,776,260	Convertible bonds converted to capital stock by 14,013,600	None	Note 39
2020/08	10	500,000,000	5,000,000,000	184,677,626	1,846,776,260	Increase the authorized capital as \$5,000,000,000	None	Note 40
2021/02	10	500,000,000	5,000,000,000	179,845,626	1,798,456,260	Capital reduction through cancelation of treasury stock by 48,320,000	None	Note 41
2021/10	10	500,000,000	5,000,000,000	187,750,771	1,877,507,710	Convertible bonds converted to capital stock by 79,051,450	None	Note 42
2022/01	10	500,000,000	5,000,000,000	232,545,686	2,325,456,860	Convertible bonds converted to capital stock by 447,949,150	None	Note 43
2022/04	10	500,000,000	5,000,000,000	239,796,739	2,397,967,390	Convertible bonds converted to capital stock by 72,510,530	None	Note 44
2022/08	10	500,000,000	5,000,000,000	239,848,461	2,398,484,610	Convertible bonds converted to capital stock by 517,220	None	Note 45
2022/09	10	500,000,000	5,000,000,000	221,348,259	2,213,482,590	Convertible bonds	None	Note

Year/ Month	Issue price	Increase in authorized capital		Paid-in		Remark		
		Quantity of shares	Amount	Quantity of shares	Amount	Source of capital share	Offset share capital via properties other than cash (Note 22)	Others
						converted to capital stock by 1,034,480 Capital decrease by NT\$186,036,500		46
2022/12	10	500,000,000	5,000,000,000	219,042,087	2,190,420,870	Capital reduction through cancelation of treasury stock by 2,306,172	None	Note 47
2023/05	10	500,000,000	5,000,000,000	219,057,960	2,190,579,600	Convertible bonds converted to capital stock by 158,730	None	Note 48
2023/10	10	500,000,000	5,000,000,000	279,057,960	2,790,579,600	Cash capital increase by 600,000,000	None	Note 49
2024/02	10	500,000,000	5,000,000,000	280,416,933	2,804,169,330	Convertible bonds converted to capital stock by 13,589,730	None	Note 50
2024/03	10	500,000,000	5,000,000,000	299,996,354	2,999,963,540	Convertible bonds converted to capital stock by 158,314,210 Recapitalization of employee stock options by 37,480,000	None	Note 51
2024/08	10	500,000,000	5,000,000,000	300,254,354	3,002,543,540	Recapitalization of employee stock options by 2,580,000	None	Note 52
2024/11	10	500,000,000	5,000,000,000	300,611,019	3,006,110,190	Convertible bonds converted to capital stock by 3,066,650 Recapitalization of employee stock options by 500,000	None	Note 53
2025/02	10	500,000,000	5,000,000,000	301,016,019	3,010,160,190	Recapitalization of employee stock options by 4,050,000	None	Note 54
2025/03	10	500,000,000	5,000,000,000	366,016,019	3,660,160,190	Cash capital increase by 650,000,000	None	Note 55

Note 1: Jiang-San-Zi No. 219978 dated December 11, 1979

Note 3: Jiang-San-Zi No. 158470 dated September 22, 1983

Note 5: Jing (76) Shang No. 27540 dated June 5, 1987

Note 7: Jing (79) Shang No. 117713 dated October 15, 1990

Note 9: (81) Tai-Tsai-Cheng (1) No. 02020 dated August 10, 1992

Note 11: (83) Tai-Tsai-Cheng (1) No. 30050 dated July 1, 1994

Note 13: (86) Tai-Tsai-Cheng (1) No. 04228 dated August 16, 1997

Note 15: Jin-Guan-Zhen-1-Zi No. 0940129367 dated September 12, 2005

Note 17: Jin-Shou-Shang-Zi No. 10001134430 dated July 1, 2011

Note 19: Jin-Shou-Shang-Zi No. 10101147440 dated July 19, 2012

Note 21: Jin-Shou-Shang-Zi No. 10201055030 dated March 27, 2013

Note 23: Jin-Shou-Shang-Zi No. 10301070390 dated April 17, 2014

Note 2: Jiang-San-Zi No. 122587 dated July 20, 1981

Note 4: (73) Shang No. 47612 dated December 6, 1984

Note 6: Jing (79) Shang No. 106824 dated April 17, 1990

Note 8: (80) Tai-Tsai-Cheng (1) No. 02421 dated August 24, 1991

Note 10: (82) Tai-Tsai-Cheng (1) No. 01197 dated May 26, 1993

Note 12: (84) Tai-Tsai-Cheng (1) No. 38361 dated June 30, 1995

Note 14: (87) Tai-Tsai-Cheng (1) No. 57673 dated July 8, 1998

Note 16: Jin-Shou-Shang-Zi No. 09701163170 dated July 14, 2008

Note 18: Jin-Shou-Shang-Zi No. 10001249430 dated October 31, 2011

Note 20: Jin-Shou-Shang-Zi No. 10201021410 dated January 31, 2013

Note 22: Jin-Shou-Shang-Zi No. 10201220180 dated October 31, 2013

Note 24: Jin-Shou-Shang-Zi No. 10301148900 dated July 30, 2014

Note 25: Jin-Shou-Shang-Zi No. 10301218360 dated October 23, 2014  
 Note 27: Jin-Shou-Shang-Zi No. 10501278170 dated December 05, 2016  
 Note 29: Jin-Shou-Shang-Zi No. 10601106210 dated August 04, 2017  
 Note 31: Jin-Shou-Shang-Zi No. 10701009840 dated January 31, 2018  
 Note 33: Jin-Shou-Shang-Zi No. 10701089500 dated July 16, 2018  
 Note 35: Jin-Shou-Shang-Zi No. 10701164880 dated January 07, 2019  
 Note 37: Jin-Shou-Shang-Zi No. 10801102330 dated July 23, 2019  
 Note 39: Jin-Shou-Shang-Zi No. 10901017210 dated February 11, 2020  
 Note 41: Jin-Shou-Shang-Zi No. 11001019620 dated February 20, 2021  
 Note 43: Jin-Shou-Shang-Zi No. 11101013630 dated January 22, 2022  
 Note 45: Jin-Shou-Shang-Zi No. 11101143340 dated August 18, 2022  
 Note 47: Jin-Shou-Shang-Zi No. 11101231610 dated December 06, 2022  
 Note 49: Jin-Shou-Shang-Zi No. 11230189740 dated October 20, 2023  
 Note 51: Jin-Shou-Shang-Zi No. 11330068510 dated May 08, 2024  
 Note 53: Jin-Shou-Shang-Zi No. 11330188490 dated November 04, 2024  
 Note 55: Jin-Shou-Shang-Zi No. 11430031880 dated March 19, 2025

Note 26: Jin-Shou-Shang-Zi No. 10401064410 dated April 16, 2015  
 Note 28: Jin-Shou-Shang-Zi No. 10501278170 dated May 05, 2017  
 Note 30: Jin-Shou-Shang-Zi No. 10601148820 dated October 30, 2017  
 Note 32: Jin-Shou-Shang-Zi No. 10701042750 dated April 19, 2018  
 Note 34: Jin-Shou-Shang-Zi No. 10701132640 dated October 23, 2018  
 Note 36: Jin-Shou-Shang-Zi No. 10801083670 dated July 15, 2019  
 Note 38: Jin-Shou-Shang-Zi No. 10801148290 dated November 05, 2019  
 Note 40: Jin-Shou-Shang-Zi No. 10901124870 dated August 06, 2020  
 Note 42: Jin-Shou-Shang-Zi No. 11001195640 dated October 26, 2021  
 Note 44: Jin-Shou-Shang-Zi No. 11101073070 dated April 29, 2022  
 Note 46: Jin-Shou-Shang-Zi No. 11101171150 dated September 21, 2022  
 Note 48: Jin-Shou-Shang-Zi No. 11230070150 dated May 01, 2023  
 Note 50: Jin-Shou-Shang-Zi No. 11330015350 dated February 05, 2024  
 Note 52: Jin-Shou-Shang-Zi No. 11330140130 dated August 30, 2024  
 Note 54: Jin-Shou-Shang-Zi No. 11430012430 dated February 13, 2025

If monetary claims or technology is offset against share payments, such information shall be specified, and the type and amount of such offset shall also be noted.

Unit: Shares

Share categories	Increase in authorized capital			Remark
	Shares outstanding	Unissued shares	Total	
Common shares	367,089,019	132,910,981	500,000,000	TWSE-listed stocks

Note: Please identify whether the stock is listed on TWSE or TPEx (if it is restricted from being traded on TWSE or TPEx, please specify it).

## (II) Name of major shareholder

March 23, 2025

Name of major shareholder	Shares	Shares held	Shareholding
U-BEST Innovative Technology Co., Ltd.		19,983,058	5.44%
He Rui Investment Ltd.		5,225,000	1.42%
Kao Jung-Te		4,970,000	1.35%
VOYAGE INVESTMENT LIMITED		4,803,017	1.31%
Shih Sheng-Chang		3,999,667	1.09%
SBL/PB investment account held in trust by Citibank		3,807,979	1.04%
Jing Hong Ltd.		2,618,180	0.71%
Yang, Wen-Ching		2,000,000	0.54%
Investment Account of Sanchong Investment Co., Ltd. in the Trust of Bank SinoPac		1,729,000	0.47%
JP Morgan Securities Investment Account in the Trust of JP Morgan Chase Bank		1,547,859	0.42%

(III) Dividend policy and implementation thereof

1. The dividend policy set forth under the Articles of Incorporation

Article 30: The industry which the Company is engaged in is highly competitive. In consideration of the capital expenditure needs and robust financial planning, the following dividend policy is adopted in order to secure the Company's sustainability:

1.1 The Company may allocate earnings or compensate losses at the end of each half of the fiscal year.

Shall there be earnings at the end of each half of the fiscal year, it is necessary to estimate and retain tax payable, cover any accumulated deficit pursuant to laws, estimate and retain the remuneration to employees, and set aside 10% thereof as the legal reserve, unless the legal reserve reaches the total paid-in capital of the Company. Meanwhile, the Company shall allocate or reverse special reserve pursuant to relevant laws or the competent authority's requirements. If there is a surplus, the balance and the accumulated undistributed surplus shall be allocated as shareholder bonus subject to the allocation plan proposed by the Board of Directors. Where the same shall be distributed in the form of issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution. Where the same is distributed in cash, the distribution shall be subject to a special resolution made by the Board of Directors.

1.2 The earnings generated after the annual settlement shall be used to pay all the taxes and offset against the accumulated losses from the previous years pursuant to laws, and 10% shall be set aside as the legal reserve, unless the legal reserve reaches the paid-in capital of the Company. Certain amount may be retained from the surplus, after allocation or reversal of special reserve pursuant to Article 41 of the Securities and Exchange Act, plus the undistributed earnings at the beginning of the period, subject to the overview of business and balanced dividend policy. Then, the surplus, if any, plus the accumulated undistributed surplus in the previous years may be allocated based on the earnings allocation plan proposed by the Board of Directors, per the resolution made by a shareholders' meeting.

According to Article 240 and Article 241 of the Company Act, the Company authorizes the Board of Directors to distribute the dividends and bonuses, or legal reserve and capital surplus, to be allocated, in whole or in part, in cash after a resolution has been adopted by a majority votes at a meeting of the Board of Directors attended by two-third of the total number

of directors, and report the distribution to the shareholders' meeting.

## 2 Conditions and timing for distribution of dividends:

In order to support the Company's long-term growth, the Company's dividend distribution policy aims to satisfy future business development. After taking into consideration the conditions, such as robust financial structure, maintenance of stable dividends, and protection of reasonable remuneration to shareholders comprehensively, the Board of Directors prepares the earnings allocation plan in accordance with the Articles of Incorporation. When it adopts the issuance of new shares, the distribution shall be subject to approval of a shareholders' meeting and also the competent authority.

### 3.1(semi-annual basis)

Distribution ratio of cash dividends and stock dividends: The Company's shareholder bonus is distributed in the form of stock dividends and cash dividends. In consideration of the balanced and stable dividend policy, the Company allocates 30% of the distributable earnings as the shareholder bonus on a semi-annual basis, provided that where the distributable earnings are less than 10% of the paid-in capital, no bonus may be distributed per resolution of the Board of Directors. The shareholder bonus may be distributed in the form of stock or in cash, provided that the cash dividend shall be no less than 10% of the total dividends.

### 3.2(annual basis)

Distribution ratio of cash dividends and stock dividends: The Company's shareholder bonus is distributed in the form of stock dividends and cash dividends. In consideration of the balanced and stable dividend policy, the Company allocates 30% of the distributable earnings as the shareholder bonus at the end of each fiscal year, provided that where the distributable earnings are less than 10% of the paid-in capital, no bonus may be distributed per resolution of the Board of Directors. The shareholder bonus may be distributed in the form of stock or in cash, provided that the cash dividend shall be no less than 10% of the total dividends. Notwithstanding, the Board of Directors, after taking into consideration the Company's business and capital expenditure needs, may adjust the distribution ratio of cash and stock dividends, and distribute the same in the form of the issuance of new shares based on the allocation plan prepared by it and as resolved by a shareholders' meeting.

The Company's net profit after tax, NT\$144,750,704, in 2023, plus/less the accumulated profit/loss adjustment, made the accumulated loss to be made up totaling NT\$145,869,066 at the end of the period. Therefore, the Company does not plan to distribute dividends.

## 2. Implementation

The dividend proposed to be distributed at the shareholders' meeting: Due to the accumulated losses at the end of the period, no dividend could be distributed in 2024.

(IV) The effects of bonus shares proposed at this shareholders' meeting on the Company's business performance and earnings per share: N/A.

(V) Remuneration to employees and directors:

### 1. Article 29-1 of the Articles of Incorporation:

Annual profits concluded by the Company, if any, shall be subject to employee remuneration of 1%~10%, and director remuneration of no more than 5%. However, profits must first be taken to offset against accumulated deficit, if any. The remuneration of employees may be paid in the form of stock or in cash. The recipients of the employee remuneration paid in the form of stock or in cash shall include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to determine the specific requirements. Said profit refers to the income before the pre-tax income less the remuneration to employees and directors for the current year. The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-third of the total number of directors, distribute the remuneration to employees and directors, and report the distribution to a shareholders' meeting.

2. The basis for estimating the amount of remuneration to employees and directors/supervisors, for calculating the number of shares to be distributed as the stock dividends for the remuneration to employees, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: Any variance shall be stated as the income of next year.
3. Distribution of remuneration approved by the Board of Directors: None.
4. Actual payment of employees'/directors'/supervisors' remuneration in the previous year: (including the number of shares to be distributed, amount and stock price) In the case of any differences between the distributed amount and that already recognized, the difference, cause and resolution thereof shall be stated: None.

(VI) Repurchase of the Company's shares

## Repurchase of the Company's shares

Frequency	1st time	the second time
Purpose	In order to encourage employees and strengthen the employees' team building, the shares were transferred to the employees.	To safeguard the Company's credit and shareholders' rights
Period	February 26, 2018~April 22, 2018	July 12, 2023~September 8, 2023
Price range	NT\$20~NT\$28 per share When the Company's stock price is less	NT\$14.5~NT\$25 per share When the Company's stock price is less

	than the minimum price, the Company will continue to repurchase the shares.	than the minimum price, the Company will continue to repurchase the shares.
Type and quantity of repurchased shares	4,832,000 shares	2,500,000 share
Amount of repurchased shares	NT\$105,327,741	NT\$39,636,060
Quantity of repurchased shares to the shares scheduled to be repurchased (%)	0%	100%
Quantity of cancelled and transferred shares	4,832,000 shares (Note 1)	2,306,172 shares (Note 2)
Accumulated quantity of the Company's shares held	0 share	0 share
Accumulated quantity of the Company's shares held to the total issued shares (%)	0%	0%

Note 1: Already applied for cancelation of 4,832,000 shares and completed the company registration on February 20, 2021.

Note 2: 2,500,000 treasury shares were recalled initially. Notwithstanding, due to the capital decrease for accumulated deficit, the treasury shares decreased by 193,828 shares and became 2,306,172 shares. The registration of cancelation was also completed on December 6, 2022.

## II. Issuance of Corporate Bond

### (I) Unredeemed corporate bonds:

#### **Issuance of Corporate Bond**

**March 31, 2025**

Type of corporate bond (Note 2)	Domestic 4th secured convertible corporate bonds (Note 5)	Domestic 4th secured convertible corporate bonds (Note 5)
Date of issuance (offering)	January 29, 2021	December 27, 2024
face value	NT\$100,000	NT\$100,000
Place of issue and trading (Note 3)	N/A	N/A
Issue price	Issued at 101% of the face value	Issued at full face value
Total Amount	NT\$400 million	NT\$400 million
Interest rate	Annual coupon rate 0%	Annual coupon rate 0%
Period	For the 5-year bonds, the maturity date: January 29, 2026	For the 3-year bonds, the maturity date: February 1, 2024
Guaranteeing Institution	Jih Sun International Bank	Jih Sun International Bank
Trustee	Taiwan Shin Kong Commercial Bank Co., Ltd., Trust Dept.	Taiwan Shin Kong Commercial Bank Co., Ltd., Trust Dept.
Underwriting Institution	Fubon Securities Co., Ltd.	Name: Yuanta Securities Co., Ltd.
Certified attorney	Handsome Attorneys-at-Law, Chiu Ya-Wen	Handsome Attorneys-at-Law, Chiu Ya-Wen
CPAs	KPMG Taiwan, Hsu Cheng-Long and Chen Hui-Yuan	KPMG Taiwan, Hsu Cheng-Long and Chen Hui-Yuan
Repayment Method	1. Term: 5 years. 2. Repayment method: Except in the	1. Term: 3 years. 2. Repayment method: Except in the

	<p>following circumstances, the convertible corporate bonds shall be repaid in cash in full at the face value when matured:</p> <p>(1) The bond holder applies for conversion into the Company's common stock (see Article 10 of the regulations governing issuance and conversion of corporate bonds for details).</p> <p>(2) The creditor exercises the put right (see Article 19 of the regulations governing issuance and conversion of corporate bonds for details).</p> <p>(3) The Company exercises the right of redemption (see Article 18 of the regulations governing issuance and conversion of corporate bonds for details).</p> <p>(4) The Company repurchases the bonds from the secondary market and cancels the same.</p>	<p>following circumstances, the convertible corporate bonds shall be repaid in cash in full at the face value when matured:</p> <p>(1) The bond holder applies for conversion into the Company's common stock (see Article 10 of the regulations governing issuance and conversion of corporate bonds for details).</p> <p>(2) The creditor exercises the put right (see Article 19 of the regulations governing issuance and conversion of corporate bonds for details).</p> <p>(3) The Company exercises the right of redemption (see Article 18 of the regulations governing issuance and conversion of corporate bonds for details).</p> <p>(4) The Company repurchases the bonds from the secondary market and cancels the same.</p>	
Outstanding principal	NT\$136,700 thousand	NT\$400,000 thousand	
terms of redemption or early repayment	Please refer to the regulations governing issuance and conversion of corporate bonds for details	Please refer to the regulations governing issuance and conversion of corporate bonds for details	
Restrictive Clauses	Please refer to the regulations governing issuance and conversion of corporate bonds for details	Please refer to the regulations governing issuance and conversion of corporate bonds for details	
Ratings agency, date of rating, and rating of corporate bonds	N/A	N/A	
Other rights	<p>Amount of common shares, global depository receipts, or other securities converted (exchanged or subscribed for) up to the date of publication of the annual report</p> <p>Regulations governing issuance and conversion of corporate (exchange or subscription) bonds</p>	<p>The converted common stock has amounted to NT\$359,000,000 until March 31, 2024.</p> <p>Per the “regulations governing issuance and conversion of domestic 4th secured convertible corporate bonds” adopted by the Company.</p>	<p>The converted common stock has amounted to NT\$0 until March 31, 2025.</p> <p>Per the “regulations governing issuance and conversion of domestic 5th secured convertible corporate bonds” adopted by the Company.</p>
Impact on possible dilution of equity and the existing shareholders' equity due to the regulations governing issuance and conversion, exchange or description, and terms of issuance	<p>Possible dilution of equity and impact on the existing shareholders' equity due to the regulations governing issuance and conversion of corporate bonds, terms of exchange or subscription, and terms of issuance: The corporate bonds issued by the Company and remaining outstanding refer to the domestic 4th secured convertible corporate bonds. The balance which has not been converted by March 31, 2025 is NT\$134,000 thousand. The latest conversion price is NT\$14.7. Assuming that all of the creditors of the convertible corporate bonds convert the bonds at the conversion price, the corporate bonds may be converted to the Company's common stock, totaling</p>	<p>Possible dilution of equity and impact on the existing shareholders' equity due to the regulations governing issuance and conversion of corporate bonds, terms of exchange or subscription, and terms of issuance: The corporate bonds issued by the Company and remaining outstanding refer to the domestic 4th secured convertible corporate bonds. The balance which has not been converted by March 31, 2025 is NT\$134,000 thousand. The latest conversion price is NT\$14.7. Assuming that all of the creditors of the convertible corporate bonds convert the bonds at the conversion price, the corporate bonds may be converted to the Company's common stock, totaling 22,988,505 shares</p>	

	9,116,887 shares (NT\$134,000,000/NT\$14.7). The 366,763,019 shares already issued by the Company and remaining outstanding so far, plus the number of convertible shares produce minor dilution effects and, therefore, render no material impact on the shareholders' equity.	(NT\$134,000,000/NT\$14.7). The 366,763,019 shares already issued by the Company and remaining outstanding so far, plus the number of convertible shares produce minor dilution effects and, therefore, render no material impact on the shareholders' equity.
Custodian of exchanged assets	None	None

Note 1: The corporate bonds include those under public offering and private placement. The corporate bonds under public offering mean those validated (approved) by the Commission. The corporate bonds under private placement mean those resolved and approved by the Board of Directors.

Note 2: The number of spaces is adjustable subject to the frequency of the offering/placement.

Note 3: To be specified, in the case of overseas corporate bonds.

Note 4: For example, restricting release of cash dividends or external investment, or request for maintenance of specific proportion of assets, et al.

Note 5: The private placement, if any, shall be identified in a prominent manner.

Note 6: In the case of convertible corporate bond, exchangeable corporate bonds, corporate bonds issued under shelf registration or corporate bonds with warrants, it is necessary to further disclose the information about convertible corporate bonds, exchangeable corporate bonds, corporate bonds issued under shelf registration and corporate bonds with warrants by nature in a column format.

(II) Issued convertible corporate bonds which are convertible to shares, global depository receipts or any other securities: None

### **Information about convertible corporate bonds**

Type of corporate bond		Domestic 4th secured convertible corporate bonds		Domestic 5th unsecured convertible corporate bonds	
Item	Year	2024	Until April 15, 2023	2024	Until April 15, 2023
Market price of convertible corporate bonds	Highest shareholding in the interim or contribution status	189.00	135.00	105.50	125.50
	Minimum	106.90	108.80	102.80	104.15
	Average	145.08	125.65	103.93	111.16
Conversion price		NT\$15.0	NT\$14.7	NT\$17.8	NT\$17.4
Date of issuance (offering) and conversion price prevailing at the time of issuance		The conversion price was NT\$14.9 at the time of issuance on January 29, 2021.		The conversion price was NT\$17.8 at the time of issuance on December 27, 2024.	
Approach to perform the obligation of conversion		Delivery of newly issued common stock		Delivery of newly issued common stock	

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depository Receipts: None.

V. Issuance of Employee Stock Warrants:

(I) The Company's employee stock warrants which have not yet expired:

**Issuance of Employee Stock Warrants**

March 31, 2024

Type of Employee Stock Warrants	2nd Employee Stock Warrants
Effective date of reporting	August 21, 2020
Date of issuance (offering) (Note 4)	October 13, 2020
Number of issued units	9,000 units
Number of issued subscribable shares to the total number of issued shares (%)	4.87336%
Duration of subscription	4.5 years
Performance method (Note 3)	Delivered in the form of issuance of the Company's new shares.
Restrictive subscription period and ratio (%)	Upon expiration of two years: 50% Upon expiration of three years: 75% Upon expiration of four years: 100%
Number of shares acquired upon execution	5,693,000 share
Amount of subscription executed	NT\$66,038,800
Quantity of subscription not executed	2,257,500 share
Subscription price per share for those having not yet executed the subscription.	NT\$11.6
Number of quantity of subscription not executed to the total number of issued shares (%)	0.6150%
Impact to the shareholders' equity	No significant dilution impact has been posed to the original common stock shareholders' equity.

Note 1: The employee stock warrants include those under public offering and private placement. The employee stock warrants under public offering mean those validated by the Commission. The employee stock warrants under private placement mean those resolved and approved by the Board of Directors.

Note 2: The number of spaces is adjustable subject to the frequency of the offering/placement.

Note 3: Please specify the issued shares or new shares already delivered.

Note 4: Please specify the different date of issuance (offering) separately, if any.

Note 5: The private placement, if any, shall be identified in a prominent manner.

(II) Names of managers who have obtained employee stock warrants and the top ten employees with the most employee stock warrants up to the publication date of this annual report as well as their acquisition and subscription:

	Job Title (Note 1)	Name	Number of acquired shares	Number of acquired shares to the total number of issued shares (%)	Executed (Note 2)				Not executed (Note 2)			
					Acquired shares	Subscription price	Subscription amount (NT\$ thousand)	Acquired shares to the total number of issued shares (%)	Acquired shares	Subscription price	Subscription amount (NT\$ thousand)	Acquired shares to the total number of issued shares (%)
Manager	President	Chang Yu-Ming	254,000	0.0691%	0	0	0	0%	254,000	11.6	2,946	0.0691%
	Vice President	Sung Yu-Hao										
	Assistant Vice President	Kuo Yu-Cheng										
Number of employees	Special Assistant	Wu Chien-Ming	7,756,000	2.5853%	4,960,000	11.6	57,536	1.35117%	2,796,000	11.6	52,096	0.7617%
	Deputy Manager	Chang Shuo-Wen										
	Deputy Manager	Chang Hui-Feng										
	Deputy Manager	Chang Yue-Hua										
	Deputy Manager	Tseng Kuan-Chun										
	Manager	Chu Li-Chuan										
	Assistant	Chao Tsai-Wei										
	Assistant	Chi Wan-Yu										
	Assistant	Hsiao Chun-Fan										
	Vice Section Head	Chang Yu-Hsiang										

Note 1: Including managers and employees (resigned or death to be specified) whose names and job titles should be disclosed, with disclosure of the shares allotted to or subscribed for by them in aggregate amount.

Note 2: The number of spaces is adjustable subject to the frequency of the offering.

Note 3: The top ten employees acquiring the employee stock warrants mean the employees other than managers.

Note 4: The total issued shares refer to the number of shares listed by Ministry of Economic Affairs upon change of the registered information.

Note 5: Please disclose the subscription price of the executed employee stock option at the time of execution.

Note 6: Please disclose the subscription price of the employee stock option which has not yet been executed as calculated and adjusted per the regulations governing issuance.

## VI. Issuance of Restricted Stock Awards (RSA)

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

## VIII. Implementation of Capital Utilization Plan

### (I) Contents of the Plan:

Securities issued by the Company previously or in private placement have not yet been

completed, or plan which has been completed within three years but has not yet yielded substantive effects: None.

(II) Status:

If the progress or benefits of such implementation were not as good as expected, the annual report shall explain specifically the cause and impact posed to shareholders' equity, and put forward a corrective action plan: None.

# Four. Overview of Operation

## I. Business management

### (I) Business Activities

#### 1. Business scope

(1) The Company primarily engages in the following business activities:

- ① Real estate development and construction
- ② PU synthetic resin and polyurethane resin
- ③ Processing, manufacturing, trading and import & export trade of PU synthetic leather, leather synthetic leather and non-woven synthetic leather
- ④ Trading of PU raw materials, such as resin, etc.
- ⑤ Health Food

(2) Business ratio - 2023

Main product	Business ratio (%)
A Polyurethane resin	
B Real estate income	29.31
C PU synthetic leather	18.63
D Healthy Food	16.56
E Others	6.89

(3) Current products (services)

Main products (commodities)	Type of affairs
Real estate development and construction	1. Land investment, development and transaction 2. Building investment, design, construction and transaction
Resin	1. Various polymer chemical engineering raw materials, such as polyurethane resin
PU synthetic leather	1. Plastic leather manufacturing and transaction
Health Food	Retail Sale of Health Food

(4) New commodities planned to be developed

In response to environmental protection issues, the Company reduced the existing PU surface, resin for bottom materials, and high-solid contents solvent by more than 85%, applied to the development of DMF/DMAC-free eco-friendly materials and solvent-free moisture-reactive PUR and TPU products.

Since the Company obtained the technology for the flexible Organic Light Emitting Diode (OLED) display transferred from the ITRI in 2017, it has invested in R&D talents and equipment for high-hardness and wear-resistant material formula proactively. Meanwhile, with the strong assistance from the ITRI, it has successfully worked with two domestic well-known technology companies on the "Plan for integration and development of ultra-thin multi-functional upper board applied to foldable AMOLED" successfully.

## 2. Overview of industry

### (1) Status and development of the industry

#### ① Real estate development and construction

The house building industry provides funds and land and entrusts construction contractors to build residential or office buildings, and then sell or lease the same to the general public, consumers or companies upon completion of the construction project. Considering that in the process of a construction project, the construction contractor needs to invest considerable manpower, funds and supplies and also takes a long time to complete the project, and the project might involve multiple upstream and downstream industries, such as construction subcontractors, construction materials, land agent, hydropower engineering, architects, financial institutions and related real estate services, etc., the house building industry refers to a comprehensive manufacturing industry generally, and also a people's livelihood service industry in nature.

In 2024, Taiwan's housing market will be facing both opportunities and challenges due to multiple factors:

#### A Economic environment and policy impact:

(A) The interest rate increase has curbed the demand for housing purchase: In order to suppress inflation, the Central Bank continues to increase interest rates, resulting in a decrease in the mortgage loans for housing purchase.

This increase is particularly the case for first-time home buyers and young families, as they are facing increased pressure to buy homes.

(B) The government continues to tighten real estate regulations, including increasing the number of houses.

The tax and tightening of loans have curbed the speculative demand, but also affected part of the demand for self-occupation.

#### B Residential market dynamics:

(A) The housing prices are high and stable: Due to the decrease in demand for housing purchase, some housing prices in hot areas have been slightly revised downward, especially for middle and high-priced housing in Taipei City and New Taipei City, with an average price decline of about 3%. However, the supply and demand structure is still tight, and housing prices are still high overall.

(B) The demand for small houses and first-time buyers is increasing: Due to the dual pressure of high housing prices and high interest rates, the demand for small-sized objects and functional housing is increasing, especially in areas where the transportation is convenient and the living functions are well-rounded.

#### C Emerging Trends and Future Prospects

(A) Green building and energy-saving housing: As the focus of sustainability issues has become the green building demand in the market has increased significantly. Many developers

have launched low energy-consumption housing, and integrated smart home technology to attract buyers who value environmental protection.

(B) Urban renewal and reconstruction trend: Under the promotion of the government's urban renewal policy, more old public housing has entered the stage of reconstruction, to increase the housing prices in the area and create new opportunities for home purchase.

Overall, the housing market in Taiwan in 2024 is expected to be stable and changeable due to the dual effects of policy control and market demand. In the future, the government needs to further refine its policies, accelerate the supply of affordable housing, and guide the market towards a stable direction. Home buyers should rational assess their own needs and financial capabilities, and choose suitable times to buy homes.

#### Status of projects launched throughout the nation

Territory	Year	Number of cases	Total number of marketable houses (families)	Selling rate (%)	Estimated total sales (NT\$ hundred million)	Rate of new building construction (%)	Rate of pre-sale construction (%)	Areas occupied by main building (pings)	Total price of main building (NT\$ one thousand)	Unit price of main building (NT\$ one thousand)
Nation-wide	Q4 of 2024	246	21,996	11	4,698	83	57	33	2,153	63
	Q4 of 2023	201	20,799	15	3,981	80	58	33	1,831	55
	Q4 of 2022	233	25,857	9	4,688	88	63	34	1,777	52
	Q4 of 2021	246	20,973	17	3,787	81	70	36	1,868	48
	Q4 of 2020	295	23,609	14.12	3,248	78	70	34	1,325	38
Taipei City	Q4 of 2024	27	1,765	11	786	100	70	35	4,871	137
	Q4 of 2023	31	1,514	8	735	100	74	32	4,803	141
	Q4 of 2022	29	1,236	10	635	100	76	38	4,905	123
	Q4 of 2021	33	1,453	16	771	100	76	45	5,553	118
	Q4 of 2020	37	1,243	12.54	556	100	78	38	4,334	103
New Taipei City	Q4 of 2024	47	5,723	8	1,027	94	45	28	1,792	61
	Q4 of 2023	38	4,642	16	824	95	47	29	1,684	59
	Q4 of 2022	46	6,699	7	1,265	98	76	28	1,813	62
	Q4 of 2021	50	4,354	16	933	100	76	40	2,315	58
	Q4 of 2020	67	5,149	12	755	99	76	30	1,380	47
Taoyuan City	Q4 of 2024	29	2,920	10	528	86	72	32	1,722	53
	Q4 of 2023	26	3,328	13	458	77	69	29	1,257	43
	Q4 of 2022	31	2,818	6	389	87	45	37	1,462	39
	Q4 of 2021	37	6,669	16	780	97	86	31	1,181	38
	Q4 of 2020	63	4,414	11	1,211	94	77	35	1,028	29
Taichung City	Q4 of 2024	47	4,518	10	1,180	87	81	38	2,624	63
	Q4 of 2023	41	6,023	13	1,124	80	83	36	1,769	48
	Q4 of 2022	40	6,583	8	1,089	90	88	36	1,642	45
	Q4 of 2021	27	3,570	18	645	93	100	42	1,899	42
	Q4 of 2020	36	5,039	13	528	75	89	34	1,195	35
Tainan City	Q4 of 2024	48	2,386	19	334	58	35	30	1,216	40
	Q4 of 2023	30	811	23	97	53	30	30	982	33
	Q4 of 2022	33	3,284	16	504	70	55	32	1,449	43
	Q4 of 2021	42	1,720	16	190	52	36	30	886	29
	Q4 of 2020	41	2,524	13	211	49	61	32	739	23
Kaohsiung City	Q4 of 2024	26	3,751	14	599	77	19	34	1,567	46
	Q4 of 2023	23	3,752	22	555	70	30	37	1,458	40
	Q4 of 2022	29	4,066	6	562	83	10	36	1,359	37
	Q4 of 2021	23	2,283	19	303	61	26	35	1,279	36
	Q4 of 2020	51	5,240	16.96	662	63	39	36	1,051	27

Source of Data: Cathay Real Estate Index; December 31, 2024

Changes in the price/volume throughout the nation

Nation-wide	2024			
	Q1	Q2	Q3	Q4
Possible transaction price (NT\$ ten thousand/ping)	49.70	53.03	56.81	57.46
Bargaining space (%)	6.52	6.83	6.87	7.04
Bid price (NT\$ ten thousand/ping)	53.17	56.92	61.01	61.81
Amount of construction projects (NT\$ hundred million)	2,739	5,575	5,682	4,698
Sales rate for 30 days (%)	16.90	22.12	18.86	11.07
Trade Volume Index for 30 days	--	--	--	--
Price and volume trend	Rising values decrease in volume	Rising values increase in volume	Rising values increase in volume	Rising values decrease in volume

Source of Data: Cathay Real Estate and Center for Real Estate Research, College of Social Sciences, National Chengchi University

## ② Synthetic resin industry

Synthetic resin forms a part of the petrochemical industry and always contributes to the economic growth in Taiwan remarkably. It is one of the important basic industries rendering a wide range of influence. Countries around the world have invested considerable funds and manpower to facilitate its development and make it become the national main industry.

In Taiwan, synthetic resin is primarily provided to the downstream industries, such as adhesives, paint pigments, plastic processing, FRP and synthetic leather. Taiwan is famous as the kingdom of plastics. The plastics industry drives the booming development of the synthetic resin industry domestically. Meanwhile, synthetic resin raw materials come from the upstream industry, namely petrochemical industry. Taiwan's petrochemical industry owns the complete system. Besides, upon completion of mass production of Formosa Plastics Corp's (FPC) sixth naphtha cracker complex, the source of petrochemical raw materials from the upstream industry became more stable.

As synthetic resin is widely applied to various products about people's livelihood and industry, and used by multiple sectors, such as electronics, electric machinery, construction, automobiles, textiles, dyeing and finishing, plastics, rubber, footwear, furniture, adhesive tapes, paints, leather and Ink, etc., which are all downstream industries. Therefore, it is not likely to be affected as a result of any changes in one single sector only. The following table refers to a statistical chart about production and marketing price and volume of synthetic resin in Taiwan in the last five years. The table shows that though the production and sales volume of synthetic resin might fluctuate due to the financial crisis, the industry always maintains the specific production volume.

Statistics about synthetic resin production and sales volume trend

Year	Production				Sale			
	Volume	Growth rate	Production value	Value growth rate	Volume	Growth rate	Sales value	Value growth rate
	(tonne)	(%)	(NT\$ million)	(%)	(tonne)	(%)	(NT\$ million)	(%)
2020	2,591,075	(2.38)	131,398	(7.39)	2,393,903	(2.00)	119,779	(6.83)
2021	2,757,257	6.41	198,424	51.01	2,472,242	3.27	175,025	46.12
2022	2,432,387	(11.78)	169,757	(14.45)	2,244,879	(9.20)	153,879	(12.08)
2023	2,162,381	(11.10)	121,931	(28.17)	1,958,023	(12.78)	109,742	(28.68)
2024	1,532,960	(29.11)	93,975	(22.93)	1,442,091	(26.35)	87,695	(20.09)

Source of Data: Department of Statistics, MOEA

Note: 1. The synthetic resin in said table includes ABS resin, unsaturated resin, epoxy resin, PU resin and other resins.

2. The growth rate of the same period is calculated by converting the base period of last year into the same period.

(2) Macroeconomy and industrial development trend & product competition:

① Real estate development and construction

The COVID-19 epidemic became sluggish and the lockout policy was lifted successively in the world in 2024. Notwithstanding, the global inflation became serious increasingly due to the QE policy adopted by the USA. Besides, the outbreak of Russia-Ukraine War caused the global economic environment to be in a state of turmoil. Domestically, the economy was affected by the global economic condition. Meanwhile, the government continued and enhanced its real estate speculation policy. In 2H of 2024, the effect produced by suppression of the real estate transactions began to spread increasingly. Therefore, investors in the real estate market will tend to sit on the fence in 2024 and, therefore, the transaction volume will decline significantly. In general, as the transaction price is fluctuating and transaction volume is decreasing, the real estate market might tend to cool down this year.

The unstable political and economic situation in 2023 continued in 2024. Although daily life in many countries has almost returned to its pre-pandemic state and consumption of all kinds has gradually rebounded, the international situation has not eased and new conflicts continue to break out. As a result, the global raw material price continued to rise and the economic recovery was slow. The government in Taiwan continued to strengthen the anti-stipulation policy in the house market, promulgated the amendment to the Equalization of Land Rights Act, and restricted real estate financing. In 2024, there was a strong wait-and-see atmosphere in the real estate, and the transaction volume fell significantly. After the election in early 2024, the political situation in Taiwan becomes stabilized. The United States will not raise the interest rate to stimulate the economy and lead the global trend of interest rate cuts. It is expected that the domestic real estate will recover slightly with a rise in 2024 from 2024, but the original unfavorable factors still exist and we should not be too optimistic.

② Synthetic resin industry

The Company has engaged in the business of PU resin for many years, and generated the plentiful and professional experience in manufacturing and service of PU resin; therefore, it already built the mutual relationship of co-prosperity and coexistence with the downstream customers. Given the persisting fluctuation in the price of petrochemical raw materials and increasingly stricter environmental protection laws and regulations, any changes in the competitive environment, regulatory environment and overall business environment and market trends might be challenging, but the Company believes that the latest intelligence and information may be detected through the interaction with customers or via various channels and, therefore, it may adopt appropriate responsive strategies to overcome the challenge.

(3) Future market supply and demand

① Real estate development and construction

A Status in supply

The number of building permits refers to a leading indicator for house building activities. Any changes thereof are sufficient to reflect the future development trend of the domestic construction industry and status in supply of the housing.

Table showing the building permits already issued in the Territories of Taiwan for the most recent five years

Unit: pcs; thousand square meters

Year	Issuance of building permit	
	Number of cases	Occupied area
2020	25,980	41,521
2021	26,089	43,426
2022	23,257	45,827
2023	17,627	35,617
2024	19,523	39,943

Source of Data: Construction and Planning, Ministry of the Interior

- (I) Number of issued permits: In the latest five years, the number of occupation permits issued in 2019 has attained the highest and then declined progressively. A total of 19,523 occupation permits have been issued in the current period, an increase by 10.76% from the same period in 2020.
- (II) Floor area: The total floor areas increased by 12.15% from the same period in 2020.

Construction projects launched per quarter in 2022 and 2023

Year Item	2023					2024				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Number of cases (cases)	204	243	218	201	<b>866</b>	169	264	245	246	<b>924</b>
Total number of marketable houses (families)	16,349	22,716	18,700	20,799	<b>78,564</b>	14,917	27,645	25,068	21,996	<b>89,626</b>
Total expected sales (NT\$ Hundred Million)	2,669	4,143	3,467	3,981	<b>14,260</b>	2,739	5,575	5,682	4,698	<b>18,694</b>

Source of Data: Cathay Real Estate Index Press Release of 2023 and 2024 (Cathay Real Estate/Center for Real Estate Research, College of Social Sciences, National Chengchi University)

Looking back on the whole year, the implementation of Youth Safe Home Loan in 2024 has led to an overall increase in housing prices and volume.

The government enhanced its real estate speculation policy and thereby caused the entire sales rate to decline. Given the increasing development costs, the profit margin available to the construction companies was limited and, therefore, the entire transaction performance was affected. Therefore, the real estate market is expected to develop conservatively in 2025 due to the negative interactions of unfavorable factors.

## B Demand

Generally, people purchase houses for two purposes, namely self-occupation and investment. Among the other things, the purchase of houses for self-occupation results from the increase in population, while that for change of houses or new houses is subject to the total population and the total number of households. The investment-type house purchase demand may be further subdivided into two categories. In the first category, the real estate is considered as the investment tool, and when there is room for profit, purchasers will proceed to buy the houses as the mid-term investment portfolio to earn rental or value-added revenue. The second category refers to the speculative demand, only arising from the short-term ownership during the real estate boom and subject to the national income and market interest rate.

The number of households and population in Taiwan in the last five years

Year	Number of households	Number of population
2020	8,933,814	23,561,236
2021	9,006,580	23,375,314
2022	9,089,450	23,264,640
2023	9,240,823	23,420,442
2024	9,487,480	23,400,200

Source of Data: Department of Household Registration, Ministry of the Interior

According to the latest forecast released by the Directorate General of Budget, Accounting and Statistics (DGBAS) of Executive Yuan, DGBAS modified the 2024 economic growth rate as 4.59%; among the top 30 GDP leading countries in the world, Taiwan was in 21st place for the scale of

economy. Meanwhile, DGBAS also adjusted the 2023 economic growth rate downward as 2.16%, an increase by 0.81% from the forecast value, 3.83%, in November last year.

Important Economic Indicator Table

Year	Real GDP (NT\$ Million)	Economic Growth Rate	Average GDP per person		Average GNP per person	
			Yoy (%)	NT\$	US\$	NT\$
2019	18,898,571	3.03	801,037	25,909	820,143	26,528
2020	19,774,477	3.11	838,541	28,383	722,873	24,471
2021	21,738,982	6.53	926,314	33,059	801,377	28,600
2022	22,706,489	4.69	972,550	32,625	1,002,341	33,624
2023	23,327,639	3.84	1,007,936	32,327	1,037,999	33,299
2024	25,549,820	4.59	1,091,374	33,983	1,130,042	35,188

Source of Data: DGBAS, Statistical Information Network of the Republic of China;

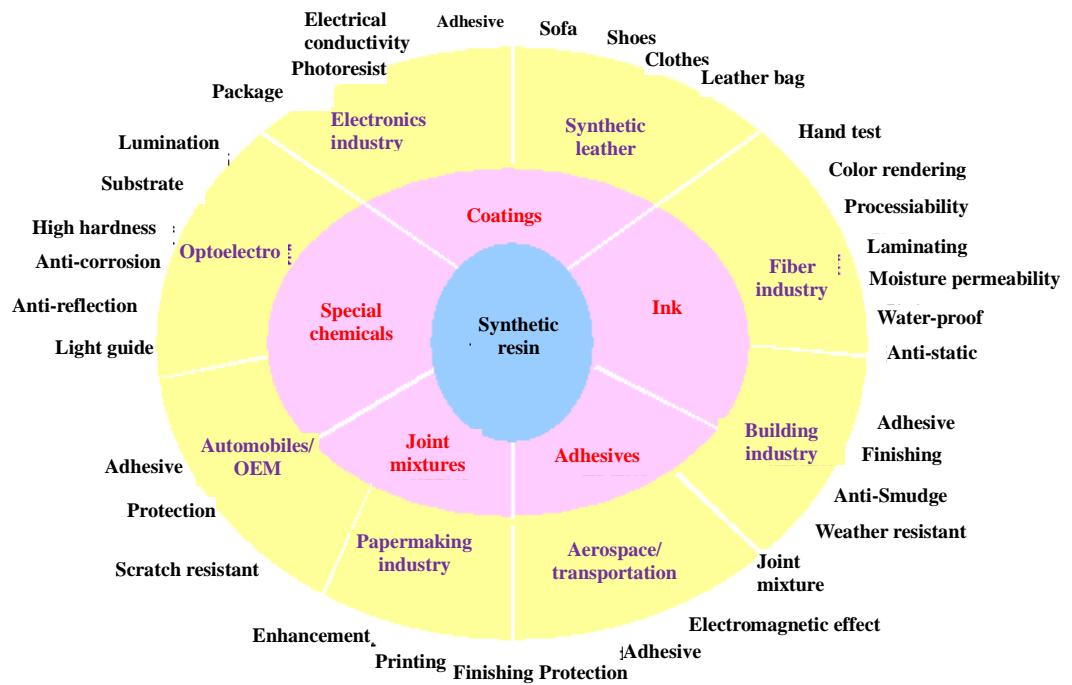
Note: yoy (year on year) is compared with the previous year directly.

## ② Synthetic resin industry

Synthetic resin refers to a type of high molecular polymer synthesized by manual. One of its most important applications is manufacturing of plastics. For convenient processing and improvement of performance, it is often added with additives, and sometimes directly applied to the processing and forming. Synthetic resin is also the basic raw material for manufacturing of synthetic fibers, coatings, adhesives and insulating materials, etc..

The raw materials of the synthetic resin industry fall within the downstream business of the petrochemical industry. It may be applied in multiple manners in the downstream business. As shown in the following chart, it can be applied for five major purposes including coatings, inks, adhesives, joint mixtures and special chemicals. Meanwhile, in consideration of the multiple physical properties and functions upon adjustment of the formula, it can be extensively applied to electronics, synthetic leather, fiber, architecture, aerospace & transportation, papermaking, automobile and optoelectronic information, etc.. Its development is critical to a nation's overall economic development profoundly.

Synthetic resin industry and application chart

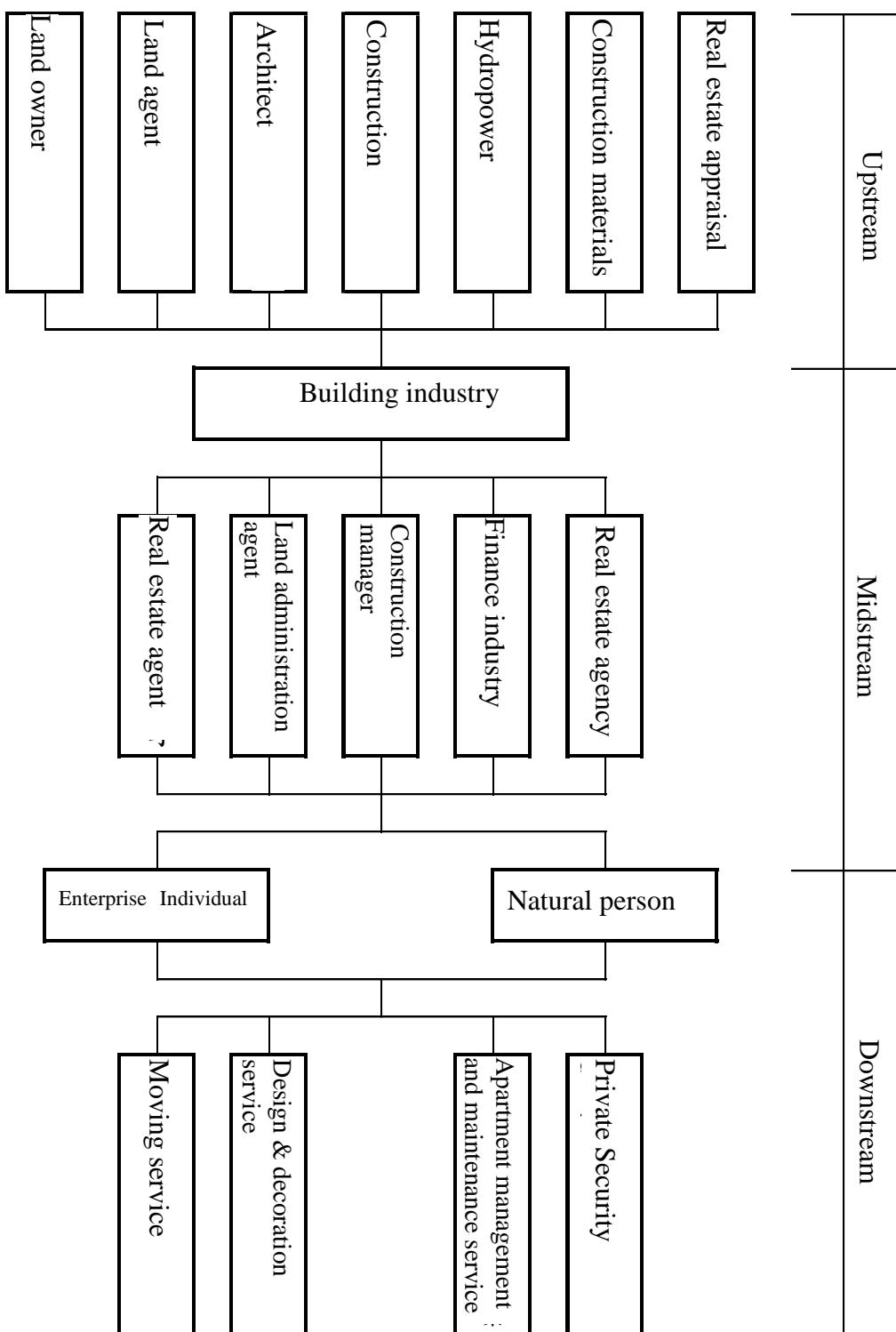


Source of Data: ITRI IEK

(4) Correlation of the upstream, midstream and downstream segments of the industry:

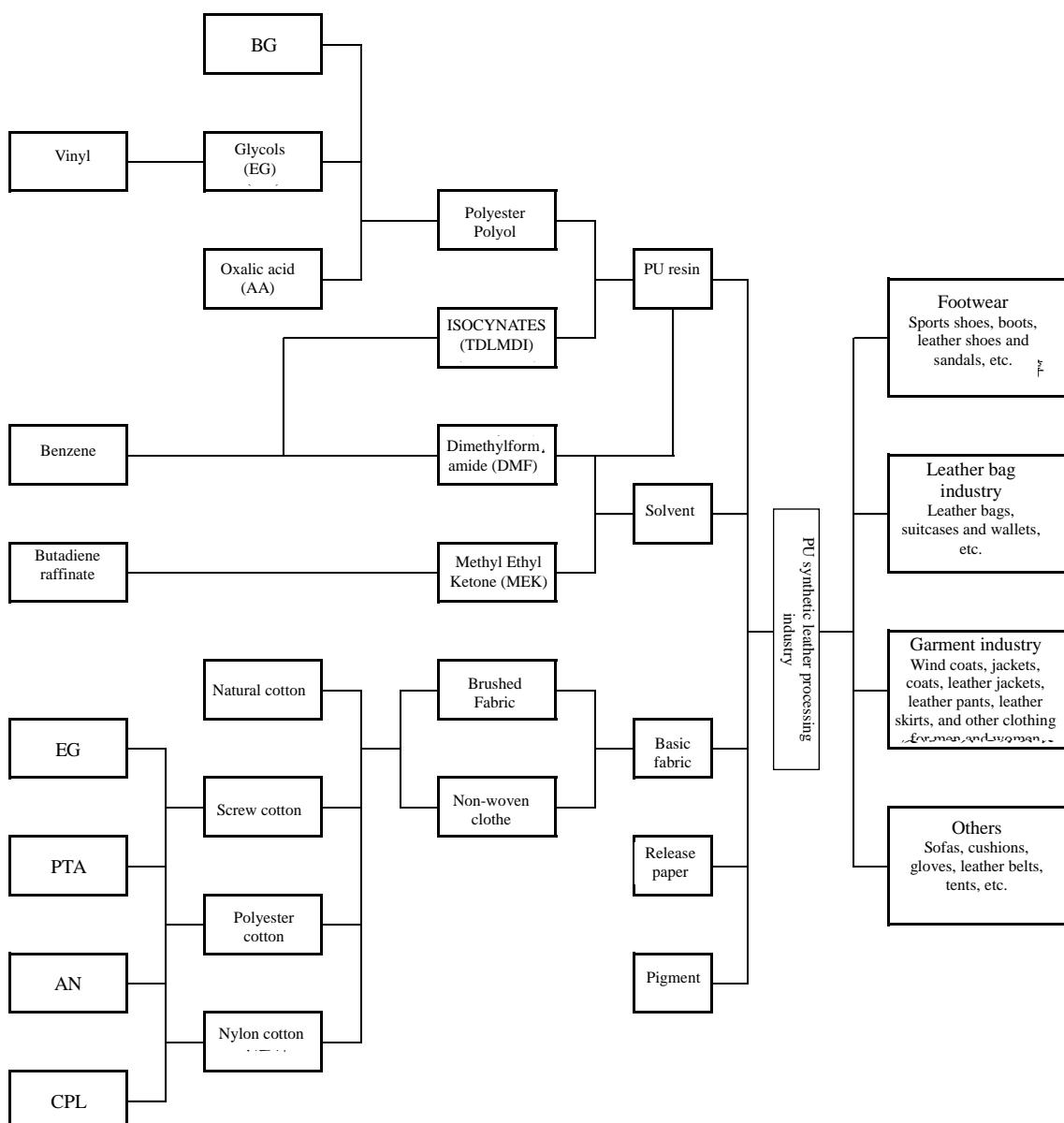
- ① Real estate development and construction

The production and marketing process of real estate investment, development and construction are critical to multiple industries, such as construction, construction materials, utilities, advertising, finance, land agency, decoration, and apartment management and maintenance. The construction industry plays the role dedicated to coordination and integration, complementing and interdependent with its upstream and downstream businesses.



② Synthetic resin industry

Synthetic resin products fall within the plastic raw material manufacturing industry. The upstream dealer is engaged in refining petroleum, processing of natural gas, and chemical raw materials. The chart showing correlation of the upstream, midstream and downstream segments is stated as follows:



### 3. Overview of technology and R&D

#### (1) Technical level of the business

The Company purchased a nano-grinding machine in 2011 in order to improve the nano production process from 200~300 nanometer to 20 nanometer, so as to enable the organic substances to refrain from absorbing light and get high spectral transmittance to replace some of the glass products initially applied or enhance acrylic spectral transmittance. The Company holds the core technology in synthesization, preparation of formulation, analysis and testing. In the case of OEM, customers provide product problems and then the R&D personnel improve the problems to improve the quality, in order to work with customers in the development. For the products other than OEM, the Company engages in the R&D independently in reference to foreign concepts. The Company adopts the niche product strategy in its research and development, in order to increase profit, competitiveness and customers' dependence on the Company. For example, with respect to the resin products, the PU resin applied by the Company to waterproof and

moisture-permeable fabrics may satisfy the downstream processing factories' needs. The Company engages in research and development in response to the downstream manufacturers' needs. Meanwhile, the Company also focuses on development of technology to satisfy the high functional demand. The Company has obtained the invention patent entitled "polymer composite materials and its synthesis method." The pending patent application is entitled "organic-inorganic composite materials and its synthesis method."

(2) Overview of product R&D

The Company and its subsidiaries engage in research and development in response to the downstream manufacturers' needs. Meanwhile, the Company also focuses on development of technology to satisfy the high functional demand. The Company has obtained the invention patent entitled "polymer composite materials and its synthesis method." The pending patent application is entitled "organic-inorganic composite materials and its synthesis method." Meanwhile, the Company's construction business only engages in construction and sale of houses on a commission basis. Therefore, there is no need for research of technology.

(3) Personnel involved in research & development and their educational background and work experience

Educational background	Number of employees	Proportion %
Graduate institute (and above)	40	8.61%
College	294	63.52%
(Vocational) senior high school or below	129	27.87%
Total	463	100.00%

(4) R&D expenses invested each year for the most recent five years:

Unit: NT\$ Thousand

Year	R&D expenses	Operating revenue, net	To operating revenue, net (%)
2020	17,693	1,236,441	1.43
2021	17,553	1,035,758	1.69
2022	15,428	2,331,605	0.66
2023	19,392	845,937	2.29
2024	21,025	1491,234	1.41

(5) Technology or product developed successfully in the most recent five years

Time	R&D results	Remarks
2020	1. Yellow-resistant fabrics & base materials, flex-resistant 2. Basketball skin astringency treatment agents	Develop the products that satisfy customers' needs in response to the seasonal fashion
2021	1. Yellow-resistant and moisture-permeable film resin development 2. PC base materials for tent 3. Water-based wear-resistant resin 4. Houndstooth and linen denim sofa leather development 5. Development of PMMA products for furniture	Develop the products that satisfy customers' needs in response to the seasonal fashion
2022	1. Hydrophilic water treatment agents 2. Warp-resistant and wear-resistant fabrics	Develop the products that satisfy customers'

Time	R&D results	Remarks
	for automobiles	needs in response to the seasonal fashion
2023	1. Biomass-based wet resin 2. Water-based astringency treatment agents	Develop the products that satisfy customers' needs in response to the seasonal fashion
2024	1. Bright/Dark Resin for Pollution Prevention 2. Bio-based FPC	Develop the products that satisfy customers' needs in response to the seasonal fashion

4. Long-term/short-term business development plan

① Real estate development and construction

A Implementation of building brand system

Given the nationals' improving living standards, home buyers' quality requirements toward building exterior design, interior layout, construction materials & equipment and public facilities are higher and higher. Besides, in the recent years, natural disasters have urged consumers to value the home safety more and more. Therefore, in order to meet consumers' needs, the building industry particularly values safety, comfort, convenience and after-sale service when planning products, in order to build the brand awareness in the consumers' mind. In order to provide the home buyers with the access for selection of excellent builders as the reference for purchase of houses, the Construction and Planning Agency, Ministry of the Interior drafts and promote the "Building Investors' Identification Logo" and "Regulations Governing Selection and Incentives of Excellent Building Investors" proactively. Therefore, in the future, the building industry will value its self-requirement toward building quality and establishment of brand increasingly. Meanwhile, the Company's sustainability depends on the quality characteristics and goodwill & image.

B Rising environmental awareness

Under the existing green building design policy, the Company has adopted the nine major evaluation indicators, including greening, base water conservation, water resources, routine energy conservation, CO2 reduction, sewage treatment, garbage improvement, biodiversity and indoor environmental indicators. In order to have the policy in place, Executive Yuan issued the order to Taipei City, Kaohsiung City and various county/city governments on May 7, 2003 that since July 1, 2003, any new public buildings with the building costs amounting to NT\$50,000 thousand should acquire the candidate green building certificate at first and then may apply for the building permit. Therefore, with the government's promotion, it is an inevitable trend that buildings must obtain the green building certificate in the future.

C Products tend to be diversified.

Whether the case may be developed successfully relies on the land development and product positioning. The competition in the real estate industry is getting fierce increasingly. In order to stand out in this industry, it is necessary to rely on the effective segmentation and proper positioning of products and competitors in the market. In the recent years, the sales of residential property, such as villas at low total price, leisure housing, small

mansion, and commercial and residential complexes near MRT stations have been dominant. Given the changes in the population's age and structure, senior housing (for senior citizens) has been emerging. Builders have successively adopted the Internet family, Internet system community and integrated community, which will play an important role in product positioning and differentiated design in the future.

**D Land developed in a diversified manner**

Considering that the laws and regulations related to real estate transactions are getting well-considered increasingly, and it is more and more difficult to acquire land, unlike in the past, the housing building industry frequently bought out the land or co-build real estate with land owners to develop individual projects. In the future, the land development orientation might tend to be more diversified, e.g. creation of superficies, land trust, commissioned construction, joint development, participation in urban renewal plans, real estate securitization, public housing incentive construction plans, and acquisition of needed reserved land in response to the government's agricultural land conservation scheme.

**E Community planning is developed towards integrity of life functions**

In the future, new communities shall focus on the integrity of life functions. For example, the community shall be equipped with day care centers, sports ground, libraries, leisure and entertainment public utilities, in order to meet the modern people's needs for the basic living environment.

**F Scale and price of the development tend to be polarized**

In consideration of the development of new towns, industrial and commercial complexes and redevelopment zones and various transportation construction projects, such as high-speed railways, highways and west coast express roads, the connection between rural areas and urban areas will be more convenient. Therefore, people who pursue comfortable and quiet living quality will choose the rural real estate over the urban one at high price. Therefore, some large-scale self-served functional community can be developed in the rural area located on the main traffic roads, namely, a variety business model. Further, the land cost in urban areas is expensive; therefore, the small-scale development strategy is preferred and the land is available for the planning of luxury high-quality housing, namely, a luxury management trend.

**G Acceleration of urban renewal**

Under the circumstance that the supply of land in the urban areas is becoming saturated, urban renewal has become the only way for builders to acquire larger land lots in the urban areas. Meanwhile, it is also identified as the biggest gold mine together with the "facelift" of old houses for the building industry and real estate investors in the future. Particularly, upon the government's proposal of the three incentive policies for original land, original building coverage and original floor area, the "archaeological" trend were emerging in the real estate market. As a result, old houses in any golden areas became more and more popular, and many old house owners were wait for a good price to sell. With the limitless business opportunities, this kind of urban renewal will be further accelerated.

**H Value the prevention of dispute over transactions**

In order to prevent any dispute over transactions, with the rising buyer's professional knowledge and consumer protection awareness, the Ministry of the Interior promulgated the template of real estate sale contract to expressly define the rights and obligations of pre-sale house transactions or land development, and also in line with the Consumer Protection Act and Fair Trading Act. Meanwhile, enhanced construction management, protection of engineering quality, control over the construction progress and utilization of settlement strategies are also the necessary actions to be taken to prevent the dispute over transactions.

② Synthetic resin industry

(1) Short-term business development plan:

- A Strengthen the R&D, expand products in the PU professional series, and prevent recession or price competition of any single product from affecting performance and profit adversely.
- B Closely control the market demand, implement the ISO quality system, and achieve the quality goal satisfactory to customers.
- C Adjust the procurement strategy, reduce inventory, and improve the competitiveness of popular products.
- D Enhance the management and implement the internal control system.
- E The development of catalytic polymer crosslinking agent technology products is implemented into the Vietnamese market and applied to the coatings on the appearance of wood carving, furniture and 3C products.
- F In addition to serving as the eco-friendly materials of the external parts of car body and cable sheathing, PUR is also a pioneering application material for the new generation woodworking, books, smart phones and house appliances.
- G High-moisture-permeable multi-hole functional resin and film bonding and gas-resistant insulation layer coating technology may be applied to high-end cold-proof clothing, wetsuits, and high-end outdoor clothing, etc.
- H EVA-related product development may improve the bonding and high-resistant and thermally-conductive coating materials, and package the technology of composite materials for abrasive hardening resin systems, and may be widely applied to the semiconductor packaging industrial devices, industrial parts and various industrial composite materials.

(2) Long-term business development plan:

- A In response to the leading product plan, move forward toward the eco-friendly PU market transfer to satisfy the trend of environmental protection.
- B Seek the business merger among the peers domestically, improve the technical level, reduce the production cost, form a leading professional PU factory, and improve the international competitiveness.
- C Work with internationally renowned raw material suppliers to establish strategic alliances, introduce new technologies, and develop international markets.
- D Use the existing polyol equipment to produce diversified TPU (thermoplastic polyurethane) materials and to invest in PUR (polyurethane reactive) development, in order to enable the original

production equipment to better respond to the development and application of new products.

E Invest in innovative and flexible Hard Coat materials, coating and curing technology, and license of thin circular polarizer technology, and deploy key materials of flexible displays proactively.

## II. Overview of Market and Production & Marketing

### 1. Market analysis

#### (1) Territories where the main products are sold

Unit: NT\$ Thousand

Item	Year	2023		2024	
		Sales value	%	Sales value	%
Domestic sale		836,947	98.94	1,413,233	94.77
Export	Asia	8,895	1.05	49,225	3.30
	Others	95	0.01	28,776	1.93
Total		845,937	100.00	1,491,234	100.00

#### (2) Market share

##### ① Real estate development and construction

The real estate income was recognized upon completion and settlement of the projects. The Company's construction project, Mayfair, for a total of 65 households has been completed and settled in 2022. However, the Company still continued to develop land and launch new projects proactively, such as: The King's Landscapes and Jiufenzi The Twin Towers, etc., in order to increase its market share.

##### ② PU synthetic resin and synthetic leather

According to the data gathered by the Department of Statistics, MOEA, the total output value of synthetic resin was NT\$64.586 billion, and NT\$6.58 billion for synthetic leather in 2022. The Company's operating revenue from synthetic resin was about NT\$530 million, and NT\$267 million for synthetic resin in 2022. Therefore, the Company's market share of synthetic resin is estimated to be 0.82%, and 4.06% for the Company's market share of synthetic leather.

#### (3) Future market demand and supply, and market's growth potential

##### ① Real estate development and construction:

In terms of the real estate market in 2022, due to the specific upward adjustment of the real estate price, the transaction volume continued to grow, and the domestic real estate market was overheated obviously. As the government's real estate speculation policy which has been implemented for several years didn't produce any consolidated effects, since 2H of 2022, the government has promulgated the amended The Equalization of Land Rights Act. As a result, the real estate market was cooled down immediately. Looking forward to 2023, the potential changes in the domestic real estate market may be illustrated in terms of the following aspects:

I. The development of economy, policy and interest rate is disadvantageous to the real estate market.

In consideration of the continuing downturn in the cross-strait relations, the threat posed by the global inflation and pressure from lift rate, it

seems difficult to recover the economy. Besides, the government's continuing controls cause trouble in the financing channels and increase in the interest rate. As a result, the real estate market has to deal with the disadvantageous structural factors independently.

II. Difficulty in cutting construction companies' building costs, stable values and decrease in volume

In recent years, the construction land, construction materials and labor costs have been increasing year by year. Therefore, the government implemented the real estate speculation policy, as it was eager to make the trading market shrink. Given this, construction companies could not help but held back their sale, in order to wait for the opportunity to change the situation.

III. Market exit has become a trend for the real estate industry

Given the explanation referred to in the preceding two paragraphs, when facing the attacks internally and externally, the only way for the real estate industry to survive is to seek "well-funded." 2023 will be a tough year for most construction companies and related industries. Those who cannot bear the challenge will be eliminated finally.

IV. Urban renewal projects became the safe harbor

The government's real estate control policy cannot apply to the urban renewal projects (including dangerous old building reconstruction projects). Instead, such projects may be entitled to some preferential treatment. Now, major construction companies are accelerating their deployment for such projects, as they may benefit the entire real estate market positively. Especially, as it is difficult to find available land in the downtown area, the problem may be solved effectively if the urban renewal projects are accelerated. Meanwhile, the increase in the supply of households may also accelerate the price reduction and pose positive effects to the industry's business continuity.

② PU synthetic resin and synthetic leather

The global inflation in 2024 has affected the demand for various downstream products. The operation in 2024 is not expected to take off.

The sales performance in 2025 is expected to be less optimistic, as Trump was again elected as the U.S. President, and the global trade war continues.

The world may be facing another round of low growth.

(4) Competitive niche:

① Real estate development and construction:

- A Forward-looking excellent ability to develop land.
- B Control the market demand, and design and plan products rigorously.
- C Protect the precise control over engineering quality, progress and cost.
- D Professional management team to provide perfect customer service.
- E Strong brand identity and high control over market.

② PU synthetic resin:

- A Professional management team

The Company's main management team consists of domestic professionals engaged in PU resin. All of them are hold practical experience in all aspects. The Company may play an important role in the industry by relying on their precise market judgment, successful marketing channels, excellent R&D technology and stable product quality.

B Excellent R&D team

The company has invested a lot of manpower and supplies in R&D, and also has its professional management lead the Company, keeps developing and investing in the research of various functional products and eco-friendly resin proactively, and launches into the market early to take the lead. For fashionable products, the Company not only accelerates the research on product formula in response to the fashion trends, but also keeps strengthening the basic research on the substrates of high physical properties to establish its long-term sustainable competitiveness.

C Work with upstream and downstream segments to develop new products

In order to maintain the market stability, the Company co-works with the downstream customers to develop new products and also combine upstream raw material suppliers to develop new products with new raw materials. Meanwhile, the Company also combines sales channels to solicit the downstream segment for adoption of products developed based on new raw materials. This can not only form the market segment, but also avoid the risk over material outages and price fluctuation that might be caused by adoption of traditional raw materials, so as to attain the price stability.

(5) Analysis on positive and negative factors for future development and responsive measures:

① Real estate development and construction

A Positive factors

a. Excellent ability to develop land

The Company controls the sources of land at any golden section in various districts via the Asset Management Dept. of its Real Estate Development Business Group, and create its added value effectively by direct purchase of land, co-construction and allocation of ownership, and joint construction and separate sales. Meanwhile, the Company analyzes the urban development trend proactively to launch the construction projects in line with the market demand, subject to the overview of operation.

b. Control the market demand, and design and plan products rigorously.

The Company not only controls the high-quality land and construction project quotation completely, but also is familiar with the consumers' characteristics in the given district, in order to design and plan products that meet the house buyers' needs. Therefore, the sales rate of the Company's construction projects are considered fair for the time being. Besides, the construction projects launched by the Company always provide the mansion design to be distinguished from the general products on the market, as the Company expects to create a space full of honor and safety and also felt like a resort, so that house buyers love to go home. Such fine-quality construction project that make going home expectable, together with the design customized products, satisfy customers' need for special specifications rapidly.

c. Protect the precise control over engineering quality, progress and cost.

The Company has considered the planning thoroughly before launching any project and prepared the capital estimate well in advance. The Company maintains the credit record with banks.

Meanwhile, in order to control the engineering quality, most of its contracts are awarded to the construction contractors accredited by governments and with good reputation. The Company strictly controls the work progress, product quality and construction. Therefore, it may satisfy customers' needs in delivery period and quality, so as to create the stable profit.

**B Negative factors and responsive measures**

- a. The house prices is increasing constantly. The government implements various housing policies to surpass the house price. As a result, the bank financing channels available to house buyers and investors are limited.

**Responsive measures**

- i. Choose the land development zones to find star road sections to launch the construction projects with high publicity, convenient transportation and robust living conditions for market segment.
- ii. Cultivate top customer base more thoroughly, attract capital matured customers, and focus on managing the groups at the top of pyramid.
- iii. Refrain from developing projects blindly, and replace the increase in quantity with qualitative growth; re-plan and design each project by returning to zero to improve the spirit and value of each project. Manage and enhance the financial structure based on fair planning and continue the stable management.

- b. It is difficult to acquire prime land and building-related costs continue to increase.

**Responsive measures**

In response to the increase in various costs in the future, the Company strengthens the land development and product planning to increase the added value of products, and also enhances the internal management and shortens the construction period to mitigate the impact posed by the increasing costs.

- c. It is expected that when the interest rate is rising in the future, the banks' risk awareness will increase accordingly. Given the increasing house price, the percentage of house loan that would be granted might tend to be stricter and stricter.

**Responsive measures**

In consideration of the Company's good credit record, the escalation of interest rate renders the limited impact to the Company's capital. As far as the house purchase is concerned, although the Central Bank is expected to escalate the interest rate, easy money is still available on the market and the interest rate level stays low. Therefore, the impact posed to the house purchase is also limited.

**② PU synthetic resin and synthetic leather**

**A Positive factors**

- a. The Company plans to expand its machine and automated equipment to improve its production capacity and product quality, and maintain a dominant position amid the intense competition in the market.
- b. With the R&D abilities and stable quality well recognized by customers, and improve the profit margin through development of

new products.

- c. Oriented toward diversified development, and create the market segment to maintain the competitiveness.
- d. Research and develop eco-friendly materials and expand the eco-friendly market.
- e. Ability to develop overseas markets: In addition to maintaining the sales to domestic major customers, the Company also develops potential customers and also expand the overseas market proactively. Through the strategic alliance with international leading manufacturers, the Company introduces new technologies and keep improving its exposure to the international market, create opportunities to work with overseas manufacturers and expand its export sale market.

**B Negative factors and responsive measures**

- a. In consideration of the industrial characteristics, there are many small factories engaged in seizing the market share at low price.

**Responsive measures**

Continue to maintain the fair partnership with downstream customers, solidify marketing channels and quickly respond to fashion trends with more favorable product portfolio, and launch resins for fashion products ahead of the others in the market to establish the competitiveness.

- b. The cost structure of raw materials is affected by the fluctuation of crude oil price and the global economy.

The main raw materials of PU synthetic resin are the raw materials falling in the midstream segment, namely, petrochemicals, subject to the international petrochemical boom and relationship between supply and demand.

**Responsive measures**

- i. Improve the stability of product quality and strengthen the development of high value-added products for market segment.

- ii. Required to keep abreast of changes in raw material price and adjust sales strategies, for the purpose of sale.

- iii. Use the best effort to reduce the dependence on any single raw material supplier, in order to seek more than two suppliers for each of raw materials, increase the bargaining space and stabilize the source of purchase.

- iv. Seek alternative raw materials to mitigate the risk over price fluctuation proactively, and work with upstream and downstream segments to produce with alternative raw materials, reduce production costs and maintain the competitiveness on market.

- c. The downstream segment has successively moved out the dry synthetic leather production lines which are no longer competitive and thereby affected the demand for PU synthetic resins.

**Responsive measures**

- i. Adjust the product sale structure and strengthen the production and sales of resin for wet synthetic leather.

- ii. Orient the development towards high value-added products, such

as microfibers and resins for non-woven fabrics, in order to mitigate the price competition.

- iii. Establish factories in China or Vietnam to satisfy the needs from manufacturers nearby.

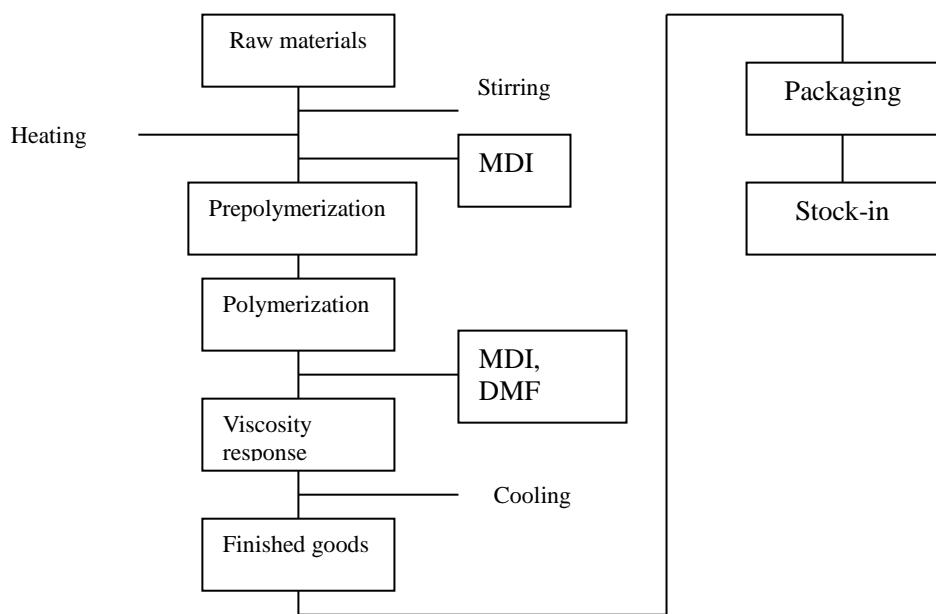
## 2. Important purposes and production processes of main products

### (1) Chemical raw materials of PU synthetic leather resin

#### ① Purposes of main products

Main product	Purposes of main products
PU synthetic resin	Manufacturing of PU synthetic leather and artificial leather for footwear, leather bags and garments
PU adhesives	PU synthetic leather, PVC latex leather and leather bonding, nylon setting and bonding of various fibers
Nylon resin	Manufacturing of waterproof nylon fabrics including raincoats, luggage and tents, etc.
Polyester Polyol	TPU raw materials

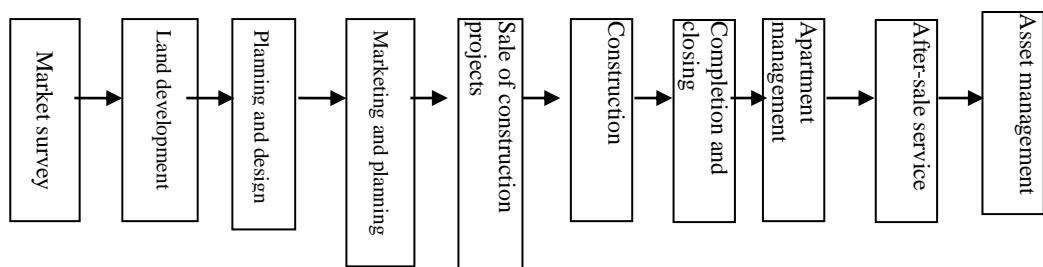
#### ② Production process



### (2) Building industry

#### ① Purposes of main products: Housing and apartment

#### ② Production process:



## 3. Supply of main raw materials

### (1) Chemical raw materials of PU synthetic leather resin:

Risk type	Raw materials	Supply condition
Solvent	DMF/Dimethylformamide	Provided stably at home and abroad, and work with domestic downstream segment to purchase recycled products to reduce the cost.
	MEK/Methyl Ethyl Ketone	All procured domestically and supplied stably.
	TOL/Toluene	All procured domestically and supplied stably.
Esters	PolyEster/Polyester polyol	Self-made.
	PTMG/Polyether polyol, PPG	Supplied at home and abroad, and stably.
Glycols	1.4BG/1.4 Butanediol	Not produced domestically for the time being, but well supplied overseas.
	EG/Ethylene Glycol	All procured domestically and supplied stably.
Isocyanates	MDI/Methylene bisphenyl isocyanate	All imported overseas, primarily from Japan.
	TDI/Toluene diisocyanate	All imported overseas, and well supplied overseas.

(2) Building industry

- ① Land: Develop and find the planning and construction in adequate zones in Tainan City or other metropolitan districts proactively, and work with land owners in the form of co-construction and horizontal strategic alliance or by participation in urban renewal development, if necessary, and the supply is not likely to be in short.
- ② Construction project: The Company has adopted strict contract awarding regulations and construction regulations; therefore, the Company may control the construction progress and quality effectively from the contract awarding until inspection and acceptance. There is no likelihood of supply in short or monopoly.
- ③ Construction materials: In order to save costs and in response to the construction period, the Company used to procurement materials by price comparison independently. Notwithstanding, in order to make the overall contract awarding operations more resilient and controllable, the Company has gradually adopted the procurement of labor and materials or joint contracting. Therefore, the source of supply of engineering materials remain stable.

4. A list of any suppliers (customers) accounting for 10 percent or more of the total procurement (sales) amount in either of the most recent two years, the amounts bought from (sold to) each, and the percentage of total procurement (sales) accounted for by each:

(1) A list of any suppliers accounting for 10 percent or more of the total purchase amount in either of the most recent two years, the amounts purchased from each, and the percentage of total purchases accounted for by each:

**Information about main suppliers for the most recent two years**

Unit: NT\$ Thousand

Item	2023				2024				Ending on March 31, 2024			
	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	To the net procurement amount ending until the previous quarter in the current year (%)	Relationship with the issuer
1	--	--	--	None	Wang Kow Department Store	1,415,388-	50.20-	None	--	--	--	None
2	--	--	--	None	--	--	--	None	--	--	--	None
3	Others	1,218,775	100.00	None	Others	1,404,213	49.80	None	Others	--	--	None
	Net procurement	1,218,775	100.00		Net procurement	2,819,601	100.00		Net procurement	--	--	

(2) A list of any customers accounting for 10 percent or more of the total sales amount in either of the most recent two years, the amounts sold to each, and the percentage of total sales accounted for by each:

**Information about main customers for the most recent two years**

Unit: NT\$ Thousand

Item	2023				2024				Ending on March 31, 2024			
	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer	Name	Amount	To the annual net sales amount (%)	Relationship with the issuer	Name	Amount	To the net sales amount ending until the previous quarter in the current year (%)	Relationship with the issuer
1	--	--	--	None	--	--	--	None				None
2	--	--	--	None	--	--	--	None	--	--	--	None
3	--	--	--	None	--	--	--	None	--	--	--	None
	Others	Others	845,937	100.00	Others	1,491,234	100.00		Others	--	--	
	Net sales	Net sales	845,937	100.00	Net sales	1,491,234	100.00		Net sales	--	--	

### III. Information about Employees

Employee size, average years of service, average age, and academic background in the last 2 years up till the publication date of this annual report:

Year		2023	2024	Ending on March 31, 2023
Number of employees	Direct labors	38	124	129
	Indirect labors	152	339	342
	Total	190	463	471
Average age		42.72	44.24	44.63
Average years of service		7.12	6.72	6.67
Academic background	Ph.D.	0.50%	0.82%	0.41%
	Master's degree	8.50%	7.79%	8.16%
	College	65.00%	63.52%	63.67%
	Below senior high school	22.00%	25.41%	25.31%
	Below senior high school	4.00%	2.46%	2.45%

### IV. Information about Environment Protection Expenditure

1. A permit for polluting facility establishment or a pollution discharge permit must be acquired, the pollution prevention fee must be paid or a designated unit for environmental protection must be established according to the legislations. The status of the application, payment and establishment are listed down below:

#### (1) The Company's environmental protection permit:

Name of Permit	Permit No.	Valid Period
Operation permit for stationary sources of pollution	Tainan City Government-Huan-Kong-Cao-Zheng-Zi No. D0196-00	February 20, 2020~February 19, 2025
Operation permit for stationary sources of pollution	Tainan City Government-Huan-Cao-Zheng-Zi No. D0511-00	November 10, 2020~September 2, 2024
Toxic chemical substance manufacturing permit	Tainan City-Du-Xu-Zi No. 000010	June 10, 2020~January 9, 2022
Toxic chemical substance registration document	Tainan City-Du-Deng-Zi No. 000044	June 10, 2020~April 14, 2025
Toxic chemical substance registration document	Tainan City-Du-Deng-Zi No. 000044	June 10, 2020~April 14, 2025
Category 4 toxic chemical substance registration document	Tainan City-Du-He-Zi No. 000283	From June 30, 2020 until July 20, 2025
Toxic chemical substance import permit	Tainan City-Du-Xu-Zi No. 000045	June 10, 2020~April 05, 2025

The Company has received the operation permit for stationary sources of pollution and toxic chemical substance manufacturing permit.

(2) The Company's dedicated personnel:

Name	Contents of the permit	Permit No.
Liu Yi-Ting	Class-A personnel dedicated to prevention of air pollution	(89) Huan-Shu-Xun-Zheng-Zi No. FA140297
Wang Sheng-Hsiung	Class-B boiler operator	Zhong-Zau-Fang-Xue-Zheng-No. 9120114
Chiu Sheng-Tung	Class-B boiler operator	Zhong Level B Boiler Certificate 00606
Chang Pei-Feng	Class-B boiler operator	Zhong Rong Level B Boiler Certificate 01504
Su Ying-Hua	Class-B boiler operator	Zhong Rong Level B Boiler Certificate 05820
Chen Wen-Hsiung	Class-A technician for boiler operation	Tainan City-Lo-Fu-Zi No. 1020926999
Chiu Sheng-Tung	Class-A toxic chemical substances management specialist	(91) Huan-Shu-Xun-Zheng-Zi No. JA100072
Chuang Tsung-Jen	Class-A toxic chemical substances management specialist	(104) Huan-Shu-Xun-Zheng-Zi No. JA100072

(3) Payment of pollution prevention fee: In 2022, the Company has paid the air pollution prevention fee, NT\$5,324.

2. The investment for pollution prevention equipment of the Company, the purpose of the Company and its potential benefits:

December 31, 2021/Unit: NT\$

Name of Equipment	Quantity	Date of Acquisition	Investment cost	Unreduced balance	Application and anticipated possible benefits
DMF detection system	1 Unit	91.03.27	104,762	14,812	DMF Mass Leak Detector
VOC condensation recovery system project	1 Unit	95.12.28	2,332,000	64,778	Prevention of air pollution
Liquid level sensor	1 pc				Controlled chemical poison leak detection
Oil-water separation facility	5 sets				Prevent public hazardous materials from leaking and directly flowing into drains
Air pollution prevention equipment	2 units				Particulate matter pollution control equipment
Exhaust equipment at the premises where public hazardous material are stored	2 units				Prevent explosions when public hazardous materials leak

3. Please describe the process undertaken by the Company on environmental pollution

improvement for the most recent two years and up to the date of publication of the annual report. If there had been any pollution dispute, its handling process shall also be described: None.

4. Please describe any losses suffered by the Company in the most recent two years and up to the date of publication of the annual report due to environmental pollution incidents (including any compensation) and total amount of the penalty, and disclose the responsive strategies (including corrective actions) and an estimate of possible expenses (including the estimate of loss, penalty and compensation that might be incurred for failure to take the responsive measures, and if a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided): None.
5. The impacts that the current pollution status and improvement have on the Company's earnings, competitiveness position, and capital expenditures as well as the major environmental protection related capital expenditures for the next two years: None.
6. The products produced by the Company remain unaffected by the RoHS.

## V. Labor-Management Relations

1. List the Company's employee benefit policy, continuing education, training, retirement system, and the implementation status thereof, and labor agreements as well as the various employee rights protection measures:
  - (1) Employee benefit policy:
    - ① Gift money or coupons on Labor Day, Dragon Boat Festival and Mid-Autumn Festival every year, and coupons to employees on their birthdays.
    - ② Sound insurance system to provide labor insurance, national health insurance, employee/family group insurance and employee commercial accidental medical insurance.
    - ③ Subsidies for employees' marriage, and for funeral, and travels overseas.
    - ④ Implementation of two-day off in a week to provide employees with sufficient leisure hours.
    - ⑤ Annual leave and paternity leave offered under the Labor Standards Act and the Act of Gender Equality in Employment.
    - ⑥ Organization of birthday parties each quarter, and year-end parties for employees each year.
    - ⑦ Sound employee bonus, performance bonus system, and employee's discount for house buying.
  - (2) Employees' continuing education and training:
    - ① Adopt the criteria governing personnel training hours subject to the nature of the personnel's work.
    - ② Regular implementation of general education on hazards, first-aid training and fire safety drills, In accordance with relevant laws and regulations governing labor safety and health, and also Fire Service Act.
    - ③ The expatriate training expenses by individual function are borne by the Company in full.
  - (3) Employees' retirement system and implementation thereof:  
The Company's employee retirement requirements are implemented in accordance with relevant laws and regulations.  
The Company primarily adopts the personal pension account, and the pension insurance system secondarily.

The Company contributes 6% of the salary per employee who is eligible to apply the pension system under the Labor Pension Act to the employee's personal pension account, on a monthly basis.

The payment and claim of employee pension follow the Labor Pension Act.

No employee applied for retirement in 2023.

(4) Labor agreements as well as the various employee rights protection measures:

- ① Employee code of conduct or ethics: According to the Labor Standards Act and related laws, the Company establishes its "Work Rules" to set the system. The Company's management of employees is oriented toward "character the first." In addition to building the work platform for lifelong learning and growth, the Company also creates the working environment valuing employees' ethics and values. Meanwhile, it establishes work rules and regulations governing work ethics and professional ethics and demands that all employees should comply with the group discipline and corporate ethics, in order to create a fair, just, educational and dedicated working environment and enable employees to contribute what they are good at without worries.
- ② Communication with employees: The Company convenes the labor-management meetings with the employees' representatives regularly, in order to strengthen the communication channels and make the labor-management relationship more amicable. Meanwhile, the Company releases news to enable the employees to understand the Company's important policies and development plans and provide them with the opportunity to express their opinions. The Company also establishes the channel to help communicate with the employees successfully to ensure their interests and rights.
- ③ Working environment and employee personal safety protection policies:
  - A Working environment: Maintain the environmental cleanliness at the office premises and effective function of safety protection policies, install the strict access control monitoring system operating all the times, and regularly implement the labor safety and health education, training and promotion.
  - B Construction safety and health, and disaster prevention:
    - (a) Preparation of budget: Aim at zero disaster, properly prepare the budget for labor safety and disaster prevention in contracts, and provide sufficient resources on the site to protect each staff's safety and also the environment cleanliness.
    - (b) Discussion about designs: Evaluate the soil drilling and survey with care, appraise houses in neighborhood and public facilities, and plan the sidewalks, promenades, and accessibility facilities for people with disabilities on the street accessing the base. The main transportation system, indicator system, and lane intersections around the streets are installed on minor roads, and the pedestrians are primarily installed 30 meters to He Wei Rd., in order to create a safe and continuous walking environment and avoid the conflict between traffic flows.
    - (c) Discussion about the construction method: According to the design survey and appraisal results, the shoring and excavation methods are adopted, and the up-up construction method is adopted, within the safety range imputed by the licensed structural engineer, to shorten the construction period and reduce the duration of environmental impact as possible it could.

- (d) Prevention of unsafe behavior: The daily kick-off meeting advises the potential hazardous factors at work, implements labor safety training strictly, requires the correct wearing of personal protective gears and prohibits various dangerous activities. The people-oriented management means is adopted to protect the personnel's safety.
- (e) Prevention of unsafe environment: The labor safety budget is prepared to establish various protection policies to prevent the hazards, such as falling, electric shock, collapse and destruction of clean environment, at the construction site. Meanwhile, the relevant environment and personnel management means are applied to achieve an environment free from hazards.
- C Physiological/mental hygiene: In response to announcement of government laws and policies, the Company's workplace prohibits smoking strictly, where the no-smoking slogan is posted to remind employees not to smoke in the workplace, in order to maintain the working environment's quality. Meanwhile, the Company arranges the regular and irregular health checkups for employees to keep the employees healthy physically and mentally.
- D Insurance: The Company maintains the labor insurance (occupational disaster insurance), national health insurance and group insurance. In the event of any casualty arising, the HR unit will help deal with the insurance matters.

2. List any losses suffered in the most recent fiscal year and up to the date of publication of the annual report due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

## VI. Information and communication security management

1. Describe the information and communication security risk management framework, information and communication security policies, specific management plans, and resources invested in information and communication security management:
  - (1) Information and communication security risk management framework
    - A In accordance with the relevant provisions of the "Regulations Governing the Establishment of Internal Control Systems by Public Companies", the Company has appointed a Chief Information Security Officer and a dedicated information security unit to coordinate the planning and monitoring of the information security system and the implementation of information security management operations.
    - B The dedicated information security unit under the Administration Department of the Company is responsible for planning, implementation, and promoting information security management matters and information security awareness. It is expected to establish one information security officer and one information security person by the end of 2023.
    - C The Company's Audit Division is the audit unit for information security supervision. If any defects are found during the audit, it will immediately request the audited unit to propose relevant improvement plans, submit these to the Board of Directors, and regularly track the improvement results to reduce internal information security risks.
  - (2) Information security policy
    - A Prevent hackers and various viruses from invasion and destruction.
    - B Prevent sensitive data from leaking.
    - C Maintain the security of the physical environment.

- D Strengthen internal and external network attack protection.
- E Strengthen education and training and promote anti-hack awareness.

(3) Information security management plan

- A The Company's mainframe and various application servers are installed in a dedicated computer room.
- B The computer room is equipped with independent air conditioning to keep the computer equipment operating in an environment of appropriate temperature.
- C The mainframe in the computer room is equipped with UPS and stabilized voltage equipment to ensure that temporary power failure will not interrupt the operation of the computer application system.
- D Reminder: It is mandatory to change system passwords every quarter to maintain account security.
- E Information security: Provide information security example documents as a reference for employees.

(4) Invest resources in information and communication security management

- A Assist management through comprehensive internal information security measures to reduce various risks and threats to information security.
- B Regularly conduct information security promotion to deepen employees' awareness of information protection and information security risks.
- C Regularly conduct internal network vulnerability analysis and conduct comprehensive information security testing on mainframes and personal computers.
- D Regularly update information security protection equipment to ensure the effective operation of various businesses.

2. List the losses arising as a result of material cyber security incidents in the most recent year and up to the publication date of this annual report, possible impact thereof and responsive actions therefor, and the reasons in case the losses cannot be reasonably estimated: None.

## VII. Major contracts

Nature of Contract	The concerned party	Duration of Contract	Main Contents	Restrictive Clauses
Joint-construction contract	U-BEST POLYMER INDUSTRY CO., LTD.	2013~expiration of the warranty period upon completion and inspection & acceptance of the whole project	Land No. 56-10, Guangcheng Sec., West Central Dist., Tainan City, co-construction and separate sale	None
Joint-construction contract	Chang Hui-Feng	2013~expiration of the warranty period upon completion and inspection & acceptance of the whole project	Land No. 44.2, Jinhua Sec., Anping Dist., Tainan City	None
Loan contract	Land Bank of Taiwan	2015.03.18~2019.03.18	The “The King’s Landscapes” construction project financing amounted to NT\$817,800 thousand. The interest thereon is payable on a monthly basis, and the principal	None

Nature of Contract	The concerned party	Duration of Contract	Main Contents	Restrictive Clauses
			shall be repaid in full when due.	
Real estate trade	Han Hsiang Construction Ltd.	December 23, 2015~date of completion of transfer registration	No. 45, Jinhua Sec., Anping Dist., Tainan City	None
Loan contract	Land Bank of Taiwan	2018.08.27~2023.08.27	[Guoan Section] The land financing amounted to NT\$384 million. The interest thereon is payable on a monthly basis, and the principal shall be repaid in full when due.	None
Guarantee contract	Yuanta Bank	2018.10.01~2021.10.01	Guarantee contract for domestic 3rd convertible corporate bonds	None
Real estate trade	7 persons including Chang Fu-Hsiung	July 11, 2019~date of completion of transfer registration	Land Nos. 1719-1, 1719-2 and 1719-3, Guoan Sec., Annan Dist., Tainan City	None
Real estate trade	Chang Kuo-Chun, Chang Chun-Hsien, Chang Fang-Lan	September 18, 2019~date of completion of transfer registration	Land No. 1719, Guoan Sec., Annan Dist., Tainan City	None
Share exchange contract	EVERMORE CHEMICAL INDUSTRY CO., LTD.	2019.10.07~2020.03.31	Exchange of shares of Cheng Kung Investment Ltd.	None
Loan contract	Land Bank of Taiwan	2019.10.09~2024.10.09	[Guoan Section 1719-1, 1719-2 and 1719-3] The land financing amounted to NT\$588,100 thousand. The interest thereon is payable on a monthly basis, and the principal shall be repaid in full when due.	None
Loan contract	Land Bank of Taiwan	2019.12.02~2024/12/02	[Guoan Section 1719] The land financing amounted to NT\$603,000 thousand. The interest thereon is payable on a monthly basis, and the principal shall be repaid in full when due.	None

Nature of Contract	The concerned party	Duration of Contract	Main Contents	Restrictive Clauses
Real estate trade	Sheng Jia Assets Co., Ltd.	March 18, 2020~date of completion of transfer registration	Land No. 0175, Guangxian Sec., North Dist., Tainan City	None
Guarantee contract	Taipei Fubon Bank	2021.01.29~20226.01.29	Guarantee contract for domestic 4th convertible corporate bonds	None
Real estate trade	Wang Kuo Department Store Co., Ltd.	2024.06.07~date of completion of transfer registration	Land No. 56-1269, Guangcheng Sec., West Central Dist., Tainan City, co-construction and separate sale	None
Guarantee contract	Panshin Bank	2024.11.11~2027.11.10	Guarantee contract for domestic 4th convertible corporate bonds	None
Real estate trade	Director Shui-Chu Koo and Mr. Hua-Ching Kuo	2024.11.21~date of completion of transfer registration	No. 73 and 76, Xinzhuang Section, Goodhua District, Tainan City	None

# Five. Review and Analysis of Financial Status and Financial Performance, and Risk Management

## I. Financial Position

Please explain the main reasons for major changes in the Company's assets, liabilities and shareholders' equity in the most recent two years, and the impact posed by them. If the impact is considered material, please also explain the future responsive plan.

Comparative list of financial position

Unit: NT\$ Thousand

Item	Year	2023	2024	Difference	
				Amount	%
Current assets	10,104,293	13,468,445	3,364,152	33.29	
Property, plant and equipment	1,555,527	2,069,075	513,548	33.01	
Intangible assets	75,175	278,638	203,463	270.65	
Other assets	842,370	913,207	70,837	8.41	
<b>Total assets</b>	<b>12,577,365</b>	<b>17,201,070</b>	<b>4,623,705</b>	<b>36.76</b>	
Current liabilities	6,592,597	8,107,377	1,514,780	22.98	
Non-current liabilities	191,509	1,004,738	813,229	424.64	
<b>Total liabilities</b>	<b>6,784,106</b>	<b>9,112,115</b>	<b>2,328,009</b>	<b>34.32</b>	
Capital stock	2,804,169	3,010,160	205,991	7.35	
Capital surplus	288,659	649,691	361,032	125.07	
Retained earnings	(107,759)	(322,473)	(214,714)	(199.25)	
Other equity	15	(151)	(166)	(1,106.67)	
Treasury stock	(82,303)	(46,712)	35,591	43.24	
Total equity attributable to owners of the parent	2,902,781	3,290,551	387,770	13.36	
Non-controlling equity	2,890,478	4,798,404	1,907,926	66.01	
<b>Total shareholders' equity</b>	<b>5,793,259</b>	<b>8,088,955</b>	<b>2,295,696</b>	<b>39.63</b>	

If the change in the former and latter periods exceeds over 20%, and the change amount reaches NT\$10 million, the main reasons are explained as follows:

1. The increase in current assets from the previous period is mainly due to the increase in the number of companies in the consolidated group in 2024.
2. The increase in property, plant and equipment from the previous period is mainly due to the increase in the number of companies in the consolidated group in 2024.
3. The increase in intangible assets from the previous period is mainly due to the acquisition of the consolidated company at a premium in 2024, resulting in an increase in intangible assets.
4. The increase in the financial structure from the previous period was primarily a result of the increase in the financing for construction projects in 2023.
5. The decrease in non-current liabilities from the previous period was primarily a result of transfer-out of convertible bonds in 2023.
6. The increase in capital reserve from the previous period is mainly due to the cash capital increase premium in 2024.
7. The decrease in retained earnings from the previous period was primarily a result of operating loss in 2023.
8. The increase in other equity from the previous period was primarily a result of the reduced disposal of financial instruments at fair value through other comprehensive income in 2024.
9. The decrease in treasury stock from the previous period was primarily a result of the increase in the price of the Company's shares held by subsidiaries compared to the previous period, resulting in a decrease in the treasury stock in comparison with the previous period.

## II. Financial Performance

1. Please explain the main reasons for major changes in the operating revenue, operating income and income before tax in the most recent two years, and expected sales volume and basis of estimate, the impact posed by them to the Company's future business and finance, and responsive plan.

Comparative list of financial performance

Unit: NT\$ Thousand

Item	Year	2023	2024	Increase (decrease) in amount	Variance %
Operating revenue		845,937	1,491,234	645,297	76.28
Gross profit		145,820	480,952	335,132	229.83
Operating income		(179,157)	(101,855)	77,302	43.15
Non-operating revenue and expenditure		34,622	14,866	(19,756)	(57.06)
Net profit before tax		(144,535)	(86,989)	57,546	39.81
Income (loss)		(148,879)	(141,963)	6,916	4.65
Total comprehensive income		(146,531)	(143,776)	2,755	1.88
Net profit attributable to owners of the parent		(144,751)	(214,390)	(69,639)	(48.11)
Net profit attributable to non-controlling equity		(4,128)	74,427	78,555	1,902.98
Total comprehensive income attributable to owners of the parent		(143,429)	(214,572)	(71,143)	(49.60)
Total comprehensive income attributable to non-controlling equity		(3,102)	70,796	73,898	2,382.27
1. The variance in business results is analyzed as follows:					
(1) The decrease in consolidated operating revenue, gross profit and net loss was a result of the increase in the number of companies in the consolidated group in 2024 and the increase in operating revenue.					
(2) The increase in non-operating revenue and expenditure from the previous period was primarily a result of the increase in the value of the financial instruments at fair value through profit or loss in 2023.					

2. Expected sales volume and basis of estimate, the impact posed by them to the Company's future business and finance, and responsive plan:

The Company doesn't publish any financial forecast and, therefore, it doesn't plan to disclose the expected sales volume.

### III. Cash flow:

#### 1. Analysis on changes in cash flow in the most recent year

Item	Year	2023	2024	Increase (decrease) ratio
Cash flow ratio		(11.93)	(30.30)	(159.93)
Cash flow adequacy ratio		(81.73)	(85.41)	(4.51)
Cash reinvestment ratio		(14.25)	(27.77)	(94.79)
Explanation about analysis on the changes in the increase (decrease) ratio: The changes in cash flow ratio and cash reinvestment ratio was primarily a result of the increase in the housing under construction of the 2024 construction projects causing the increase in cash outflow from operating activities.				

- Corrective measures against insufficient liquidity: For the time being, the Company is free from any problem about insufficient liquidity. Notwithstanding, the cash deficit, if any, will be covered by financing from banks and cash capital increase.
- Cash liquidity analysis for the next year: The analysis on cash liquidity analysis for the next year (2025)

Unit: NT\$ Thousand

Balance of cash, beginning (1)	Net cash flow from operating activities for the year (2)	Cash outflow for the year (3)	Cash balance (deficit) (1)+(2)-(3)	Responsive measures against cash deficit	
				Investment plan	Wealth management plan
1,631,952	(1,559,580)	886,520	(813,148)	0	1,000,000
Analysis on liquidity for the coming year:					
(1) Operating activities: Primarily as result of the increase in cash inflow resulting from the settlement of the remaining households of the construction projects. (2) Investing activities: No significant investing activities are expected in 2024, and no impact is imposed to the net cash inflow (outflow) therefor. (3) Financing activities: It is expected that the delivery of remaining houses and the increase in the progress of the construction will result in offset of increases or decreases in bank construction financing, and there is no material impact on the net cash outflow.					

### IV. Impact posed by material capital expenditures to business and finance in the most recent year: None.

V. The investment policy for the most recent year, major causes for profit or loss thereof, improvement plans, and investment plans for next year:

Name of Affiliate	Investment policy	Income recognized in 2023	Major causes for profit or loss thereof	Improvement plan, and the investment plan for the next year
Victory Enterprises Limited	As a result of the indirect investment in the production of PU synthetic leather of SUN YAD in Huizhou, China (SUN YAD in Huizhou has been sold in 2010).	0	NA	Scheduled to be liquidated.
U-BEST Innovative Technology Co., Ltd.	It engaged in the production of PU synthetic leather before, and decided to make the investment for the purpose of vertical integration.	(7,801)	The business was normal, and the main losses were due to the global economic recession.	None
Shangyu Construction Co., Ltd.	To satisfy the business needs and business diversification.	(52,191)	Shangyu is primarily engaged in undertaking the Company's construction projects, and recognizes the revenue subject to the percentage of completion of the projects.	None
MYSON CENTURY, INC.	To satisfy the business needs and business diversification.	36,927	Sales of health foods.	Business transformation
FEEI CHERNG ENTERPRISE CO., LTD.	To satisfy the business needs and business diversification.	(8,147)	The benefits after transfer to the construction industry have not yet materialized	None

VI. Risk analysis and assessment from the most recent year and until the date of publication of the annual report:

(I) Impacts of interest rate/foreign exchange rate fluctuation and inflation to the Company's income, and future responsive measures:

1. Changes in the interest rate:

The Company's and subsidiaries' interest expenses were NT\$111,278 thousand and NT\$73,963 thousand, respectively, in 2023 and 2022, i.e. 8.38% and 13.15% of the net operating revenue in those years. Though the lift rate policy is adopted in

response to the impact posed by inflation and the construction financing is increased, the overall interest rate stays low and thus the changes in the interest rate are not likely to cause any significant impact to the Company. The Company's future responsive measure: The Company will negotiate with the correspondent banks in the future, and reflect the market interest rate by bargaining the interest rate on a case-by-case basis.

2. Changes in the foreign exchange rate:

The Company's and its subsidiaries' exchange incomes were (NT\$100) thousand and (NT\$178) thousand, respectively, in 2023 and 2022, i.e. 0.46% and 0.09)% of the operating revenue, net for those years. In consideration of the lower percentage of the exchange income in the operating revenue, net, the overall foreign exchange factor has not constituted the burden of risk over the earnings. The specific measures adopted by the Company and its subsidiaries in response to the risk arising from changes in foreign exchange rate to the Company's income are stated as follows:

- ① Before the sales unit provides quotation to customers, it shall consider and evaluate future exchange rate trends and factors critical to the exchange rates thoroughly, in order to decide appropriate and reasonable business quotation and to prevent the changes in foreign exchange rate from posing adverse effects to the Company's operating revenue and earnings.
- ② The Company takes advantage of the natural hedging characteristics to cover the payables in foreign currency generated from foreign procurement with the revenue from export sales of products. Therefore, the Company only needs to evaluate the fluctuation in foreign exchange rate with respect to the net assets in foreign currency. If there is any need for hedging, the Company will utilize various financial instruments including forward foreign exchange contracts to evade the risk over changes in foreign exchange rate.
- ③ Financial Dept. maintains close communication with foreign exchange departments of various financial institutions, collects the relevant information on changes in foreign exchange rate periodically, and completely control the domestic/foreign exchange rate trends and changes, in order to mitigate the negative impact posed by the changes in the foreign exchange rate.
- ④ The Company and its subsidiaries have adopted the "Procedure for Acquisition or Disposal of Assets" in order to govern the operating procedure for derivatives trading and enhance the Company's risk control management system.

### 3. Inflation

The Company and its subsidiaries keep observing the fluctuation in the market price, and maintain fair partnership with its suppliers and customers. Due to the impact posed by the inflation in recent years, the Company's construction business has been reflected to the house price adjustment due to the strong rigid demand on the market. Its subsidiaries engaging in manufacturing business tend to choose orders more cautiously to avoid losses. Therefore, there should be no risk over inflation shortly, and no significant is likely to be caused to the Company's and its subsidiaries' income.

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading in the most recent year and until the date of publication of the annual report, main causes of profit or loss incurred and future responsive measures:

- (1) The Company and its subsidiaries do not engage in any high-risk and highly leveraged investments, in order to manage the financial risk.
- (2) BOROMI OPTRONICS CORP. is the Company's indirect subsidiary. For the short-term funding need, it wishes to apply for the loan, NT\$200 million, with the Company. The amount and nature of such loan are held satisfying the Company's "Operating Procedure for Loaning to Others."
- (3) Shangyu Construction Co., Ltd. is a subsidiary of the Company. For the short-term funding need, it wishes to apply for the loan, NT\$100 million, with the Company. The amount and nature of such loan are held satisfying the Company's "Operating Procedure for Loaning to Others."
- (4) MYSON CENTURY, INC.. is a subsidiary of the Company. For the short-term funding need, it wishes to apply for the loan, NT\$100 million, with the Company. The amount and nature of such loan are held satisfying the Company's "Operating Procedure for Loaning to Others."
- (5) BOROMI OPTRONICS CORP. is the Company's subsidiary. For the short-term funding need, it wishes to apply for the loan, NT\$50 million, with the Company. The amount and nature of such loan are held satisfying the Company's "Operating Procedure for Loaning to Others."
- (6) The Company serves as the provider of collateral and also joint and several debtor for the land financing of U-BEST INNOVATIVE TECHNOLOGY CO., LTD. in the joint construction and separate sale project, endorsing and guaranteeing the amount totaling NT\$60,600,000, i.e. more than 3% of the net worth of the Company's latest financial statements.

- (7) The Company doesn't engage in any derivatives trading for the time being. If it is necessary for the Company to engage in such trading in the future, the Company shall follow the operating procedure for derivatives trading defined under the "Procedure for Acquisition or Disposal of Assets."
- (8) Responsive measures: According to the requirements of Securities and Futures Bureau and related laws and regulations, the Company and its subsidiaries adopt the internal management regulations and operating procedures established based on the robust finance and operations, including the "Operating Procedure for Loaning to Others" and the derivatives trading procedure defined under the "Operating Procedure for Making of Endorsements/Guarantees" and "Procedure for Acquisition or Disposal of Assets," in order to manage and control the related trading risks.

(III) Future R&D plans and expected R&D expenditure:

- (1) PU resin: For the product development, in order to cope with the environmental protection issues, the existing PU surface, primer resin, and solvent with a high solid content of more than 85% are applied to the DMF/DMAC-free eco-friendly materials and solvent-free moisture-reactive PUR and TPU product development; oil and water-based application furniture leather, automotive leather products, and water-based surface treatment development; the existing polyol products are maintained, in response to the development of special polyol applications; fast-drying bridging agent applications are developed; ready-to-wear market dry and wet physical properties of PU are improved and water-based products are applied to ready-to-wear products; the Company's product development is also oriented toward the fields of electronics, building materials, inks, fabrics, and eco-friendly toxic-free water-based PU: materials of the flexible AMOLED high-hardness wear-resistant protective covers, 100% self-made formula of materials, and formula may be customized per the customers' needs.

Further, the R&D expenditure to be invested by the Company will account for 2%~5% of the operating revenue, in order to ensure the Company's competitiveness. Meanwhile, the Company strives to seek new markets and develop high value-added products to upgrade its competitiveness.

- (2) Construction industry: The Company is engaged in the investment in house construction, et al.; therefore, it has no product R&D plan in place, and no R&D department is established by it. Given this, it is necessary to provide R&D expenses. Not like the technology and manufacturing industries, the construction company doesn't need to engage in design and R&D of new products. Therefore, the Company has no related R&D expenses or specific results.

(IV) Impact on the Company's business and finance due to changes in domestic or foreign policies and laws, and responsive measures: The Company and its subsidiaries didn't suffer any impact on its business and finance due to changes in domestic or foreign important policies and laws in the most recent year and by the date of publication of the prospectus. Meanwhile, the Company will keep observing the changes in domestic and foreign important policies and laws, and propose the relevant responsive measures voluntarily in a timely manner.

(V) Impact on the Company's business and finance due to technological changes (including information and communication security risk) or industrial changes, and responsive measures:

The Company has established relevant information processing operations (including information and communication security) to implement the internal control system and maintenance policy. The appropriateness and effectiveness of the information processing related procedures is ensured through irregular review and evaluation to obtain and share information security data and strengthen corporate information security awareness.

(VI) Impact on crisis management in the event of a change in corporate identity, and responsive measures: No report related to any bad corporate identity of the Company and its subsidiaries has been released.

(VII) Expected benefits and possible risks of merger and acquisition, and responsive measures: No merger or acquisition has been carried out by the Company and its subsidiaries.

(VIII) Expected benefits and possible risks of facilities expansion, and responsive measures: None.

(IX) Risks and responsive measures associated with concentrated purchases or sales:

(1) Risks and responsive measures associated with concentrated purchases:

The purchases of the Company and its subsidiaries from a single supplier are all below 20%. For the purchase of main raw materials, in order to deal with the real estate development and construction, the Company has purchased land and the raw materials, such as PU resin. The Company acquires the land from the general land owners, and sometimes also acquires the land for construction in the form of joint construction and separate sale with the land owners. Therefore, the trading counterparts in the land acquisition are specific and different. Therefore, there should be no risk over purchases arising. Further, with respect to PU synthetic resin, certain raw materials and supplies have to be imported completely. In order to ensure safe supply, and in consideration of the risk over concentrated purchases, the Company and its subsidiaries are used to purchasing each raw material from more than two suppliers, maintaining long-term good and stable cooperative relations with several domestic and foreign suppliers, and owning stable and high-quality sources of raw materials.

(2) Risks and responsive measures associated with concentrated sales:

Although the sales to the Company's and its subsidiaries' trade debtors account for 20% of the annual operating revenue, the collection of accounts from them is never delayed. Notwithstanding, the Company and its subsidiaries use the best effort to develop new products and customer bases to diversify the risk over concentrated sales. The Company has been focusing on the investment in construction industry since 2015, but it may recognize the operating revenue only upon completion of the whole project in response to the IAS. Only if the operating revenue of the Company and its subsidiaries decreases, there will be concentrated sales arising.

The Company's subsidiaries and Company A have maintained long-term partnership. Many of its subsidiaries have traded with the Company and established fair understanding on the cooperation. In the future, both parties will maintain the partnership. The Company and its subsidiaries will continue to manage the existing customers and develop new customers to mitigate the risk over concentrated sales.

(X) Impact and risk on the Company due to major transfer or conversion of equity by directors, supervisors, or shareholders with more than 10% ownership interest, and responsive measures:

No significant changes have occurred upon transfer or conversion of the equity by the Company's major shareholders, directors and supervisors in the most recent year.

(XI) Impact and risks on the Company due to a change of the right of management, and responsive measures: No change of the right of management has been made by the Company and its subsidiaries in the most recent year and by the date of publication of the prospectus.

(XII) The impact and risk on the Company as a result of any litigation or non-litigious matters involving the Company and any of the Company's directors, supervisors, President, de facto responsible person, or major shareholders with a stake of more than 10 percent, and responsive measures:

1. The litigation, non-litigious or administrative matter involving the Company and its affiliated companies finalized or remaining pending in the most recent two years and until the date of publication of the prospectus: None.
2. The impact and risk on the Company as a result of any litigation or non-litigious matters involving any of the Company's directors, supervisors, President, de facto responsible person, or major shareholders with a stake of more than 10 percent, and responsive measures: None.

(XIII) Other important risks and responsive measures:

1. Information security protection and response: In response to the networking technology progress and cross-platform networking trend, the Company uses information security tools to take effective protection strategies at the right moment; train employees' awareness toward information security and to be more cautious

about the messages in emails or communication software, in order to mitigate the risk over phishing scams, and help protect personal data and trading safety by installing anti-virus software. Meanwhile, in addition to updating password periodically, the Company uses multi-factor authentication account protection measures and password management tools to protect relevant authentication information and help protect personal confidential data and establish a backup mechanism to ensure the data security. Therefore, the Company evaluates that the information security risk should be minor for the time being.

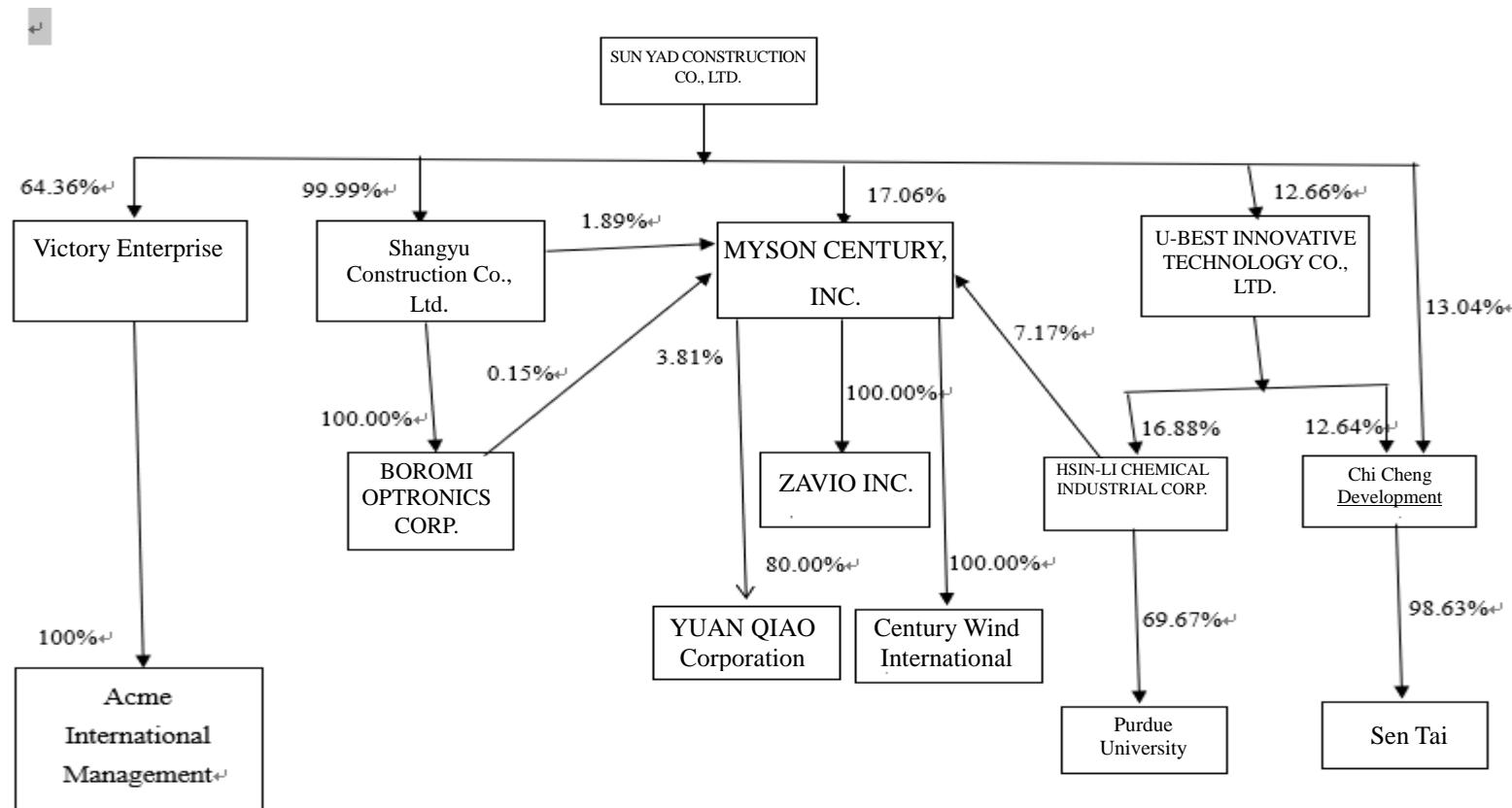
VII. Other Important Notes: None.

## Six. Special Notes

### I. Information about Affiliated Companies

#### (I) The consolidated business reports of affiliates

##### 1. Organizational Chart of Affiliates



2. Basic information of each affiliate:

Name of Associate	Date of Establishment	Address	Paid-in capital (NT\$ Thousand)	Principle business or production lines	Remark (Note 1)
Victory Enterprises Limited	1997.01.18	Offshore Chambers P.O. Box 217, Apia, Western Samoa.	USD163 thousand	Investees in the mainland China	USD:NTD =1:32.781
Acme International Management	2001.03.01	Samoa	-	Investment	
BOROMI OPTRONICS CORP.	2008.05.22	21-5F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City	NT\$200,000 thousand	Interior decoration	
U-BEST Innovative Technology Co., Ltd.	1991.08.29	No. 258-26, Anding, Anjia Vil., Anding Dist., Tainan City	NT\$1,772,924 thousand	Manufacturing and trading of polyester resin, adhesive and surface treatment agent	
Shangyu Construction Co., Ltd.	2015.09.18	20-4F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City	NT\$254,600 thousand	Comprehensive Construction Activities	
HSIN-LI CHEMICAL INDUSTRIAL CORP.	1973.06.22	No. 121, Huazong Rd., Xuejia Dist., Tainan City	NT\$788,378 thousand	Manufacture and trading of synthetic leather, plastic leather and flocking clothe, etc.	
FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.	1993.12.02	11-3F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City	NT\$1,687,708 thousand	12. H701010 Housing and Building Development and Rental	
MYSON CENTURY, INC.	1991.07.29	8-6F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City	NT\$147,000 thousand	Biotechnology and restaurants	
ZAVIO INC.	2006.12.07	8-6F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City	NT\$15,769 thousand	Retail sale	

Name of Associate	Date of Establishment	Address	Paid-in capital (NT\$ Thousand)	Principle business or production lines	Remark (Note 1)
Sen Tai Engineering Co., Ltd.	1965.09.20	11-3F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City	NT\$122,500 thousand	Comprehensive Construction Activities	
YUAN QIAO Corporation	2023.04.20	7F, No. 17, Minyou 12th Street, Taoyuan District, Taoyuan City	NT\$24,000 thousand	Restaurants	
HOA KANG FIRE PROTECTION CO., LTD.	2020.04.23	35F-3, No. 530, Yingai Road, West District, Taichung City	NT\$15,000 thousand	Retail sale	
PRIT Applied Materials Co., Ltd.	2000.05.04	1F, No. 191, Zhongshan Road Section 3, Wubei Village, Yongjing Township, Changhua County	NT\$399,000 thousand	Manufacture and trading of synthetic leather, plastic leather and flocking clothe, etc.	

(Note 1): The exchange rate available on December 29, 2023

3. Information about the same shareholder presumed to have control and affiliation: N/A

4. Explanation about business affiliation:

(1) Explanation about business operated by all affiliated companies:

Name of Affiliate	by industry
Victory Enterprises Limited	Investment
BOROMI OPTRONICS CORP.	Indoor renovation/indoor decoration
U-BEST Innovative Technology Co., Ltd.	Manufacturing
Shangyu Construction Co., Ltd.	Indoor Decoration
HSIN-LI CHEMICAL INDUSTRIAL CORP.	Construction
FEEI CHERNG ENTERPRISE CO., LTD.	Construction
MYSON CENTURY, INC.	Biotechnology and restaurants
ZAVIO INC.	Retail sale
Sen Tai Engineering Co., Ltd.	Retail sale
YUAN QIAO Corporation	Construction
HOA KANG FIRE PROTECTION CO., LTD.	Restaurants
PRIT Applied Materials Co., Ltd.	Retail sale
	Manufacturing

(2) Where connections exist among the businesses operated by individual affiliates, a description of the mutual dealings and division of work among such affiliates should be provided: None.

5. Information about directors, supervisors and presidents of the affiliated companies:

Name of Associate	Job title	Name or representative	Shares held		Remark
			Quantity of shares (shares)	Shareholding	
Victory Enterprises Limited	Chairman of Board	Chang Yu-Ming	162,500	64.36%	Juristic person representative of SUN YAD
BOROMI OPTRONICS CORP.	Chairman of Board	Chang Shuo-Wen	20,000,000	99.86%	Juristic person representative of SUN YAD
	Supervisor	Chang Hui-Feng	0	0%	
U-BEST Innovative Technology Co.,	Chairman of Board	Chang Yu-Ming	90,000	0.11%	Juristic person representative of Mason Holding Company

Name of Associate	Job title	Name or representative	Shares held		Remark
			Quantity of shares (shares)	Shareholding	
Ltd.	Vice Chairman	Liu Chen-Hsien	22,506,152	16.14%	Juristic person representative of SUN YAD
	Director	Huang Nan-Hao	22,506,152	16.14%	Juristic person representative of SUN YAD
	Independent Director	Hu Ching-Hsi	0	0%	
	Independent Director	Lin Yi-Chi	0	0%	
	Independent Director	Chen Li-Hsin	0	0%	
	Independent Director	Yao Yu-Wen	0	0%	
	President	Huang Nan-Hao	0	0%	
	Shangyu Construction Co., Ltd.	Director	Chang Shuo-Wen	1	Juristic person representative of Metropolis Internet Technology
HSIN-LI CHEMICAL INDUSTRIAL CORP.	Chairman of Board	Chang Yu-Ming	10,000	0.01%	Juristic person representative of Jing Hong Ltd.
	Director	Chao Tien-Tsung	10,000	0.01%	Juristic person representative of Jing Hong Ltd.
	Director	Huang Nan-Hao	10,130,219	12.85%	Jurist person representative of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.
	Director	Cheng Yu-Tang	10,130,219	12.85%	Jurist person representative of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.
	Independent Director	Hsu Chi-Jeng	0	0%	

Name of Associate	Job title	Name or representative	Shares held		Remark
			Quantity of shares (shares)	Shareholding	
FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.	Independent Director	Huang Ling-Chen	0	0%	
	Independent Director	Huang Hsiu-Hui	3,000	0%	
	President	Cheng Yu-Tang	0	0%	
MYSON CENTURY, INC.	Chairman of Board	Chang Yu-Ming	100,000	0.06%	Juristic person representative of Mason Holding Company
	Director	Tseng Peng-Kuang	100,000	0.06%	Juristic person representative of Mason Holding Company
	Director	Tsai Chien-Hsien	10,000,000	5.93%	Juristic person representative of TAIWAN CHIEF PRECISE TECHNOLOGY CO., LTD.
	Director	Huang Nan-Hao	28,882,121	17.11%	Jurist person representative of U-BEST INNOVATIVE TECHNOLOGY CO., LTD.
	Independent Director	Lian Chong Yue	0	0%	
	Independent Director	Chen Yu-Wen	0	0%	
	Independent Director	Cheng-Chen Yeh	0	0%	
	President	Li Tung-Hung	0	0%	
	Chairman of Board	Chang Yu-Ming	5,000	0.03%	Juristic person representative of Jing Hong Ltd.
	Director	Tseng Peng-Kuang	2,507,367	17.06%	Juristic person representative of SUN YAD

Name of Associate	Job title	Name or representative	Shares held		Remark
			Quantity of shares (shares)	Shareholding	
SUN YAD	Director	Chang Shuo-Wen	2,507,367	17.06%	Juristic person representative of SUN YAD
	Independent Director	Chia-Shan International	0	0%	
	Independent Director	Wang, Ruei-Ching	0	0%	
	Independent Director	Chen, Pei-Chun	0	0%	
	Independent Director	Ores	0	0%	
	President	Chang Shuo-Wen	0	0%	
ZAVIO INC.	Chairman of Board	Chang Shuo-Wen	1,576,937	100.00%	Juristic person representative of MYSON CENTURY, INC.
	Supervisor	Chang Chao Su-Chu	1,576,937	100.00%	Juristic person representative of MYSON CENTURY, INC.
	President	Chang Shuo-Wen	0	0%	
Sen Tai Engineering Co., Ltd.	Chairman of Board	Li Tung-Hung	7,377	0.06%	Juristic person representative of Mason Holding Company
	Supervisor	Chang Chao Su-Chu	0	0%	
	President	Tseng Peng-Kuang	0	0%	
YUAN QIAO Corporation	Chairman of Board	Shih Kuan-Heng	240,000	10.00%	
	Director	Chang Yu-Ming	1,920,000	80.00%	Juristic person representative of MYSON CENTURY, INC.
	Director	Chang Shuo-Wen	1,920,000	80.00%	Juristic person representative of MYSON CENTURY, INC.

Name of Associate	Job title	Name or representative	Shares held		Remark
			Quantity of shares (shares)	Shareholding	
	President	Shih Kuan-Heng	240,000	10.00%	
HOA KANG FIRE PROTECTION CO., LTD.	Chairman of Board	Chang Shuo-Wen	1,500,000	100.00%	Juristic person representative of MYSON CENTURY, INC.
	Director	Chang Yu-Ming	1,500,000	100.00%	Juristic person representative of MYSON CENTURY, INC.
	Director	Ming-Ih Lai	1,500,000	100.00%	Juristic person representative of MYSON CENTURY, INC.
	Supervisor	Chang Chao Su-Chu	1,500,000	100.00%	Juristic person representative of MYSON CENTURY, INC.
	President	Liu Yuan-Sheng			
PRIT Applied Materials Co., Ltd.	Chairman of Board	Chang Yu-Ming	27,800,000	100.00%	Juristic person representative of Jing Hong Ltd.
	Director	Huang Nan-Hao	27,800,000	100.00%	Juristic person representative of Jing Hong Ltd.
	Director	Liu Chen-Hsien	27,800,000	100.00%	Juristic person representative of Jing Hong Ltd.
	Supervisor	Chang Chao Su-Chu			
	President	Huang Nan-Hao			

Chairman: Chang  
Yu-Ming

General Manager: Chang  
Yu-Ming

Accounting Manager: Kuo  
Yu-Cheng

6. Overview of operations of affiliated companies:

Unit: NT\$ Thousand

Name of Associate	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue, net	Operating profit (loss)	Profit (loss)	Earnings per share (NT\$)	Remark
BOROMI OPTRONICS CORP.	\$ 200,000	\$ 434,635	\$ 110,936	\$ 323,699	\$ 130,965	\$ 7,445	\$ 13,803	0.69	
U-BEST Innovative Technology Co., Ltd.	\$ 1,772,924	\$ 9,916,639	\$ 3,849,378	\$ 6,067,261	\$ 825,783	(\$ 171,697)	\$ 728,384	0.38	
Shangyu Construction Co., Ltd.	\$ 254,600	\$ 1,006,904	\$ 248,519	\$ 758,385	\$ 662,487	\$ 121,531	\$ 284,140	11.16	
HSIN-LI CHEMICAL INDUSTRIAL CORP.	\$ 788,378	\$ 3,308,823	\$ 1,136,200	\$ 2,172,623	\$ 373,927	(\$ 73,917)	\$ 814,176	10.62	
FEEI CHERNG DEVELOP TECHNOLOGY CO., LTD.	\$ 1,687,708	\$ 3,047,873	\$ 1,409,152	\$ 1,638,721	\$ 36,764	(\$ 56,724)	\$ 173,091	1.03	
MYSON CENTURY, INC.	\$ 147,000	\$ 612,819	\$ 161,877	\$ 450,942	\$ 628,230	\$ 267,048	\$ 268,299	18.25	

Chairman: Chang Yu-Ming

General Manager: Chang Yu-Ming

Accounting Manager: Kuo Yu-Cheng

(II) Consolidated financial statements of affiliated companies:

## **Statement of Declaration**

The companies to be included by the Company in the consolidated financial statement of affiliated companies in 2024 (January 1, 2024 to December 31, 2024) pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those to be included into the consolidated financial statements of the parent company and subsidiaries pursuant to IFRS 10 recognized by the Financial Supervisory Commission. Further, the related information to be disclosed in the consolidated financial statement of affiliated companies has been disclosed in said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated companies separately.

Hereby declared by

SUN YAD CONSTRUCTION CO., LTD.

Responsible Person: Chang Yu-Ming

March 12, 2025

(III) Affiliation Report: None.

**II. Private placement of securities during the most recent year and up to the date of publication of the annual report: None.**

**III. Holding or disposal of shares of the Company by the Company's subsidiaries during the most recent year and up to the date of publication of the annual report:**

Unit: NT\$ Thousand; shares; %

Name of Subsidiary (Note 1)	Paid-in capital	Source of capital	The Company's shareholding	Date of acquisition or disposal	Number and amount of acquired shares	Number and amount of disposed shares	Investment income	Number and amount of shares held until the date of publication of the annual report	Creation of pledge	Amount endorsed/guaranteed by the Company's subsidiary	Amount loaned by the Company to the subsidiary
U-BEST INNOVATIVE TECHNOLOGY CO., LTD.	1,772,924	Working capital	12.66	-	0	0	(7,801)	19,983,058	None	60,600	0
					0	0		368,792			
				Ending on the date of publication of the annual report	0	0	0	19,983,058	None	60,600	0
					0	0		368,792			
FEEI CHERNG ENTERPRISE CO., LTD.	1,687,708	Working capital	13.04	-	1,176,135	7,337,038	(8,147)	0	None	0	0
					44,985	0		0			
				Ending on the date of publication of the annual report	0	0	0	0	None	0	0
					0	0		0			
HSINLI CHEMICAL INDUSTRIAL CORP.	788,378	Working capital	0	-	1,376,068	5,978,616	105,387	0	None	0	0
					34,525	0		0			
				Ending on the date of publication of the annual report	0	0	0	0	None	0	0
					0	0		0			
MYSON CENTURY, INC.	147,000	Working capital	17.06	-	0	0	36,927	258,291	None	0	100,000
					0	0		3,280			
				Ending on the date of publication of the annual report	7,200,000	7,200,000	0	258,291	None	0	100,000
					86,400	0		3,280			

**IV. Other Supplementary Notes: None.**

**V. Any occurrences of events defined under Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act in the most recent year up till the date of publication of the annual report that significantly impacted shareholders' equity or security price: None.**

**SUN YAD CONSTRUCTION CO., LTD.**

**Responsible Person: Chang Yu-Ming**