

Stock Code: 5514



Sun Fon Construction Co., Ltd.

2025 Annual Report



Nanchang Road Project

Publication Date: March 31, 2026

This Annual Report is available on <https://mops.twse.com.tw/>

Company website: <https://sunfon.com.tw>

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V. The name of any exchanges where the Company's securities are traded offshore: None

The method of accessing information on said offshore securities: None

VI. Company website: sunfon.com.tw

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One. Report to Shareholders

I. Operating results for the previous year (2025)

(I) Implementation results of the 2025 Business Plan:

The Company's consolidated operating revenue for fiscal year 2025 was NT\$5,780 thousand, a decrease of 99.16% compared to the consolidated operating revenue of NT\$684,936 thousand in fiscal year 2024. The consolidated net loss after tax for fiscal year 2025 was NT\$29,939 thousand, a decrease of NT\$114,774 thousand or 135.29% compared to the consolidated net profit after tax of NT\$84,835 thousand in fiscal year 2024. Earnings per share was NT\$(0.13). The operating results are listed below:

1. Consolidated Profit or Loss

Unit: NT\$ thousand

Item	Amount in 2025	Amount in 2024	Increase/ decrease amount	Change in percentage %
Operating revenue	5,780	684,936	(679,156)	(99.16)
Operating costs	1,610	522,184	(520,574)	(99.69)
Operating profit	4,170	162,752	(158,582)	(97.44)
Operating expenses	66,619	67,186	(567)	(0.84)
Operating income (loss)	(62,449)	95,566	(158,015)	(165.35)
Non-operating revenue and (expenditures)	32,510	25,085	7,425	29.6
Net income before tax	(29,939)	120,651	(150,590)	(124.81)
Income tax benefit (expense)	0	(35,816)	35,816	(100.00)
Net profit (loss) for the period	(29,939)	84,835	(114,774)	(135.29)
Earnings per share (NT\$)	(0.13)	0.37		

2. Parent Only Profit or Loss

Unit: NT\$ thousand

Item	Amount in 2025	Amount in 2024	Increase/ decrease amount	Change in percentage %
Operating revenue	5,900	685,056	(679,156)	(99.14)
Operating costs	1,610	453,108	(451,498)	(99.64)
Operating profit	4,290	231,948	(227,658)	(98.15)
Operating expenses	53,817	54,537	(720)	(1.32)
Operating income (loss)	(49,527)	177,411	(226,938)	(127.92)
Non-operating revenue and (expenditures)	19,593	(56,736)	76,329	134.53
Net income before tax	(29,934)	120,675	(150,609)	(124.81)
Income tax benefit (expense)	0	(35,816)	35,816	100.00
Net profit (loss) for the period	(29,934)	84,859	(114,793)	(135.27)
Earnings per share (NT\$)	(0.13)	0.37		

(II) Budget implementation: The Company does not disclose financial forecasts.

(III) Analysis of receipts, expenditures, and profitability

1. Liquidity analysis

(1) Consolidated liquidity analysis

Item \ Year	December 31, 2025	December 31, 2024	Increase/ decrease percentage (%)
Cash flow ratio (%)	(22.66)	(24.62)	1.96
Cash flow adequacy ratio (%)	(79.33)	(77.53)	(1.80)
Cash reinvestment ratio (%)	(25.67)	(22.20)	(3.47)

Analysis of changes in percentage variance: Variance ratio did not reach 20%.

(2) Parent Only Liquidity Analysis

Item \ Year	December 31, 2025	December 31, 2024	Increase/ decrease percentage (%)
Cash flow ratio (%)	(15.28)	(26.36)	11.08
Cash flow adequacy ratio (%)	(54.96)	(61.57)	6.61
Cash reinvestment ratio (%)	(21.02)	(24.83)	3.81

Analysis of changes in percentage variance: Variance ratio did not reach 20%.

2. Profitability analysis

(1) Consolidated profitability analysis

Item \ Year	2025	2024	Increase/decrease rate (%)
Return on assets (%)	(0.42)	1.54	(1.96)
Shareholder return on equity (%)	(0.96)	2.83	(3.79)
Percentage to paid-in capital (%)	Operating income	4.21	(6.85)
	Net income before tax	5.31	(6.58)
Net profit rate (%)	(517.98)	12.39	(530.37)
Earnings per share (NT\$)	(0.13)	0.37	

(2) Parent Only Profitability Analysis

Item	Year	2025	2024	Increase/decrease rate (%)
	Return on assets (%)		(0.44)	1.50
Shareholder return on equity (%)		(0.96)	2.83	(3.79)
Percentage to paid-in capital (%)	Operating income	(2.10)	7.81	(9.91)
	Net income before tax	(1.27)	5.32	(6.59)
Net profit rate (%)		(507.36)	12.39	(519.75)
Earnings per share (NT\$)		(0.13)	0.37	

(IV) Research and development (R&D) status

1. R&D expenditures and results for the most recent fiscal year

- (1) Through applications for incentives for urban renewal and unsafe and old buildings, as well as developing and building quality mixed residential and commercial buildings in old communities together with landowners, we are able to keep land acquisition costs down to generate more profits.
- (2) We are proactively seeking desirable locations with reasonable land prices to promote quality residences for steady sales. With a strategy that focuses on small volumes but a large number of projects, we hope to build our company brand in the public awareness.
- (3) Our product design and planning take into account the requirements of both the building coverage ratio and floor area ratio of each location in order to fully utilize the buildable area. Moreover, we aim to design and construct tall buildings with deep foundations and high floors, imbuing them with vitality so that they are reasonable, practical, humanized, and refined, thereby meeting market demand.
- (4) We select first-rate vendors through evaluation of their information sheets and final reports, while strengthening budget management and improving schedule control to reduce costs, elevating operational efficiency.
- (5) Construction projects completed in recent years, including “Feng Hua Hui,” “Wen Ding Hui,” “Di Yi Hui,” “The Twin Cities,” “Chang An Hui,” “Great Emperor Baosheng Memorial Hall,” “Sun Fon AIT,” and construction projects currently under construction, including “Yun Ji,” “Yun Di,” “Nanchang Street Project,” “Yun Du,” “Yun Cheng,” and “Ri Li” have received high praise by customers in terms of both the design and construction quality.

2. Future R&D plans

- (1) Strengthening land development ability by adopting a strategy of both self-purchased land and joint construction to ensure the acquisition of land resources.
- (2) Adopting new construction methods and collecting information on new building materials to keep track of construction progress cost and quality.
- (3) Promoting comprehensive institutionalized management by strengthening authorization and fostering labor division. By doing this, our labor resources can be put into full practice to enhance the Company's work quality and efficiency in operations.
- (4) Promoting improved computerized operations and enhance work efficiency to all businesses. This enables us to provide the best service to customers, build product reputation and increase brand awareness, and achieve the goal of being a sustainable business.
- (5) As we primarily provide land development and construction services, R&D investment is not applicable.

(V) Conclusion

Dear shareholders:

Thank you for your continued support and encouragement of Sun Fon Construction Co., Ltd. We hereby sincerely report to all shareholders on the Company's development progress and construction status for fiscal year 2025.

2025 Development and Construction Progress Report

A. San Fon AIT Project (Section 1, Kangning Road, Neihu District, Taipei City)

Building specifications: 10 floors above ground, 3 basement levels; site area 215.03 ping. Construction was completed in December 2025, with unit handover completed in Q1 2026. The sales rate stands at 99% (1 unit remaining), with projected total sales of approximately NT\$600 million.

B. Yun Di Project (Intersection of Minle Street and Guisui Street, Datong District, Taipei City)

Building specifications: 15 floors above ground, 5 basement levels, site area 346.67 ping. Completely sold out, with total sales of approximately NT\$1.59 billion. Construction is ongoing, with completion and handover expected in 2026.

- C. Yun Ji Project (Minsheng West Road, Datong District, Taipei City)
Building specifications: 24 floors above ground, 6 basement levels; site area 668.83 ping. The sales rate stands at 99% (1 unit remaining), with projected total sales of approximately NT\$3.64 billion. Construction is ongoing, with completion and handover expected in 2027.
- D. Yun Cheng Project (No. 128, Section 3, Chengde Road, Datong District, Taipei City)
Building specifications: 11 floors above ground, 4 basement levels, site area 188.46 ping. Completely sold out, with total sales of approximately NT\$736 million. Construction is ongoing, with completion and handover expected in 2027.
- E. Yun Du Project (Chengde Road, Taipei City)
Building specifications: 23 floors above ground, 5 basement levels, site area 694.05 ping. Pre-sale has not yet been launched. Construction is ongoing, with completion and handover expected in 2027.
- F. Nanchang Road Project (No. 16, Section 1, Nanchang Road, Zhongzheng District, Taipei City)
Building specifications: 15 floors above ground, 3 basement levels, site area 134.92 ping. Pre-sale has not yet been launched. Construction is ongoing, with completion and handover expected in 2027.
- G. Ri Li Project (Section 2, Huanshan Road, Neihu District, Taipei City)
Building specifications: 11 floors above ground, 3 basement levels; site area 269.53 ping. Pre-sale is currently underway; as of year-end 2025, the sales rate stands at 39.7%. Construction is ongoing, with completion and handover expected in 2027.
- H. Tianyu Street Project (Nos. 67 & 69, Tianyu Street, Shilin District, Taipei City)
Building specifications: 15 floors above ground, 3 basement levels; site area 142.18 ping. A building permit was obtained in August 2025. Construction has commenced; pre-sale has not yet been launched.

2026 Development Plan

The Company continues to actively expand its urban renewal and government-designated urban renewal pipeline. Major development projects underway or in planning are as follows:

- Chang'an West Road Project (Government-Planned Urban Renewal), with a site area of 435 ping
- No. 101, Chang'an West Road Project (Urban Renewal), with a site area of 641.91 ping
- No. 31-1, Section 3, Chongqing North Road Project (Government-Planned Urban Renewal), with a site area of 464.94 ping
- Yansan Night Market Project (Urban Renewal), with a site area of 665.75 ping
- Changji Street Project (Government-Planned Urban Renewal), with a site area of 664.59 ping
- Heping West Road Project (urban renewal), site area 698.17 ping

Looking Forward to 2026

The government's mortgage tightening measures in 2025 dampened buyer demand, resulting in a slowdown in residential sales and intensifying market competition. Nevertheless, 2025 represents the trough of this market cycle.

In the face of market challenges, the Company continues to adhere to its principle of sound management — selectively targeting high-potential prime locations, maintaining rigorous construction quality, and remaining committed to delivering developments that embody both aesthetic distinction and structural safety. This remains the shared direction and objective of all Company personnel.

The projected completion schedule by year is as follows:

The projects scheduled for completion in 2026 include the Sun Fon AIT project and the Yun Di project.

The projects slated for completion in 2027 include the Nanchang Road Project, Yun Cheng Project, Yun Ji Project, Yun Du Project, and Ri Li Project

The project scheduled for completion in 2028 is the Tianmu Tianyu Street Project

As projects are progressively completed and units handed over, the Company's operating performance is expected to achieve steady year-over-year growth.

Once again, thank you for the support and encouragement of all shareholders. We wish everyone safety and health!

II. Summary of the Business Plan for This Year (2026)

(I) Management policy

We adhere to the business motto of “sustainable management and steady growth” and create reasonable profits, which are given back to society and shared with employees and shareholders. As a means to put the motto into practice, our management policy includes:

1. Strengthening land development ability by adopting a strategy of both self-purchased land and joint construction to ensure the acquisition of land resources.
2. Using market demand as a guide to plan quality products that are user-friendly so as to facilitate sales and reduce the inventory of houses.
3. Emphasizing construction quality and after-sales service to build a sound corporate image and reputation, while increasing the trust and recognition of customers.
4. Properly planning and utilizing human resources and placing importance on employee education and training as well as the welfare system to enhance work efficiency.
5. Improving the financial structure and strictly controlling budgets and audits to ensure our profitability and operating performance.

(II) Expected sales volume and its basis

1. The “Baosheng Emperor Memorial Hall” project located at No. 138, Section 3, Chongqing North Road, with a site area of 108.6 ping, is planned as a social education facility building. It achieved a 100% sales rate and was handed over at the end of 2024.
2. The “Yun Ji” project, located near the intersection of Minsheng West Road and Chongqing North Road in proximity to the Ningxia Night Market commercial district, has a site area of 668.83 ping, comprising 5 ground-floor retail units and 207 residential units. The sales rate is projected to reach 100% by the end of 2026.
3. The “Yun Di” project, located at the intersection of Guisui Street and Minle Street, has a site area of 346.67 ping, comprising 8 ground-floor retail units and 104 residential units. The sales rate has reached 100%.
4. The “Sunfon AIT” project, located at Lane 175, Section 1, Kangning Road, Neihu District, has a site area of 215.03 ping, comprising 1 ground-floor retail unit and 36 residential units. The sales rate is projected to reach 100% by the end of 2026.
5. The “Yun Cheng” located on Section 3, Chengde Road, Datong District, has a site area of 188.46 ping, comprising 3 ground-floor retail units and 40 residential units. The sales rate has reached 100%.
6. The Ri Li project, located at No. 81, Section 2, Huanshan Road, Neihu District, has a site area of 269.53 ping, comprising 1 first-floor retail unit and 41 residential units. Launched for sale in the first half of 2025, the sales rate is projected to reach 100% by the end of 2026.
7. The projected sales figures for 2026 are estimated on the assumption of a contraction in construction sector market activity.

(III) Important production and sales policies

1. Production strategy:

- (1) Develop marketable land and work with landlords to build quality mixed residential and commercial buildings in old communities. This reduces land acquisition costs and generates more profits.
- (2) Our product design and planning take the requirements of building coverage ratio and floor area ratio into account in order to fully utilize the buildable area. Moreover, we aim to design and construct high buildings with deep foundations to build reasonable, practical, humanized and refined buildings, meeting the market demand.
- (3) We select first-rate vendors through evaluation of their information sheets and final reports, while strengthening budget management and improving schedule control to reduce costs, elevating operations management efficiency.

2. Sales strategy:

- (1) Adopt sensible operating principles by means of pre-sales and selling while building or selling after building completion depending on market trends, and launch sales at the best moment.
- (2) Entrust reliable and professional proxies to reach the expected sales targets through diversified media design and strong advertising strategies in conjunction with the bank's generous loan terms.
- (3) Enhance the training of customer sales service to improve the quality of professional and comprehensive after-sales services in order to increase the satisfaction and trust of customers.
- (4) Build customer brand recognition of the Company and improve the corporate image through the visibility of the Company's listed stock and past project performances.

III. Future company development strategy

- (I) To reduce risks, the main area for our future land development will still be Greater Taipei.
- (II) We have long been dedicated to the research of urban renewal and carrying out land integration. Our main development direction is to renew old communities to improve the quality of living.
- (III) To ensure the acquisition of land materials for sustainable management and development, not only do we continue with the business of joint construction and urban renewal, we also assess suitable land in New Taipei City, Taoyuan or even Taichung for purchase and construction. This will strengthen the Company's business volume and profitability.

IV. The effect of external competition, the legal environment, and the overall business environment.

The construction industry in 2025 continued to face compounding challenges across the competitive landscape, regulatory environment, and broader operating conditions. On the competitive front, ongoing global geopolitical tensions and supply chain realignment continued to drive volatility in raw material prices and lead times. The accelerating adoption of digital construction and smart jobsite technologies by major international contractors has intensified transformation pressures on traditional construction firms, making the competitive environment increasingly demanding.

On the regulatory front, the government continued to advance its net-zero carbon emissions agenda alongside more stringent environmental standards, imposing higher requirements on carbon output, energy-efficient building materials, and waste management. Concurrent revisions to building safety codes - including updated seismic resistance, wind load tolerance, and high-performance building design standards have added to compliance costs. Nonetheless, these mandates have also accelerated industry-wide adoption of green building practices, renewable energy integration, and Building Information Modeling (BIM), creating a new axis of competitive differentiation.

On the macroeconomic front, while global growth deceleration and inflationary pressures showed modest signs of easing, interest rates remained elevated, constraining liquidity and dampening homebuying demand. Persistently rising labor costs continued to weigh on operating margins. The expanding application of AI and digital technologies, however, has improved construction efficiency and opened opportunities for more effective cost management.

In the domestic residential market, the government maintained its real estate regulatory stance, including selective credit controls, the vacancy tax on multiple-home holders, and urban renewal relocation assistance mechanisms, with the dual objectives of curbing speculative activity and upholding housing equity. While these measures suppressed transaction volumes in the near term, they are conducive to sustained market health over the longer horizon. In aggregate, the construction industry in 2026 must proactively position itself at the intersection of sustainable building and digital transformation amid regulatory pressure, rising costs, and market normalization. Firms capable of nimbly leveraging policy tailwinds and technological trends retain meaningful prospects for steady growth.

Two. Corporate Governance Report

I. Information on the Company's directors, supervisors, president, vice presidents, assistant general managers, and the supervisors of all the Company's departments and branch units.

(I) Information on directors and supervisors (1):

March 23, 2026

Title	Nationality or place of registration	Name	Gender Age	Date of election (assumption) of office	Term of office	Comment date of the first term	Number of shares held at the time of election to office		Number of shares currently held		Shares currently held by their spouse, children of minor age		Shares held in the name of others		Principal work (academic) experience	Position(s) held concurrently in the Company and/or in any other company	Other directors or supervisors who are a spouse or a relative within the second degree of kinship of another			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
Director	Taiwan	Don Tai Development Co., Ltd.	Legal person	2021.7	3	2015.5	12,550,000	6.46	15,288,524	6.47	0	0	0	0	None	None	None	None	None	
Chairperson Representative	Republic of China	Hung, Min-Fu	Male 61-70	2024.5	3	2024.5	5,897,584	2.72	6,440,161	2.72	0	0	0	0	Chairperson, Don Tai Development Co., Ltd.	Chairperson, Sunfon Construction Co., Ltd.	None	None	None	
Director	Taiwan	Golden Plaza Cultural & Education Foundation	Legal person	2021.7	3	2009.6	1,980,000	1.02	1,514,979	0.64	0	0	0	0	None	None	None	None		

Title	Nationality or place of registration	Name	Gender Age	Date of election (assumption) of office	Term of office	Comment date of the first term	Number of shares held at the time of election to office		Number of shares currently held		Shares currently held by their spouse, children of minor age		Shares held in the name of others		Principal work (academic) experience	Position(s) held concurrently in the Company and/or in any other company	Other directors or supervisors who are a spouse or a relative within the second degree of kinship of another			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
Representative	Republic of China	Hung, I-Chung	Female 51-60	2024.5	3	2024.5	0	0	0	0	0	0	0	0	Chairperson, Golden Plaza Cultural & Education Foundation	Assistant Vice President, Customer Service Department, Sunfon Construction	None	None	None	
Director	Taiwan	Yo-Li Investment Co., Ltd.	Legal person	2021.7	3	2009.6	12,665,000	6.52	15,899,633	6.73	0	0	0	0	None	None	None	None	None	
Representative	Republic of China	Lin, I-Wai	Male 51-60	2021.7	3	2012.6	5,060,000	2.60	6,185,969	2.61	0	0	0	0	Chairperson, Transidea Educational Laboratory Co., Ltd.	Chairperson, Yi-Fu Investment Co., Ltd. Adjunct lecturer, National Taipei University of Business	None	None	None	
Director	Taiwan	Hong Ding Investment Co., Ltd.	Legal person	2024.5	3	2024.5	2,570,208	1.18	2,806,666	1.18	0	0	0	0	None	None	None	None	None	

Title	Nationality or place of registration	Name	Gender Age	Date of election (assumption) of office	Term of office	Comment date of the first term	Number of shares held at the time of election to office		Number of shares currently held		Shares currently held by their spouse, children of minor age		Shares held in the name of others		Principal work (academic) experience	Position(s) held concurrently in the Company and/or in any other company	Other directors or supervisors who are a spouse or a relative within the second degree of kinship of another			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
Representative	Republic of China	Chen, Tai-Fong	Male 61-70	2024.5	3	2024.5	2,313,959	1.07	2,526,842	1.07	683,642	0.28	0	0	Director, Hong Ding Investment Co., Ltd.	None	None	None		
Independent Director	Republic of China	Yen, Kun-Lung	Male 61-70	2024.5	3	2024.5	0	0	0	0	0	0	0	0	CPA, Answer CPAs Firm	Independent Director, Mycenax Biotech Inc. Independent Director, Win Win Precision Technology Co., Ltd.	None	None	None	
Independent Director	Republic of China	Ko, Pai-Lung	Male 41-50	2024.5	3	2024.5	0	0	0	0	0	0	0	0	Attorney at KKCHEN's Law Office	Independent Director, Tachan Securities Investment Co., Ltd.	None	None	None	
Independent Director	Republic of China	Wu, Chen-Chi	Male 71-80	2021.7	3	2021.7	0	0	0	0	0	0	0	0	Manager, Hwatai Bank	None	None	None		

Table 1: Major shareholders of institutional shareholders (top ten shareholders and their shareholding percentage)

March 23, 2026

Name of institutional shareholder	Major shareholders of institutional shareholders
Don Tai Development Co., Ltd.	Yi-Fu Investment Co., Ltd. – 99.62%
Yo-Li Investment Co., Ltd.	Hung, I-Hua – 100%
Golden Plaza Cultural & Education Foundation	Hung, Ping-Yao – 35.56%, Hung, Min-Fu – 5.69%, Hung, I-Hua – 2.84%
Hong Ding Investment Co., Ltd.	Chen, Teh-Cheng – 44%, Chen, Teh-Jung – 26%, Chen, Teh-Fong – 20%, Chen-Tseng, Chao-Jung – 4%

Table 2: Major shareholders of institutional shareholders who are major shareholders of legal persons (top ten shareholders and their shareholding percentage)

March 23, 2026

Name of legal person	Major shareholders of legal entities
Yi-Fu Investment Co., Ltd.	Yi-Sheng Investment Co., Ltd. – 49.54%, Jin-Zan Business Development Co., Ltd. – 38.33%, Da-Hong Investment Co., Ltd. – 10.00%

Information on directors and supervisors (2):

I. Disclosure of director and supervisor professional qualifications and independence of independent directors

Qualification Name	Professional qualification and experience	Independence status	Number of other public companies in which the individual is concurrently serving as an independent director
Chairperson Hung, Min-Fu	Experience in business management and market analysis Chairperson, Don Tai Development Co., Ltd. Master's degree, Environmental Engineering, University of Southern California	Non-independent director	None
Director Hung, I-Ching	Experience in business management and market analysis Chairperson, Golden Plaza Cultural & Education Foundation	Non-independent director	None
Director Lin, I-Wei	Equipped with relevant experience in commercial affairs management and data analysis Yi Fu Investment Co., Ltd. Adjunct lecturer, National Taipei University of Business	Non-independent director	None
Director Chen, Teh-Fong	Experience in business management and market analysis Director, Hong Ding Investment Co., Ltd.	Non-independent director	None
Independent director Yen, Kuo-Lung	Equipped with financial and accounting experience and CPA license CPA, Answer CPAs Firm	Compliant with the qualification requirements and independence specified in Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters, and not subject to any conditions prescribed in subparagraphs of Article 30 of the Company Act.	Independent Director, Mycenax Biotech Inc. Independent Director, Win Win Precision Technology Co., Ltd.

Qualification Name	Professional qualification and experience	Independence status	Number of other public companies in which the individual is concurrently serving as an independent director
Independent director Ke, Pai-Ling	Legal experience and attorney certification Attorney at KKCHEN's Law Office	Compliant with the qualification requirements and independence specified in Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters, and not subject to any conditions prescribed in subparagraphs of Article 30 of the Company Act.	Independent Director, Tachan Securities Investment Co., Ltd.
Independent director Wu, Chen-Chi	Equipped with relevant experience in commercial affairs and finance Manager, Hwatai Bank	Compliant with the qualification requirements and independence specified in Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters, and not subject to any conditions prescribed in subparagraphs of Article 30 of the Company Act.	None

Diversity and Independence of Board of Directors:

(I) Diversity of Board of Directors:

The Company respects the director diversity policy, and to enhance the corporate governance and to promote the sound development of the board composition and structure, the Company is of the opinion that diversity policy is beneficial to the improvement of the overall performance of the Company. The board members adopt the principle of talent recruitment, and the professional expertise of board members include cross-industry fields of business management, construction and engineering, real estate, information and technology, finance and accounting, legal and risk, with diverse and mutual compensatory abilities. The current board member diversity policy and implementation status are as follows:

Director name	Basic composition								Professional competency and experience						
	Nationality	Gender	Equipped with employee identity	Age			Seniority of independent		Business management	Construction and engineering	Real estate	Information and technology	Finance and accounting	Legal	Risk management
				45-60 years old	61-70 years old	Over 70 years old	Less than 3 years	6-9 years							
Hung, Min-Fu	Republic of China	Male	✓	-	✓	-	-	-	✓	✓	✓	✓	○	○	○
Hung, I-Ching	Republic of China	Female	✓	✓	-	-	-	-	✓	-	○	○	○	-	○
Lin, I-Wei	Republic of China	Male	-	✓	-	-	-	-	○	-	-	✓	-	-	○
Chen, Teh-Fong	Republic of China	Male	-	-	✓	-	-	-	✓	○	○	-	○	○	○

Diversity core Director name	Basic composition								Professional competency and experience						
	Nationality	Gender	Equipped with employee identity	Age			Seniority of independent		Business management	Construction and engineering	Real estate	Information and technology	Finance and accounting	Legal	Risk management
				45-60 years old	61-70 years old	Over 70 years old	Less than 3 years	6-9 years							
Yen, Kuo-Lung	Republic of China	Male	-	-	✓	-	✓	-	○	-	○	-	✓	○	○
Ke, Pai-Ling	Republic of China	Male	-	✓	-	-	✓	-	-	-	○	-	○	✓	○
Wu, Chen-Chi	Republic of China	Male	-	-	-	✓	-	✓	✓	-	-	-	✓	○	○

Note: ✓ refers to having the competency completely, ○ refers to having the competency partially

Female members of the Company's Board of Directors do not reach one-third of the total number of Directors, primarily due to traditional industry culture and the limited number of female professionals with specific expertise and experience in senior management positions and related professional fields. The Company is actively identifying and cultivating female leadership talent, with the goal of increasing female director representation to more than one-third. Currently, male directors constitute 86% (6 members) and female directors constitute 14% (1 member) of the board. The Company will strive to increase the number of female directors to achieve this goal.

(II) Independence of Board of Directors:

The Company's 13th Board of Directors consists of 7 directors (including 3 independent directors). Independent directors account for 42.86%, which complies with Article 14-2 of the Securities and Exchange Act. None of the directors fall under the circumstances specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(III) Information on the Company’s president, vice president, assistant general managers, and the supervisors of all the Company’s departments and branch units

March 23, 2026

Title	Nationality	Name	Gender	Elected/ Appointed Date	Number of shares held		Number of shares held by their spouse, children of minor age		Shares held in the name of others		Principal work (academic) experience	Position(s) held concurrently in any other company	Managerial officers who are spouses or within second degree of kinship of another			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
President	Republic of China	Lan, Li-Hua	Female	2023.9	238,593	0.10%	0	0	0	0	Yi-Sheng Investment Co., Ltd. Chairperson	Chairperson, Yi-Sheng Investment Co., Ltd.	None	None	None	
Vice President of the Management Department	Republic of China	Hung, Min-Fu	Male	2023.8	6,440,161	2.72%	0	0	0	0	Environmental & Ocean Technology Inc. Project Manager EO.T Engineering Consultants, Inc., USA Project Manager	Chairperson, Don Tai Development Co., Ltd.	None	None	None	
Vice President	Republic of China	Huang, Kuo-Chin	Male	2016.7	13,628	0.00%	0	0	0	0	Sunfon Construction Co., Ltd. Manager, Customer Service Department	None	None	None	None	

Title	Nationality	Name	Gender	Elected/ Appointed Date	Number of shares held		Number of shares held by their spouse, children of minor age		Shares held in the name of others		Principal work (academic) experience	Position(s) held concurrently in any other company	Managerial officers who are spouses or within second degree of kinship of another			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
Vice President	Republic of China	Wang, Chin-Ching	Male	2025.11	561	0.00%	0	0	0	0	Sunfon Construction Co., Ltd. Assistant General Manager, Development Department	None	None	None	None	

As the Company does not have branch units, there is no related information.

II. Remuneration paid to Directors, Supervisors, President and Vice Presidents, etc., in the most recent year

(I) Remuneration to general directors and independent directors (individual disclosure of names and remuneration method)

Unit: NTS thousand

Title	Name	Director remuneration						The sum of A, B, C and D and its percentage over the net income after tax (Note 10)		Remuneration for concurrently serving as the Company's employee						The sum of A, B, C, D, E, F, and G and its percentage over the net income after tax (Note 10)		Remuneration from investment business other than subsidiaries or parent company (Note 11)								
		Returns (A) (Note 2)		Pension (B)		Remuneration to directors (C) (Note 3)				Fees for services rendered (D) (Note 4)		Salaries, bonuses, special allowances, etc. (E) (Note 5)		Pension (F)					Employee remuneration (G) (Note 6)							
		The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company		All companies included in the financial reports (Note 7)			The Company	All companies included in the financial reports (Note 7)						
														Cash amount	Stock amount	Cash amount	Stock amount									
Director	Don Tai Development Co., Ltd. Representative: Hung, Min-Fu	0	0	0	0	0	0	50	50	50	-0.17%	50	-0.17%	1,952	1,952	104	104	0	0	0	0	2,106	-7.04%	2,106	-7.04%	0
Director	Jin Sha Cultural and Educational Foundation, Representative: Hung, I-Ching	0	0	0	0	0	0	50	50	50	-0.17%	50	-0.17%	1,265	1,265	0	0	0	0	0	0	1,315	-4.39%	1,315	-4.39%	0

Title	Name	Director remuneration						The sum of A, B, C and D and its percentage over the net income after tax (Note 10)		Remuneration for concurrently serving as the Company's employee						The sum of A, B, C, D, E, F, and G and its percentage over the net income after tax (Note 10)		Remuneration from investment business other than subsidiaries or parent company (Note 11)							
		Returns (A) (Note 2)		Pension (B)		Remuneration to directors (C) (Note 3)				Fees for services rendered (D) (Note 4)		Salaries, bonuses, special allowances, etc. (E) (Note 5)		Pension (F)					Employee remuneration (G) (Note 6)						
		The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company			All companies included in the financial reports (Note 7)		The Company	All companies included in the financial reports (Note 7)			
																Cash amount	Stock amount		Cash amount	Stock amount					
Director	Yo-Li Investment Co., Ltd. Representative: Lin, I-Wei	0	0	0	0	0	0	50	50	50	-0.17%	0	0	0	0	0	0	0	0	0	50	-0.17%	50	-0.17%	0
Director	Hong Ding Investment Co., Ltd. Representative: Chen, Teh-Fong	0	0	0	0	0	0	50	50	50	-0.17%	0	0	0	0	0	0	0	0	0	50	-0.17%	50	-0.17%	0
Independent director	Yen, Kuo-Lung	0	0	0	0	0	0	50	50	50	-0.17%	0	0	0	0	0	0	0	0	0	50	-0.17%	50	-0.17%	0

Title	Name	Director remuneration						The sum of A, B, C and D and its percentage over the net income after tax (Note 10)				Remuneration for concurrently serving as the Company's employee				The sum of A, B, C, D, E, F, and G and its percentage over the net income after tax (Note 10)		Remuneration from investment business other than subsidiaries or parent company (Note 11)				
		Returns (A) (Note 2)		Pension (B)		Remuneration to directors (C) (Note 3)		Fees for services rendered (D) (Note 4)		Salaries, bonuses, special allowances, etc. (E) (Note 5)		Pension (F)		Employee remuneration (G) (Note 6)								
		The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)					The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)		The Company		All companies included in the financial reports (Note 7)	
Cash amount	Stock amount									Cash amount	Stock amount											
Independent director	Ke, Pai-Ling	0	0	0	0	0	0	50	50	50	-0.17%	50	-0.17%	0	0	0	0	50	-0.17%	50	-0.17%	0
Independent director	Wu, Chen-Chi	0	0	0	0	0	0	50	50	50	-0.17%	50	-0.17%	0	0	0	0	50	-0.17%	50	-0.17%	0

1. Please explain the policy, system, standards and structure by which remuneration to independent directors is paid, and the association between the amount paid and independent directors' responsibilities, risks, and time committed:
The policy, system, standards and structure by which remuneration to independent directors is paid and the association between the amount paid is the same as those for general directors; please refer to (V).

2. Remuneration to directors for rendering services (such as consultants of parent company/all companies in the financial report/investees to non-employees) in the most recent fiscal year other than the disclosures in the above table: None.

- Note 1: Names of directors are presented separately (for institutional shareholders, the name of the institutional shareholder and its representatives are stated separately), whereas the amount of benefits and allowances for general directors and independent directors are disclosed in aggregate. Any directors who also serve as president or vice president are disclosed in this table and the following table (3).
- Note 2: Refers to remuneration of directors in the most recent fiscal year (including directors' salaries, allowances, severance pay, various bonuses and incentives, etc.).
- Note 3: Represents the amount of remuneration distributed to directors approved by the Board meeting in the most recent fiscal year.
- Note 4: Refers to remuneration to directors for services rendered (including business travel allowances, special expenses, various allowances, accommodation, corporate vehicle and other in-kind benefits) for the most recent fiscal year. Where housing, cars, vehicles, or personal allowances were provided, the nature and cost of assets, the rental rates calculated based on actual or fair value, cost of petrol, and other subsidies are also disclosed. Where a personal driver was allocated, please add a note explaining the amount of salary paid to the driver, but do not count it as part of the remuneration.
- Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, business travel allowances, special allowances, subsidies, accommodation, vehicles and other in-kind benefits that the director received in the most recent fiscal year for assuming the role of a company employee (such as president, vice president, other managerial officers or employees). Where housing, cars, vehicles, or personal allowances were provided, the nature and cost of assets, the rental rates calculated based on actual or fair value, cost of petrol, and other subsidies are also disclosed. Where a personal driver was allocated, please add a note explaining the amount of salary paid to the driver, but do not count it as part of the remuneration. Part of the salary expense was recognized according to IFRS2 "Share-based Payment." Amounts including the acquisition of employee stock options, new restricted employee shares, and subscription of new shares for raising capital are treated as remuneration.
- Note 6: Refers to any remuneration that the director has received (in cash or in shares) in the last year for assuming the role of an employee (such as president, vice president, other managerial officers or employees). The amount of employee remuneration proposed by the Board of Directors in the most recent fiscal year should be disclosed. Where the amount cannot be estimated, a calculation should be made based on last year's payout ratio, and Attachment 1-3 should also be completed for reference.
- Note 7: The total amount of remuneration paid to the Company's directors by all companies in the consolidated report (including the Company) should be disclosed.
- Note 8: The total amount of remuneration paid to directors and their names are disclosed in remuneration ranges.
- Note 9: The total amount of remuneration paid to the Company's directors by all companies in the consolidated report (including the Company) should be disclosed, with the names of the directors disclosed in remuneration ranges.
- Note 10: Net income after tax is the after-tax profit in the parent only or individual financial reports in the most recent fiscal year.
- Note 11:
- a. This column should clearly represent all forms of remuneration that directors received from invested businesses other than subsidiaries or from the parent company.
 - b. For directors who received remuneration from investment businesses other than subsidiaries or from the parent company, amounts received from these invested businesses or from the parent company should be added to column I of the remuneration brackets table. In this case, column I should be renamed "Parent Company and all Invested Businesses."
 - c. Remuneration refers to any compensation, remuneration (including remuneration received as an employee, director and supervisor), and business expenses 'for the Company's directors in their capacity as director, supervisor, or managerial officer in invested businesses other than subsidiaries or in the parent company.

* The basis of remuneration disclosed in the table is different from the basis of the Income Tax Act; hence the table has been prepared solely for information disclosure and not for tax purposes.

(II) Remuneration of President and Vice Presidents

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses and special allowances (C) (Note 3)		Amount of remuneration to employees (D) (Note 4)				The sum of A, B, C and D and its percentage over the net income after tax (%) (Note 8)		Remuneration received from investees other than subsidiaries or from the parent company (Note 9)
		The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company		All companies included in the financial reports (Note 5)		The Company	All companies included in the financial reports (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Lan, Li-Hua	1,625	1,625	100	100	246	246	0	0	0	0	1,971 -6.58%	1,971 -6.58%	0
Vice President	Hung, Min-Fu	1,700	1,700	104	104	252	252	0	0	0	0	2,056 -6.87%	2,056 -6.87%	0
Vice President	Chuang, Sung-Luan	1,331	1,331	81	81	202	202	0	0	0	0	1,614 -5.39%	1,614 -5.39%	0
Vice President	Huang, Kuo-Chin	1,425	1,425	55	55	207	207	0	0	0	0	1,687 -5.64%	1,687 -5.64%	0
Vice President	Wang, Chin-Ching	1,146	1,146	72	72	183	183	0	0	0	0	1,401 -4.68%	1,401 -4.68%	0

Note: The actual pension payment amount was NT\$0 for 2025, and the amount contributed to retirement pension expenses was NT\$313 thousand.

(III) Names of managerial officers who received employee remuneration and the distribution situation

Names of managerial officers who received employee remuneration and the distribution situation

December 31, 2025 Unit: NT\$ thousands

	Title	Name	Stock amount	Cash amount	Total	Total amount as a percentage of net income after tax (%)
Managerial officer	President	Lan, Li-Hua	0	0	0	0%
	Vice President	Hung, Min-Fu				
	Vice President	Huang, Kuo-Chin				
	Vice President	Chuang, Sung-Luan				
	Vice President	Wang, Chin-Ching				
	Chief Financial Officer	Shih, Shu-Ying				

(IV) Remuneration of the five highest-paid officers of listed companies

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses and special allowances (C) (Note 3)		Amount of remuneration to employees (D) (Note 4)				The sum of A, B, C and D and its percentage over the net income after tax (%) (Note 8)		Remuneration received from investees other than subsidiaries or from the parent company (Note 9)
		The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company		All companies included in the financial reports (Note 5)		The Company	All companies included in the financial reports (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
Vice President	Hung, Min-Fu	1,700	1,700	104	104	252	252	0	0	0	0	2,056 -6.87%	2,056 -6.87%	0
President	Lan, Li-Hua	1,625	1,625	100	100	246	246	0	0	0	0	1,971 -6.58%	1,971 -6.58%	0
Vice President	Huang, Kuo-Chin	1,425	1,425	55	55	207	207	0	0	0	0	1,687 -5.64%	1,687 -5.64%	0
Vice President	Chuang, Sung-Luan	1,331	1,331	81	81	202	202	0	0	0	0	1,614 -5.39%	1,614 -5.39%	0
Chief Financial Officer	Shih, Shu-Ying	1,290	1,290	74	74	190	190	0	0	0	0	1,554 -5.19%	1,554 -5.19%	0

(V) Describe total remuneration, as a percentage of net income after tax stated in the parent only financial reports and consolidated financial statements, as paid by the Company and by each company included in the consolidated financial statements during the past two fiscal years to directors, supervisors, presidents, and assistant general managers:

Item \ Year	2025				2024			
	The Company	Percentage of net income after tax	Consolidated statements	Percentage of net income after tax	The Company	Percentage of net income after tax	Consolidated statements	Percentage of net income after tax
Director	3,671	-12.26%	3,671	-12.26%	5,455	6.43%	5,455	6.43%
President and vice president	6,672	-22.29%	6,672	-22.29%	4,746	5.59%	4,746	5.59%
Describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:								
(I) Policies, standards, and packages of remuneration								
Directors (including independent directors):								
1. Transportation allowance is NT\$10,000 per time of attendance.								
2. Remuneration of directors: As stipulated in the Company's Articles of Incorporation, the remuneration allocated to directors shall be before tax and shall not exceed 2%. However, if the Company still has accumulated losses, the Company should first make up for loss of remuneration to directors in the proportion described above.								
3. The chairperson's monthly salary and year-end bonus.								
President and vice president:								
1. Monthly salary and year-end bonus.								
2. Remuneration of employees: As stipulated in the Company's Articles of Incorporation, the remuneration allocated to employees shall be before tax and shall not be less than 2%. However, if the Company still has accumulated losses, the Company should first make up for loss of remuneration to employees in the proportion described above.								
(II) The procedure for determining remuneration:								
Remuneration to directors is determined based on the net income before tax of the year as well as on the proportion stipulated in the Articles of Incorporation, and is confirmed by resolution of the Board of Directors.								
Salaries and bonuses of the president and vice presidents are determined on the basis of the Company's employee salary and bonus standards. Remuneration to the president and vice presidents is determined based on the net income before tax of the year as well as the proportion stipulated in the Articles of Incorporation, and is confirmed by resolution of the Board of Directors.								
The remuneration mentioned above has been submitted to the Salary and Remuneration Committee for discussion followed by the resolution of the Board of Directors since 2012.								
(III) Linkage to operating performance and future risk exposure:								
The remuneration to directors, president and vice presidents is based on their degree of participation in the operations of the Company, as well as their contribution and loyalty, and the value of their responsibilities, while also taking full account of the Company's operating performance.								

III. The state of the Company's implementation of corporate governance:

(I) Board Operations Information:

The Board of Directors held 5 meetings (A) in the most recent fiscal year; the attendance for each director and supervisor is as follows:

Title	Name	Actual attendance B	Number of proxy attendances	Percentage of actual attendance (in non-voting capacity) (%) [B/A]	Remark
Chairperson	Representative of Don Tai Development Co., Ltd.: Hung, Min-Fu	5	0	100	
Director	Representative of Golden Plaza Cultural & Education Foundation: Hung I-Ching	5	0	100	
Director	You Li Investment Co., Ltd. Representative: Lin, I-Wei	5	0	100	
Director	Chen, Teh-Fong	5	0	100	
Independent director	Yen, Kuo-Lung	5	0	100	
Independent director	Ke, Pai-Ling	5	0	100	
Independent director	Wu, Chen-Chi	5	0	100	

Any other matters that require reporting:

I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the motion discussed, independent directors' opinions and how the Company has responded to such opinions:

- (I) For matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to page 44 for information on the operations of the Board of Directors.
- (II) Any other documented objections or qualified opinions raised by independent directors against Board resolutions in relation to matters other than those described above: None.

II. Execution status of director recusals due to conflicts of interest (name of independent directors, proposal content, reasons for recusal, and participation in voting shall be described): The Company is not subject to proposals requiring director recusals due to conflicts of interests.

III. TWSE/TPEX Listed Companies should disclose information including the evaluation cycle and period, scope, method, and content of the board's self (or peer) evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Executed once annually	January 1, 2025 - December 31, 2025	Board of Directors	Board of Directors' performance self-evaluation	<ol style="list-style-type: none"> 1. Level of participation in the operation of the company 2. Improvement in the decision-making quality of the Board of Directors' 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Execute once annually	January 1, 2025 - December 31, 2025	Director	Board member performance self-evaluation	<ol style="list-style-type: none"> 1. Alignment of goals and mission of the company 2. Awareness of the duties of a director 3. Level of participation in the operation of the company 4. Management of internal relationship and communication 5. Director's professionalism and continuing education 6. Internal control
		Functional committee (audit committee/ salary and remuneration committee)	Functional committee performance self-evaluation	<ol style="list-style-type: none"> 1. Level of participation in the operation of the company 2. Awareness of the duties of the functional committee 3. Improvement of quality of decisions made by the functional committee. 4. Composition of the functional committee and election of its members 5. Internal control

IV. Goals for strengthening board functions during the current year and in recent years (e.g., establishing an audit committee, enhancing information transparency, etc.) and implementation assessment: The Company appointed members to the 6th Remuneration Committee during the 13th Board's 1st meeting on May 23, 2024. With unanimous approval from all attending directors, Yen Kuo-Lung, Ko Pai-Ling, and Wu Chen-Chi were appointed as committee members. The 6th Remuneration Committee held its 1st meeting on November 5, 2024, during which Mr. Yen Kuo-Lung was elected as convener and chairperson of the Remuneration Committee. We regularly update the financial information on our website for shareholders. Our directors perform their duties in a professional manner with the best interests of all shareholders at the forefront of all strategies and decisions.

(II) Audit Committee Implementation Status Information:

There were 5 (A) Audit Committee meetings convened in the most recent year, and the attendance of the Audit Committee members was as follows:

Title	Name	Actual attendance B	Number of proxy attendances	Percentage of actual attendance (in non-voting capacity) (%) [B/A]	Remark
Independent director	Yen, Kuo-Lung	5	0	100	
Independent director	Ke, Pai-Ling	5	0	100	
Independent director	Wu, Chen-Chi	5	0	100	

Any other matters that require reporting:

I. Where the operation of the Audit Committee is subject to one of the following, the date and type of audit committee meeting, proposal content, dissenting opinions of independent directors, the content of reserved opinions or major recommendations, the result of the Audit Committee meeting resolutions, and the Company's handling of the Audit Committee's opinions should be stated.

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

Date	Audit Committee	Summary of motion	Audit Committee Resolution Result	Handling of Audit Committee opinions
February 26, 2025	3rd Meeting of 2nd Term	<ol style="list-style-type: none"> 1. Review of the 2024 Business Report and Financial Statements. 2. Review of the 2024 Earnings Distribution Table. 3. Review of the motion for the issuance of new shares by transferring capital from surplus. 4. Review of CPAs' professional fees and CPA independence and competency assessment. 5. Proposal to establish pre-approval procedures and general policies for non-assurance services provided by Ernst & Young Accounting Firm and its affiliated enterprises, along with a list of non-assurance services. 6. Review of the 2024 Declaration of Internal Control System. 7. Amendments to the Articles of Incorporation. 	Agreed	None

May 6, 2025	4th meeting	<ol style="list-style-type: none"> 1. Review of 2025 Q1 financial statements. 2. Approved the Company's endorsements/guarantees provided to subsidiary for bank financing contract renewal. 3. Reviewed and approved the renewal of endorsements and guarantees for bank financing of subsidiaries. 4. Approved the definition of entry-level employees of the Company. 5. Approved a donation of NT\$600,000 to the Golden Plaza Cultural & Education Foundation. 6. Approved the joint construction project at No. 31-1, Section 3, Chongqing North Road. 	Agreed	None
May 22, 2025	5th meeting	<ol style="list-style-type: none"> 1. Approved the issuance of new shares through capitalization of retained earnings. 2. Approved the sale of the 1st floor property at No. 16, Yongji Road, Xinyi District, Taipei City. 	Agreed	None
August 5, 2025	6th meeting	<ol style="list-style-type: none"> 1. Review of 2025 Q2 financial statements. 2. Review and approval of the Company's endorsements/guarantees provided to subsidiary for bank financing contract renewal. 	Agreed	None

November 4, 2025	7th meeting	<ol style="list-style-type: none"> 1. Review of 2025 Q3 financial statements. 2. Review of the Company's endorsements/guarantees provided to subsidiary for bank financing contract renewal. 3. Approved the cancellation of a portion of endorsement and guarantee amounts for subsidiaries. 4. Review of 2026 audit plan. 5. Approved the contract award for the demolition works of the Tianmu Tianyu Street Project. 	Agreed	None
March 3, 2026	8th meeting	<ol style="list-style-type: none"> 1. Review of the 2025 Business Report and Financial Statements. 2. Review of the 2025 Earnings Distribution Table. 3. Review of CPAs' professional fees and CPA independence and competency assessment. 4. Proposal to establish pre-approval procedures and general policies for non-assurance services provided by Ernst & Young Accounting Firm and its affiliated enterprises, along with a list of non-assurance services. 5. Amended the Regulations Governing the Acquisition and Disposal of Assets. 6. Amended certain provisions of the Internal Control System. 7. Review of the 2025 Declaration of Internal Control System. 8. Approved the construction budget and contract price for the Tianmu Tianyu Street project. 	Agreed	None
<p>(II) Except for the aforementioned matter, other resolutions not approved by the Audit Committee but had the consent of more than two-thirds of all directors: None.</p>				

- II. In cases of recusal by an independent director due to a conflict of interests, the name of the independent director(s), proposal content, reasons for recusal, and participation in voting shall be stated: None
- III. The communications between the independent directors, the internal auditors, and the independent auditors are listed in the table below (shall include major events, methods, and results communicated in relation to the company’s financial and business status).

Date	Status of communication with chief audit officer and CPA	Opinion of independent directors	Handling result
February 26, 2025	<u>With CPA</u> (1) CPA independence. (2) Customer declaration content. (3) Group audit scope. (4) Significant risk. (5) Internal control test execution and result. (6) Key audit items. (7) Consolidated financial performance and audit difference summary. (8) 2024 CPA expected audit opinion. (9) Key amendments to the International Code of Ethics for Professional Accountants (IESBA Code). <u>With chief audit officer</u> (1) Explanation on audit operation for September–December 2024. (2) Explanation on risk control operation for November–December 2024. (3) Explanation on internal control effectiveness evaluation.	No opinion on such matter	Not applicable
May 6, 2025	<u>With chief audit officer</u> (1) Explanation on audit operation for January-February 2025. (2) Explanation on risk control operation for January-February 2025.	No opinion on such matter	Not applicable
August 5, 2025	<u>With chief audit officer</u> (1) Explanation on audit operation for March-April 2025. (2) Explanation on risk control operation for March-June 2025.	No opinion on such matter	Not applicable

November 4, 2025	<u>With chief audit officer</u> (1) Explanation on audit operation for May-August 2025. (2) Explanation on risk control operations for July-October 2025. (3) Explanation on establishment of 2026 audit plan.	No opinion on such matter	Not applicable
March 3, 2026	<u>With CPA</u> (1) CPA independence. (2) Customer declaration content. (3) Group audit scope. (4) Internal control test execution and result. (5) Key audit items. (6) Audit difference summary. (7) 2025 CPA expected audit opinion. (8) Pre-approval of non-assurance services.	No opinion on such matter	Not applicable
March 3, 2026	<u>With chief audit officer</u> (1) Explanation on audit operation for September-December 2025. (2) Explanation on risk control operation for November-December 2025. (3) Explanation on internal control effectiveness evaluation.	No opinion on such matter	Not applicable

(III) The state of corporate governance implementation and variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation:

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
I. Has the company established and disclosed its rules of corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The 7th meeting of the 12th term of the Board of Directors of the Company has approved the establishment of the Corporate Governance Best Practice Principles on November 8, 2022, and the Company's operation also complies with relevant regulations. The Company has disclosed these Principles on the Market Observation Post System (MOPS) website and the Company's website sunfon.com.tw .	There are no major discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
II. Equity structure and shareholders' equity				
(I) Has the company established internal procedures to handle shareholders' suggestions, doubts, disputes, and litigation matters, and have the procedures been implemented accordingly?	✓		(I) The Company has established the spokesperson system to handle matters related to shareholders' recommendations, concerns, disputes and litigations. In addition, the Company has also set up the stakeholders section and contact channels on the Company's website, in order to allow shareholders to submit recommendations or questions.	(I) No major difference
(II) Does the company possess a list of the company's major shareholders and a list of the ultimate controllers of the major shareholders?	✓		(II) The Company possesses a list of major shareholders provided by the stock agent, and keeps close contact with major shareholders.	(II) No major difference

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
(III) Has the company established and implemented risk control and firewall mechanisms with its affiliates?	✓		(III) The assets and financial accounting of affiliates are independent operations. The Company has established the “Regulations Governing the Financial Operations between the Company and Affiliates” to avoid risks resulting from the malpractice of affiliates.	(III) No major difference
(IV) Has the company set up internal norms to prohibit insiders from using undisclosed information to trade securities?	✓		(IV) The Company has set up the “Preventive Measures of Insider Trading Management” to prohibit insiders from trading marketable securities using undisclosed information in the market.	(IV) No major difference
III. Composition and duties of the Board of Directors (I) Has the Board of Directors established a diversity policy and specific management objectives and has such policy and objectives been implemented properly?		✓	(I) The Board is comprised of professionals with backgrounds in the construction industry, governance, management, and the finance and accounting fields, which are beneficial to the Company’s operational performance and management efficiency. Please refer to page 11 of the annual report for details on the policy implementation status.	(I) No major difference

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
(II) Aside from setting up the Salary and Remuneration Committee and Audit Committee as required by the law, has the company voluntarily set up other functional committees?	✓		(II) Other various functional committees will be further established depending upon the actual operation status and business needs of the Company in the future.	(II) Other various functional committees will be further established depending upon the actual operation status and business needs of the Company in the future
(III) Has the company established Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company perform a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors to be used as a reference in determining salary and remuneration for each individual director, their nomination, and reappointment?	✓		(III) The 11th meeting of the 11th term of the Board of Directors of the Company approved the “Rules for Performance Evaluation of Board of Directors” on March 10, 2020, and the regulations specify that the Board of Directors shall conduct a performance evaluation on the Board as a whole and individually at least once annually. During the internal evaluation period, the Board of Directors shall perform the performance evaluation for the current year according to these Rules before the end of each fiscal year.	(III) No major difference

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
(IV) Does the company regularly assess the independence of CPAs?	✓		<p>(IV) The present performance evaluation was conducted through an internal questionnaire survey. In addition, according to overall decision-making and overall board participation, the directors' evaluation 'assessed each directors' performance and participation level individually, with the results then reported to the Board of Directors. The 2025 Board of Directors' performance evaluation results were as follows:</p> <ol style="list-style-type: none"> 1. The self-evaluation score of the Board of Directors' performance was: 99 (total of 100 points) 2. The board members' self-evaluation overall score: 99.3 (total of 100 points) <p>According to the 2025 Board of Directors' performance evaluation result, the overall operation of the Board of Directors of the Company was considered strong.</p>	(IV) No major difference

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
			(V) The Company assesses the independence of CPAs once a year based on the aspects of financial interests, financing and guarantees, business relationships, family and personal relationships, employment relationships, gifts and special benefits, the rotation of CPAs, and non-audit business, while also obtaining an independence statement issued by the accounting firm. In addition, according to the Audit Quality Indicators (AQIs), the competency of CPAs is assessed in terms of the aspects of professionalism, quality control, independence, supervision and innovation. On March 3, 2026 the approval of the Audit Committee was obtained and the Board of Directors passed the CPAs' independence and competency assessment and the result did not indicate any matters that may affect the independence of the CPAs.	

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
IV. Has the company designated an appropriate number of corporate governance personnel and designated a chief corporate governance officer that are responsible for corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors and supervisors in complying with laws and regulations, convening board meetings and shareholders' meetings in accordance with the law, preparing board meeting and shareholders' meeting minutes)?	✓		<p>The Company has appointed the Corporate Governance Officer, Assistant Vice President Shih of the Financial Department, to be in charge of handling corporate governance related affairs. The main responsibilities of this dedicated position include handling matters related to the Board of Directors' meeting and shareholders' meeting according to the laws, preparing meeting minutes of the Board of Directors' meetings and shareholders' meetings, assisting in the assumption of office, the continuing education and regulatory compliance of directors, and providing documents necessary for directors and insiders to perform duties.</p> <p>The key operational duties for 2025 were as follows:</p>	No major difference

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
			<p>(I) Act as the meeting affairs handling unit for the Board of Directors and functional committees in performing duties including summarizing meeting proposals, describing meeting convention reasons in the convention notice, and delivery to all directors or committee members at least seven days before the meeting; when a meeting proposal raises a conflict of interests with any director or its representing legal person, providing advice on the recusal of said director due to the conflict of interest shall also be provided; finally, providing meeting minutes to all directors and committee members for preservation within twenty days after the meeting.</p> <p>(II) Responsible for the disclosure of important information or public announcements on the date of Board of Directors' meeting or shareholders' meeting, and ensuring the legality and accuracy of the information disclosure, in order to protect investor's access to transaction information, etc.</p>	

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
			<p>(III) Handle the preliminary registration for the shareholders' meeting date, prepare the meeting notice, and deliver the meeting notice, meeting handbook, and meeting minutes within the statutory deadlines.</p> <p>(IV) To enhance the operational efficiency of the Board of Directors, an internal performance evaluation on the overall operation of the Board of Directors for the first half of the year is conducted at the beginning of each year, and the result is reported at the next Board of Directors' meeting.</p> <p>(V) Provide relevant continuing education information to directors, and advise directors to complete the number of hours of continuing education specified in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" and complete relevant reporting.</p> <p>(VI) Provide operational information related to the business or finances of the Company according to the directors' needs, and maintain smooth communications and exchange between directors and different duty supervisors.</p>	

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
V. Has the company established communication channels for stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has the company set up a section dedicated to stakeholders on the company's website and does it appropriately respond to important corporate social responsibility issues that stakeholders are concerned about?	✓		The Company has set up a section dedicated to stakeholders on its website. The Company has smooth communication channels with stakeholders and respects their legitimate rights and interests.	No major difference
VI. Has the company appointed a professional stockbroker to conduct shareholder meeting affairs?	✓		The Company has appointed Masterlink Securities to conduct shareholder meeting affairs.	No major difference
VII. Information disclosure				
(I) Has the company set up a website to disclose financial operations and corporate governance information?	✓		(I) The Company's financial operations and corporate governance information are disclosed on the Company's website as well as the MOPS website according to the regulations.	(I) No major difference
(II) Has the company adopted other information disclosure methods (e.g., establishing an English website, designating dedicated personnel for collecting and disclosing company information, implementing a spokesperson system, and operating and displaying the company website during investor conferences)?	✓		(II) The Company has designated dedicated personnel for collecting and disclosing information. There is also a spokesperson system in place to ensure information that may affect the decisions made by shareholders and stakeholders is disclosed in a timely and appropriate fashion.	(II) No major difference

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such variation
	Yes	No	Summary	
(III) Does the company publish and report its annual financial report within two months after the end of each 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 prescribed deadlines?	✓		(III) The Company completed the announcement of its 2025 financial statements on March 3, 2026, and has consistently completed announcements and filed reports for the first, second, and third quarters, annual financial reports, and monthly operational status ahead of the required deadlines.	(III) No major difference
VIII. Does the company have any other important information that is helpful in understanding the corporate governance operations of the company (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, and the purchase of liability insurance for the Company's directors and supervisors)?	✓		(I) Employees' rights and interests: Please refer to the "Relations Between Laborers and Employer" on page 64 of this annual report for details. (II) Employee care: The Company has established the Employee Welfare Committee according to the law, and the welfare fund is appropriated according to the operating revenue every two months. (III) Investor relationship: The Company assigns a spokesperson to provide answers to the questions raised by investors and to maintain open communication and proper relationships with investors.	No major difference

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
			<p>(IV) Supplier relationship: The Company establishes contracts with suppliers in order to perform works according to contracts and to maintain proper relationships.</p> <p>(V) Stakeholders: The Company provides comprehensive information, technologies, and value-added services to customers, and also does its best to reduce costs, in order to achieve the objective of profit sharing.</p> <p>(VI) Continuing education of directors: In 2025, the Company arranged for directors to participate in the 6-hour “2025 Cathay Sustainable Finance and Climate Change Summit Forum” organized by the Taiwan Stock Exchange and the 3-hour “Insider Equity Promotion Conference” organized by the OTC, meeting the requirements set out in the “Key Points of Continuing Education of Directors and Supervisors of TWSE and TPEX-listed Companies”. For the continuing education of directors for 2025, please refer to page 42 of the Annual Report.</p>	

Evaluation item	Implementation status			Variation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
			<p>(VII) Implementation of risk management policy and risk measurement criteria: Please refer to page 73 of the annual report for details.</p> <p>(VIII) Implementation of customer policy: The Company complies with the principle of ethics and values the rights and interests of consumers.</p> <p>(IX) Status of liability insurance purchased by the Company for directors: The Company has purchased the directors' liability insurance since January 1, 2019.</p>	
<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:</p> <p>According to the corporate governance assessment results for the most recent year of the Company, the items requiring further improvement were mainly that the Company has not yet set up a nomination committee and risk committee and the ESG report and some disclosures in English have not yet obtained third-party verification. In the future, the Company will cooperate with the competent authority to promote and improve the English information disclosures in priority. The Company's corporate governance operations are in compliance with relevant regulations of the law.</p>				

(IV) Composition and duties of the Salary and Remuneration Committee and its operation:

1. Information on members of the Salary and Remuneration Committee

March 20, 2024

Identity	Name	Professional qualification and experience	Independence status	Number of other public companies in which the individual is concurrently serving as a member of the Salary and Remuneration Committee
Independent Director	Yen, Kuo-Lung	Equipped with financial and accounting experience and CPA license Profile: CPA, Answer CPAs Firm Audit Committee and Salary and Remuneration Committee Convener	Compliant with the qualification requirements and independence specified in Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters, and not subject to any conditions prescribed in subparagraphs of Article 30 of the Company Act.	Win Win Precision Technology Co., Ltd.
Independent Director	Ke, Pai-Ling	Legal experience and attorney certification Profile: Attorney at KKCHEN's Law Office Audit Committee and Salary and Remuneration Committee Member	Compliant with the qualification requirements and independence specified in Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters, and not subject to any conditions prescribed in subparagraphs of Article 30 of the Company Act.	Tachan Securities Investment Co., Ltd.

Identity	Qualification	Professional qualification and experience	Independence status	Number of other public companies in which the individual is concurrently serving as a member of the Salary and Remuneration Committee
	Name			
Independent Director	Wu, Chen-Chi	Equipped with relevant experience in commercial affairs and finance Profile: Manager, Hwatai Bank Audit Committee and Salary and Remuneration Committee Member	Compliant with the qualification requirements and independence specified in Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters, and not subject to any conditions prescribed in subparagraphs of Article 30 of the Company Act.	None

2. Information on the operation of the Salary and Remuneration Committee

- (1) The Company's Salary and Remuneration Committee consists of 3 members.
- (2) Term of office of current members: May 23, 2024 to May 22, 2027. The Salary and Remuneration Committee held 2 meetings (A) in the most recent fiscal year. The qualification and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Number of proxy attendances	Percentage of actual attendance (in non-voting capacity) (%) [B/A] (Note)	Remark
Convener	Yen, Kuo-Lung	2	0	100	
Member	Ke, Pai-Ling	2	0	100	
Member	Wu, Chen-Chi	2	0	100	
(I) Information on the most recent meeting of the Salary and Remuneration Committee:					

Salary and Remuneration Committee Meeting Date	Motion content	Resolution result	The Company's handling of the opinions of the Salary and Remuneration Committee
20250226	1. Reviewed and approved the distribution of managerial employee remuneration and director remuneration for fiscal year 2024.	Approved by all members of the Committee	Submitted to the Board meeting and approved by all attending directors
20251106	1. Reviewed and approved the promotion of Wang Chin-Ching, Assistant General Manager of the Development Department, to Vice President of the Development Department, along with the corresponding adjustment to his compensation package. 2. Motion for the review of the year-end bonus of managerial officers for 2025.	Approved by all members of the Committee	Submitted to the Board meeting and approved by all attending directors

(II) Functions of the Company's Salary and Remuneration Committee

1. Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the remuneration of the directors, supervisors, and managerial officers of the Company.
2. Periodically assessing the degree to which the performance goals of the directors, supervisors, and managerial officers of the Company have been achieved, setting the types and amounts of their individual remuneration based on the results of the reviews conducted in accordance with the performance assessment standards. The annual report should disclose the results of the individual performance assessments of the directors, supervisors and managerial officers and the connection between and reasonableness of the contents and amounts of their individual remuneration and performance assessment results.

Any other matters that require reporting:

- I. If the Board of Directors declines to adopt or modify a recommendation of the Salary and Remuneration Committee, the date, session, motion discussed and the resolution of the Board meeting and handling of the resolution of the Remuneration Committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the variation and the reason): None.
- II. As to the resolutions of the Salary and Remuneration Committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session, and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.

- (V) Execution status of promotion of sustainable development and discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the company established the governance structure for the promotion of sustainable development, and set up a unit specialized (or involved) in the promotion of sustainable development? Is such unit run by senior management authorized by the Board of Directors, and does it report on its supervision to the Board of Directors?	✓		The Company has stipulated the Sustainable Development Best Practice Principles of the Company on November 8, 2022 and has established the Sustainable Development Committee. The Chairman acts as the committee chairperson and the President acts as the vice committee chairperson in order to promote the sustainable development of the Company. A total of 4 Sustainability Committee meetings were held in 2025, with quarterly reports submitted to the Board of Directors on the progress of the greenhouse gas inventory.	No difference
II. In accordance with the materiality principle, has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operations, and established a relevant risk management policy or strategy?		✓	The boundary of the present risk assessment information disclosure includes the Company and the subsidiary Jinyuan Construction Co., Ltd. Regarding environmental impact and management: The Company constantly monitors trends in the economic environment, identifies long-term risks and opportunities,	No difference

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>and appropriately adjusts business strategies to achieve sustainable management goals and long-term operational performance. The Company evaluates potential risk items for long-term operations through questionnaires or selection methods in senior management meetings to identify issues with the highest potential future impact, and reviews how to mitigate impacts and develop response strategies.</p> <p>Occupational safety: The Company organizes fire drills or industrial safety education and training or health seminars annually, in order to improve employees' abilities for emergency response and self-safety and health management.</p> <p>Corporate governance: The Company has established the corporate governance organization and implements internal control mechanisms in order to ensure that all personnel and operations of the Company comply with relevant laws and regulations.</p> <p>Director function enhancement: The Company plans relevant continuing education topics for directors and applies liability insurance for directors, in order to protect them from lawsuits or claims.</p> <p>Stakeholder communication: The Company analyzes its key stakeholders and important issues of concern every year and establishes communication channels for stakeholders. For relevant</p>	

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			information, please refer to the Company's ESG Report (sunfon.com.tw)	
<p>III. Environmental issues</p> <p>(I) Has the company established an appropriate environmental management system in accordance with the nature of the industry it is in?</p>	✓		<p>(I) There are site directors at each construction site and our safety and health inspection personnel pays attention to the site safety maintenance at all times. Greening, water and soil conservation, garbage pollution reduction, air pollution, and noise reduction, as well as energy conservation and carbon reduction, have all been listed as key points for safety and health inspection at the construction site. All partners are also urged to comply with these rules. All construction site wastes are outsourced to professional and legitimate environmental protection companies for recycle and treatment completely, in order to prevent impacts on the environment. As the Company is not a manufacturing company, ISO 14001 is not applicable.</p>	No difference
<p>(II) Is the company committed to enhancing the utilization of efficiency energy and using renewable materials with a lower impact on the environment?</p>	✓		<p>(II) The Company is engaged in real estate investment and the construction of residential and commercial buildings and has always valued the importance of</p>	No difference

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Has the company assessed the potential risks and opportunities of business operations now and in the future related to climate change, and adopted climate-related strategies?	✓		<p>environmental protection. In recent years, we have been working intently on researching and developing environmentally friendly products, including using Low-e glass, environmentally friendly paint, energy-saving lighting, airtight windows, water-saving toilet, open space greening, sky gardens, and rainwater recovery systems.</p> <p>(III) Given the fact that climate change is increasingly contributing to environmental problems around the world, the Company strives to reduce environmental pollution through green building design and tree planting to reduce carbon emissions. Office areas use energy-saving lighting fixtures completely, in order to reduce greenhouse gas emissions.</p> <p>Electricity consumption in 2025 increased by 53.59% compared to 2024, primarily due to continued construction activity across multiple projects throughout 2025.</p> <p>The Company's climate change risks and opportunities have been disclosed in the ESG Report. (sunfon.com.tw)</p>	No difference

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Has the company calculated its greenhouse gas (GHG) emissions, water consumption, and total waste volume in the past 2 years? Has it formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption, or other waste management strategies?	✓		(IV) The Company promotes digitization to reduce the amount of paper used for documents as well as using the reverse side of waste paper. We continue to urge our employees to save water and electricity and to sort and reduce waste. The main sources of emissions of the Company for the most recent two years (information covering Scope 1 and Scope 2 of the Company and subsidiaries) is externally purchased electricity (accounting for approximately 98.3% of the total emissions). Other emissions sources are movable emission sources (gasoline consumption of company cars) and dissipating emissions sources (coolant, septic tanks, fire extinguishers). Since there are no production processes, process emissions sources are not applicable. The main water source of the Company is tap water. Wastes are mainly wastes generated from construction work and daily living activities. The statistics for greenhouse gas emissions, water consumption, and wastes for the most	No difference

Implementation item	Execution status		Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																								
	Yes	No																									
			<p>recent two years is as follows:</p> <table border="1"> <tr> <td colspan="2">Greenhouse gas emission in last two years</td> </tr> <tr> <td>Year</td> <td>Greenhouse gas emissions (tons of CO₂e)</td> </tr> <tr> <td>2024</td> <td>146.38</td> </tr> <tr> <td>2025</td> <td>228.20</td> </tr> </table> <table border="1"> <tr> <td colspan="2">Water consumption in last two years</td> </tr> <tr> <td>Year</td> <td>Water consumption (square meter)</td> </tr> <tr> <td>2024</td> <td>5,845.5</td> </tr> <tr> <td>2025</td> <td>12,162.8</td> </tr> </table> <table border="1"> <tr> <td colspan="2">Waste quantity in last two years</td> </tr> <tr> <td>Year</td> <td>Waste quantity (tons)</td> </tr> <tr> <td>2024</td> <td>132,253.68</td> </tr> <tr> <td>2025</td> <td>647.90</td> </tr> </table> <p>According to the Roadmap for the Sustainable Development of Listed Companies, the Company is in the third stage: Inventory will be completed in 2026 and verified by 2028. Therefore, there is no information on GHG reduction goals, strategies, or concrete action plans.</p>	Greenhouse gas emission in last two years		Year	Greenhouse gas emissions (tons of CO ₂ e)	2024	146.38	2025	228.20	Water consumption in last two years		Year	Water consumption (square meter)	2024	5,845.5	2025	12,162.8	Waste quantity in last two years		Year	Waste quantity (tons)	2024	132,253.68	2025	647.90
Greenhouse gas emission in last two years																											
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2025	647.90																										
IV. Social issues (I) Has the company established management policies and procedures in accordance with related laws and regulations and the International Bill of Human Rights?	✓	(I)	<p>The Company abides by relevant labor laws and regulations. The appointment, dismissal, salary, and remuneration of employees is handled in accordance with the Company's management rules to protect the basic rights and interests of employees.</p> <p>No major difference</p>																								

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(II) Has the company established and implemented reasonable measures for employee benefits (including remuneration, holidays and other benefits), and does the company appropriately reflect the business performance or achievements in employee remuneration?	✓		(II) In addition to compliance with applicable labor regulations, the Company allocates employee compensation in excess of 2% of annual operating results each year. Eligible recipients may include employees of subsidiaries meeting specified criteria, and no less than 30% of the total employee compensation amount shall be allocated to entry-level employees. Employee welfare measures: The Company has established the Employee Welfare Committee, with appropriation made according to the revenue of each year, in order to plan and provide various benefits to employees, such as: employee travel allowance, birthday cake, wedding subsidy, maternity subsidy, and funeral subsidy, etc. In addition, the Company also provides to employees a free health examination plan, accident insurance enrollment, and more. Holiday and leave system: In addition to the fixed two-day weekend, for employees who reach one full year of service, seven days of leave is provided annually (for employees with less than half a year	No major difference

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>of service, three days of leave).</p> <p>Workplace diversity and equality: In 2025, the average number of female employees accounted for 31.3% of total employees, and the number of female managers accounted for 14.6% of total managers. This demonstrates that the Company has implemented a friendly workplace and allows employees of both genders to work safely and securely.</p> <p>Business performance reflected in employees' remuneration: According to Article 25 of the Articles of Incorporation of the Company, in any fiscal year in which the Company records a profit, employee compensation of no less than 2% and director and supervisor remuneration of no more than 2% shall be appropriated from the Company's pre-tax net income. Eligible recipients of employee compensation may include employees of subsidiaries meeting specified criteria, and no less than 30% of the total employee compensation amount shall be allocated to entry-level employees.</p>	

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Does the company provide employees with a safe and healthy work environment, and provide regular safety and health education to employees?	✓		(III) The employee's welfare is the Company's priority and the Company provides training and cultivates employees to pay attention to workplace safety and health. We also organize employee trips and employee health examination from time to time and take out employee accident insurance. There were no occupational accidents or fire incidents among employees during the year.	No major difference
(IV) Has the company established effective training programs for the career development of employees?	✓		(IV) The Company arranges a 12-hour professional continuing education course for the chief audit officer and chief accounting officer each year, and organizes occasional professional training courses for employees. In 2025, the total number of occupational training hours was 334 hours. For the continuing education of department heads, please refer to page 41 of the annual report. For the education and training status of employers, please refer to page 65 of the annual report.	No major difference
(V) Has the company complied with laws and international standards with respect to the issues of customer health, safety and privacy, marketing	✓		(V) The Company enters into agreements for the marketing of our products and services in accordance with relevant	No major difference

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>and labeling in all products and services offered, and implemented consumer or customer protection policies and complaint procedures?</p> <p>(VI) Has the company established supplier management policies demanding that suppliers comply with relevant regulations on issues concerning environmental protection, occupational safety and health, or labor human rights? What is the implementation status?</p>	✓		<p>laws and regulations. In terms of product service, the Company has dedicated customer service personnel to handle customer issues, and occasionally reviews and improves deficiencies with relevant departments. Also, the Company has set up a section dedicated to stakeholders on its website. The Company has smooth communication channels with stakeholders and respects their legitimate rights and interests.</p> <p>(VI) In terms of supplier collaboration, the Company carefully selects outstanding vendors, and strives to strictly control construction quality and safety with respect to incoming materials and construction processes. The Company carefully selects quality vendors and implements corporate social responsibility. In addition to requesting that suppliers provide self-assessment forms on social responsibility implementation, suppliers must also sign a commitment to implementing social responsibility. If a vendor violates corporate social</p>	No major difference

Implementation item	Execution status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			responsibility, the Company may terminate or rescind the contract at any time.	
V. Has the company referred to internationally accepted reporting standards or guidance when preparing sustainability reports to disclose non-financial information? Has the company obtained assurance or guarantee from a third-party verification institution?		✓	The Company has established the “Corporate Sustainable Development Best Practice Principles” and the “Procedures for Preparation and Verification of Sustainability Reports” on November 8, 2022, and has also prepared the 2025 ESG Report in 2026.	No difference
VI. If the Company has established its own sustainability development principles in accordance with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe its current practices and any discrepancies from the Best Practice Principles: The Company established the Corporate Social Responsibility Best Practice Principles on November 8, 2022, and has also established the Sustainable Development Committee in order to promote corporate social responsibility. Up to the present day, there has been no difference from the Best Practice Principles since implementation.				
VII. Other important information to facilitate the understanding of the status of sustainable development promotion: We provide high quality employment opportunities, and have set up the Employee Welfare Committee. We also place great importance on harmonious labor-management relations by implementing a retirement fund system, taking out personal injury insurance for each employee, and arranging regular health examinations.				

(VI) Climate-related information for TWSE/TPEX-listed companies

1. Implementation of climate-related information:

Item	Execution status
<p>(1) Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.</p>	<p>The Board of Directors is directly responsible for the supervision of climate-related risks and opportunities. For the sustainable development of the Company, the Company's Board of Directors has established a "Sustainability Committee" in addition to the existing "Audit Committee" and "Remuneration Committee". Each committee reports their activities and resolutions to the Board of Directors on a regular basis.</p> <p>The Board of Directors reviews, supervises, and guides the management of sustainability goals. For example, the Board of Directors decides the schedule and progress of corporate carbon inspections, and requires partners to implement social responsibility commitments in the contract.</p> <p>The Audit Committee convenes quarterly meetings for discussion, and regularly listens to the internal audit supervisor's reports on the design of the internal audit department for various risks, the effectiveness of the implementation of the internal control system, and the audit findings.</p> <p>The Remuneration Committee convenes a meeting every six months to evaluate and review the performance and remuneration of managers, and plan to link the remuneration system with the results of climate change management to achieve the Company's sustainability goals.</p> <p>The Sustainability Committee is responsible for the policies and actions of the Company's sustainability. Currently, the Committee is composed of the Chairman, President, and other managers. The Committee is responsible for the implementation of corporate social responsibility, sustainable development, and energy conservation and carbon reduction-related issues, and is convened at least once a year.</p>
<p>(2) Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).</p>	<p>In terms of short-term physical risk, extreme climate change, such as frequent droughts and floods, will put the Company at risk, resulting in the suspension of construction projects and damage to projects; in the medium term, the Company is exposed to changes in weather patterns (droughts) which may cause supply chain interruption. In the long term, higher average temperatures will lead to higher electricity consumption by operating facilities, increasing carbon emissions and operating costs.</p> <p>In terms of opportunities, the Company has invested in product design and innovation such as green buildings, smart buildings, and earthquake-resistant buildings. Although the increase in construction costs will affect the Company's overall profitability in the short term, the Company will strengthen the implementation of energy and water saving measures and carbon reduction for related facilities to improve the efficiency of resource use, which will have an impact in the medium term. The Company is committed to meeting the expectations of stakeholders with respect to the environment and climate change, and can improve the Company's reputation and establish a good corporate image, which will have a long-term impact. See 5. Sustainable Environment of the Company's "2024 ESG Report" on P. 85-94</p>

Item	Execution status
(3) Describe the financial impact of extreme climate events and transformation actions.	<p>The Company's transformation actions will involve the product design of green buildings, smart buildings, and earthquake-resistant buildings. Although the operating costs will increase, the sales amount will also increase, and revenue will grow. The sales rate of low-carbon products will also improve, which is in line with the trend of energy saving and carbon reduction. Our transformation actions can improve the corporate image, while at the same time improving the availability of funds and reducing the cost of capital.</p> <p>See 5. Sustainable Environment of the Company's "2024 ESG Report" on P. 85-94</p>
(4) Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>We assess, categorize, and prioritize the substantial risks to the Company's assets in response to climate change, and establish response strategies, precise, and rigorous preventive measures and emergency response plans. In the event of a crisis or disaster, the most appropriate response measures and recovery measures are immediately proposed to reduce the possible impact of disaster damage and instability.</p> <p>Include climate risk in the overall risk management system, and ensure that the corresponding risk management measures receive appropriate attention. We also make an effort to make sure that policies, processes, and guidelines related to climate risk are incorporated into the risk management framework. See 2.10.2 Types of Risks, Potential Operational Impacts and Adaptation Approaches of the Company's "2024 ESG Report" on P.49</p>
(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 described.	<p>Scenario analysis has not yet been used to evaluate the resilience of climate change risks. In the future, climate data will be collected, such as temperature, rainfall, wind speed, and other factors, to evaluate the possible risks buildings may face. At the same time, we will assess the disaster resilience and adaptability of existing buildings, including their structures, equipment, and systems. We will ensure that potential risks and vulnerabilities have been identified, and propose corresponding improvement measures and analyze their major financial impacts. See 5. Sustainable Environment of the "2024 ESG Report" on P. 85-94</p>
(6) If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	<p>No transformation plan for managing climate-related risks has been established so far. However, a few customers have requested that green buildings and smart buildings can integrate renewable energy (such as solar and wind energy) and energy-saving technologies in the future to reduce energy consumption and improve the efficiency of buildings. We are committed to reducing reliance on natural resources and environmental impact by adopting sustainable building designs and materials. See 5. Sustainable Environment of the Company's "2024 ESG Report" on P. 85-94</p>
(7) If internal carbon pricing is used as a planning tool, the basis for setting the pricing shall be stated.	<p>No internal carbon pricing is used as a planning tool to date.</p>

Item	Execution status
<p>(8) If climate-related goals have been set, specify the activities covered, the scope of GHG emissions, the planned schedule, and the progress made in each year. If carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) shall be specified.</p>	<p>Currently, there is no plan to set the target of climate-related carbon offsets or renewable energy certificates (RECs). However, we will aim to achieve the goal of energy management and conservation according to the regulations of the Bureau of Energy, Ministry of Economic Affairs, “annual reduction of fuel/electricity consumption by 1% .”</p>
<p>(9) Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans</p>	<p>According to the Roadmap for the Sustainable Development of Listed Companies, the Company is in the third stage: Inventory will be completed in 2026 and verified by 2028. Only GHG inventory information of the Company in 2024 and 2025 (please refer to Table 1-1-1) is disclosed, and the information has not been assured.</p>

1-1 GHG inventory and assurance for the most recent two years:

1-1-1 GHG Inventory Information

Describe the GHG emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NTD million), and data coverage for the most recent two years.

Unit: Tons CO₂e

By company	Item	2024	2025
The Company	Scope 1	1.54	1.53
	Scope 2	30.07	56.48
	Subtotal	31.61	58.01
Subsidiary	Scope 1	1.02	0.83
	Scope 2	113.75	169.36
	Subtotal	114.77	170.19
Total		146.38	228.20
Intensity (Turnover in millions)		0.21	39.48
Scope of data		100%	100%

1-1-2 Greenhouse Gas Assurance Information

A description of the assurance status for the most recent two years as of the publication date of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

According to the Roadmap for the Sustainable Development of Listed Companies, the Company is in the third stage: Inventory will be completed in 2026 and verified by 2028. Therefore, as of the date of publication of the annual report, there is no information on assurance.

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the GHG reduction base year and its data, reduction targets, strategies, and concrete action plans, and achievement of the reduction targets.

According to the Roadmap for the Sustainable Development of Listed Companies, the Company is in the third stage: Inventory will be completed in 2026 and verified by 2028. Therefore, there is no information on GHG reduction goals, strategies, or concrete action plans.

(VII) The state of the performance in the area of ethical corporate management, any variation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation:

Evaluation item	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
I. Formulation of ethical management policies and action plans				
(I) Has the company established an ethical management policy that has been passed by its Board of Directors, and clearly specified in its rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies and methods?	✓		(I) The Company formulated the “Procedures for Ethical Management and Guidelines for Conduct” on March 10, 2020. The Board of Directors and senior management proactively implement the Guidelines during internal management and external business activities, and also uphold the principle of ethics, in order to establish an environment of sustainable operation.	No difference
(II) Has the company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within its business scope on a regular basis which have a higher risk of unethical behavior, and established prevention programs that at least cover the preventive measures specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		(II) The “Procedures for Ethical Management and Guidelines for Conduct” established by the Company explicitly specify that any bribery, provision or acceptance of illegal benefits, provision or promise of facilitation payment, provision of illegal political contribution, improper charity donation or sponsorship, any unfair competition action, disclosure of trade secrets, or actions causing damage to the rights and interests of stakeholders are prohibited. In addition, preventive measures and educational promotion are also implemented to comply with the ethical	No difference

Evaluation item	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
(III) Has the company specified operational procedures, behavioral guidelines, disciplining of violations, and an appeal system in the program against unethical conduct, and implemented such programs, and reviewed and revised the aforementioned programs on a regular basis?	✓		<p>management policy. As a means to building a sustainable business environment, the Company insists on a management philosophy of integrity, transparency and responsibility, and has already established sound risk control mechanisms.</p> <p>(III) The Company formulated the “Procedures for Ethical Management and Guidelines for Conduct” on March 10, 2020. Also, the Company has set up a section dedicated to stakeholders on its website. The Company has smooth communication channels with stakeholders and implements ethical management to avoid fraudulent conduct.</p>	No difference
<p>II. Implementation of ethical management</p> <p>(I) Has the company evaluated the integrity of all counterparties with whom it has business dealings? Are there any integrity terms in the agreements it enters into with business partners?</p>	✓		<p>(I) In addition to carefully selecting outstanding vendors the Company also strives for fair and transparent conduct, while also complying with the ethical management policy. If a vendor is involved in unethical conduct, the Company may terminate or cancel the contract at any time.</p>	No difference
(II) Has the company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its	✓		<p>(II) The Company has stipulated the “Procedures for Ethical Management and Guidelines for Conduct” on March 10, 2020, and has designated</p>	No difference

Evaluation item	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
<p>implementation of ethical management policy and preventive action plans against unethical conduct and the supervision status to the Board of Directors on a regular basis (at least once a year)?</p> <p>(III) Does the company have a prevention policy for conflicts of interest and does it provide appropriate reporting channels and implement the policy?</p>	✓		<p>the Audit Office as the responsible unit. In addition, the stakeholders section has been set up on the Company's website. In 2025, the number of valid cases of external reports and the direct reports from employees was 0 cases, and there has been no occurrence of material unethical events.</p> <p>(III) Not only do the Company's directors, supervisors, managerial officers, and employees comply with laws and regulations when carrying out duties, the idea of not accepting any form of improper benefit is also implemented. At the same time, the Company's financial information is made public to ensure the execution of the internal control system.</p>	No difference
<p>(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and does the internal audit unit propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behavior, or entrust an accountant to carry out the review?</p>	✓		<p>(IV) In a bid to create a sustainable business, the Company insists on establishing an effective accounting system and internal control system based on the management motto of integrity, transparency and responsibility. The internal audit personnel carry out regular audits and, each year, the Company entrusts CPAs to perform an internal control audit.</p>	No difference
<p>(V) Does the company organize internal or external training on a regular basis on ethical</p>	✓		<p>(V) The Company has disclosed the Code of Ethical Conducts on the</p>	No difference

Evaluation item	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
management?			Company's website in order to remind employees to be aware of their own behaviors and ethics.	
III. The Company's whistle-blowing system				
(I) Has the company established a concrete whistle-blowing and reward system, a convenient whistle-blowing channel, and assigned dedicated staff responsible for handling whistle-blowing matters?	✓		(I) The Company's Procedures for Ethical Management and Guidelines for Conduct already include specific reporting and reward systems. Whistle-blowing can also be done by telephone or mail.	No difference
(II) Has the company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?	✓		(II) The Company has clearly formulated standard procedures and subsequent measures to be implemented after carrying out an investigation and confidentiality measures for handling reported misconduct.	No difference
(III) Has the company taken appropriate measures to protect whistle-blowers from suffering any improper treatment for reporting an incident?	✓		(III) The Company has made it a priority to keep the identity of whistleblowers and the content of reports confidential and promises that whistle-blowers will not suffer any improper treatment due to reporting.	No difference
IV. Strengthening of information disclosure				
(I) Has the company disclosed the contents of ethical corporate management and its implementation results on the website and MOPS?	✓		The Company has disclosed relevant information in the annual report and on the Company's website and MOPS.	No difference
V. If the Company establishes its own ethical management best-practice principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe the discrepancy between its operation and the Company's ethical management best-				

Evaluation item	Implementation status			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such variation
	Yes	No	Summary	
<p>practice principles: The Company has established the “Ethical Management Best Practice Principles,” and there are no major discrepancies between the actual operation and the principles of the Company.</p>				
<p>VI. Other important information that is helpful in understanding the corporate ethical management operation of the Company? (Such as, the Company has the corporate ethical management best practice principles amended, etc.):</p> <p>(I) The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, relevant regulations for TWSE/GTSM listed companies, in order to use them as the basic principles for the implementation of ethical management.</p> <p>(II) The Company explains the directors’ conflict of interests recusal system in the “Rules of Procedure for Board of Directors’ Meetings.” If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. In addition, the director may not act as another director’s proxy to exercise voting rights on that matter.</p> <p>(III) The Company has established the “Procedures for Handling Material Inside Information” specifying that directors, managerial officers, and employees shall not disclose any material inside information known to others, and shall not seek information from personnel knowing the Company’s material inside information or collect any undisclosed material inside information of the Company irrelevant to their job duties. In addition, for any undisclosed material inside information of the Company learned not due to performance of one’s job duty, it is prohibited to disclose such information to others.</p> <p>(IV) The Company has established an effective accounting system and internal control system. Internal auditors also conduct periodic audits on the compliance status of the aforementioned system in order to ensure the implementation of ethical management.</p>				

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

Continuing education of managerial officers in 2025

Name	Date	Organizer	Course name	Time
Chief Internal Audit Officer Pan Ping-Hung	8/25~8/26	Internal Audit Association of the Republic of China	Audit Ethics and Integrity in the Age of AI	6 hours
			Delivering Sustainable Corporate Value	6 hours
Assistant General Manager of the Finance Department Shih Shu-Ying	5/26~5/27	Accounting Research and Development Foundation	Continuing Education Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12 hours
Chief Corporate Governance Officer Shih Shu-Ying	6/11	Accounting Research and Development Foundation	Legal Liability for Employee Fraud and Internal Control and Audit Practices	6 hours
	7/28		Corporate Governance Competencies and Financial Reporting Risk Assessment for Internal Auditors	6 hours

Continuing education of directors in 2025

Name	Date	Organizer	Course name	Time
Independent director Ke, Pai-Ling	2/26	Taiwan Securities Association	Legal Liability for Corporate Fraud and Case Analysis	3 hours
	6/11		ESG Fair Customer Treatment Principles and Corporate Integrity	3 hours
Director Chen, Teh-Fong	7/22	TPEX	Insider Equity Education Seminar	3 hours
Independent director Wu, Chen-Chi				
Independent director Wu, Chen-Chi	7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6 hours
Director Lin, I-Wei				
Director Hung, I-Ching				
Independent director Wu, Chen-Chi	8/26	Republic of China Accounting Research and Development Foundation	2025 ESG Summit	6 hours
Independent director Yen, Kuo-Lung	8/11	Institute of Financial Law and Crime Prevention	From Strategy to Action: Interpreting Global Climate Governance and Taiwan's Net-Zero Transition	3 hours
	11/11		Corporate Governance Practice Workshop — Financial Regulatory Seminar	3 hours

(IX) The company's internal control system

1. Declaration of Internal Control

Sun Fon Construction Co., Ltd.
Declaration of Internal Control System

Date: March 3, 2026

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2025:

- I. The Company understands it is the responsibility of the Company's Board of Directors and management to establish, enforce, and maintain an internal control system. Its purpose is to provide reasonable assurance on the achievement of operating effectiveness and efficiency (including profits, performance, and assets safeguarding), reporting matters with reliability, timeliness, and transparency, and compliance with relevant laws and regulations.
- II. Internal control systems are prone to limitations. No matter how robustly designed, an effective internal control system merely provides reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of the internal control system. Nevertheless, the internal control system of the Company contains self-monitoring mechanisms, and corrective action is taken whenever a deficiency is identified.
- III. The Company determines the effectiveness of the design and implementation of the internal control system on the basis of the criteria for the effectiveness of internal control systems stipulated in the "Regulations Governing the Establishment of Internal Control System by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consist of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, and 5. Supervision. Each element further contains several items. Please refer to the "Regulations" for the details of the said items.
- IV. The Company has adopted the above criteria of internal control systems to assess the effectiveness of the design and implementation of the internal control system.
- V. Based on the findings of the evaluation, the Company believes that, as of December 31, 2025, its internal control system (including the supervision and management of subsidiaries), including the monitoring of the achievement of its objectives concerning operational effectiveness and efficiency, the reliability, and timeliness and transparency of the reporting and compliance with applicable laws and regulations, is effective in design and implementation, and can reasonably assure the achievement of the above-mentioned objectives.
- VI. This Declaration of Internal Control is the content of our annual report and prospectus for the information of the public. For any forgery and concealment of the aforementioned information to the public, we will be held responsible by law in accordance with Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. The Declaration has been passed by the Board meeting held on March 3, 2026, with all attending directors affirming and 0 directors opposing the content of the Declaration.

Sun Fon Construction Co., Ltd.

Chairperson: Don Tai Development Co., Ltd.

Representative: Hung, Min-Fu Signature

President: Lan, Li-Hua

Signature

2. If a CPA has been entrusted to audit the internal control system, the CPA's audit report shall be disclosed: None.

(X) Material resolutions of a shareholders' meeting or a Board of Directors' meeting during the most recent fiscal year and up to the date of publication of the annual report:

1. Material resolutions of the shareholders' meeting and their implementation

Date	Summary of motion
May 22, 2025	<ol style="list-style-type: none"> <li data-bbox="344 279 1000 333">1. Motion for the recognition of the 2024 business report and financial statements. <li data-bbox="344 333 1000 387">2. Approval of the 2024 Earnings Distribution Proposal, resolving to distribute stock dividends of NT\$0.5 per share. <u>Implementation Status: Stock dividends were distributed on September 3, 2025.</u> <li data-bbox="344 387 1000 496">3. Approved the capitalization of earnings, distributing 40 shares per 1,000 shares. <u>Implementation: The change of capital was approved by the Ministry of Economic Affairs on August 19, 2025.</u> <li data-bbox="344 496 1000 667">4. Passed the amendments to the Articles of Incorporation. <u>Implementation: The change of registration was approved by the Ministry of Economic Affairs on June 10, 2025, and has been announced on the Company's website.</u>

2. Material resolutions of the Board meeting

Date	Session	Summary of motion
February 26, 2025	4th Meeting of 13th Term	<ol style="list-style-type: none"> <li data-bbox="459 753 1000 807">1. Approved the motion for the distribution of remuneration to employees and directors. <li data-bbox="459 807 1000 861">2. Reviewed and passed the 2024 business report and financial statements. <li data-bbox="459 861 1000 916">3. Reviewed and passed the 2024 earnings distribution table. <li data-bbox="459 916 1000 970">4. Approved the motion for the issuance of new shares by transferring capital from surplus. <li data-bbox="459 970 1000 1024">5. Approved the 2025 CPAs' professional fees and 2024 CPA independence and competency assessment. <li data-bbox="459 1024 1000 1133">6. Approval of pre-approval procedures and general policies for non-assurance services provided by Ernst & Young Accounting Firm and its affiliated enterprises, along with a list of non-assurance services. <li data-bbox="459 1133 1000 1187">7. Passed the motion for the renewal of the credit line from Shin Kong Commercial Bank. <li data-bbox="459 1187 1000 1241">8. Passed the Declaration of Internal Control for 2024. <li data-bbox="459 1241 1000 1295">9. Passed the amendments to the Articles of Incorporation.

Date	Session	Summary of motion
		<p>10. Approved the Company's 2025 Annual General Meeting held on May 22, 2025, with the shareholder proposal submission period set from March 14, 2025 to March 24, 2025 (9:00 a.m. to 5:00 p.m. daily); submissions to be received at the Company's registered office.</p> <p>15. Approved the ratification of the Company's acquisition or disposal of securities.</p> <p>Opinions of independent directors: None. The Company's response to the opinions of independent directors: None. Resolution result: Approved by all attending directors.</p>
May 6, 2025	5th Meeting of 13th Term	<p>1. Approved the 2025 Q1 financial statements.</p> <p>2. Passed the motion for the renewal of the credit lines from financial institutions.</p> <p>3. Approved the Company's endorsements/guarantees provided to subsidiary for bank financing contract renewal.</p> <p>4. Approved additional endorsement and guarantee for subsidiary financing from Taishin Bank.</p> <p>5. Approved additional endorsement and guarantee for subsidiary financing from Shin Kong Bank.</p> <p>6. Approved the definition of entry-level employees of the Company.</p> <p>7. Approved a donation to Golden Plaza Cultural & Education Foundation.</p> <p>8. Approved the joint construction project at No. 31-1, Section 3, Chongqing North Road.</p> <p>Opinions of independent directors: None. The Company's response to the opinions of independent directors: None. Resolution result: Approved by all attending directors.</p>
May 22, 2025	6th Meeting of 13th Term	<p>9. Approved the issuance of new shares through capitalization of retained earnings.</p> <p>10. Approved the sale of the 1st floor property at No. 168, Yongji Road, Xinyi District, Taipei City.</p> <p>Opinions of independent directors: None. The Company's response to the opinions of independent directors: None. Resolution result: Approved by all attending directors.</p>

Date	Session	Summary of motion
August 5, 2025	7th Meeting of 13th Term	<ol style="list-style-type: none"> 1. Approved the 2025 Q2 financial statements. 2. Approved the Company's endorsements/guarantees provided to subsidiary for bank financing contract renewal. 3. Review and approval of the 2024 Sustainability Report. <p>Opinions of independent directors: None. The Company's response to the opinions of independent directors: None. Resolution result: Approved by all attending directors.</p>
November 6, 2025	8th Meeting of 13th Term	<ol style="list-style-type: none"> 1. Approved the 2025 Q3 financial statements. 2. Approved the motion for the renewal of the credit line from Yuanta Commercial Bank and China Bills Finance. 3. Approved the cancellation of a portion of endorsement and guarantee amounts for subsidiaries. 4. Approved the Company's endorsements/guarantees provided to subsidiary for bank financing contract renewal. 5. Review of 2026 audit plan. 6. Approved the promotion of Wang Chin-Ching, Assistant General Manager of the Development Department, to Vice President of the Development Department, along with the corresponding adjustment to his compensation package. 7. Approved the distribution of year-end bonuses for managerial personnel for fiscal year 2025. 8. Approved amendments to the Sustainable Development Best Practice Principles. 9. Approved the Company's Corporate Value Enhancement Plan. 10. Approved the contract award for the demolition works of the Tianmu Tianyu Street Project. 11. Approved the ratification of the Company's acquisition or disposal of securities. <p>Opinions of independent directors: None. The Company's response to the opinions of independent directors: None. Resolution result: Approved by all attending directors.</p>
March 3, 2026	9th Meeting of 13th Term	<ol style="list-style-type: none"> 1. Approved the motion for the distribution of remuneration to employees and directors. 2. Reviewed and passed the 2025 business report and financial statements.

Date	Session	Summary of motion
		<ol style="list-style-type: none"> 3. Reviewed and passed the 2025 earnings distribution table. 4. Approved the 2026 CPAs' professional fees and 2025 CPA independence and competency assessment. 5. Approval of pre-approval procedures and general policies for non-assurance services provided by Ernst & Young Accounting Firm and its affiliated enterprises, along with a list of non-assurance services. 6. Passed the motion for the renewal of the credit line from Shin Kong Commercial Bank. 7. Approved the working capital facility application for the Chang-Xi No. 101 project. 8. Passed the amendments to the Regulations Governing the Acquisition and Disposal of Assets. 9. Approved amendments to certain provisions of the Internal Control System. 10. Passed the Declaration of Internal Control for 2025. 11. Approved the convening of the 2026 Annual General Meeting on May 21, 2026, with the shareholder proposal submission period set from March 9, 2026 to March 19, 2026 (9:00 a.m. to 5:00 p.m. daily); submissions to be received at the Company's registered office. 12. Approved the construction budget and contract price for the Tianmu Tianyu Street project. 13. Approved the ratification of the Company's acquisition or disposal of securities.
		<p>Opinions of independent directors: None. The Company's response to the opinions of independent directors: None. Resolution result: Approved by all attending directors.</p>

(XI) Where, during the most recent fiscal year and up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration: None.

IV. Information on CPA professional fees

Unit: NT\$ thousand

Name of accounting firm	Name of the CPA	Audit period	Audit fee	Non-audit fee	Total	Remark
EY	Chang, Chiao-Ying	January 1, 2025 - December 31, 2025	1,560	250	1,770	
	Wang, Yen-Chun	January 1, 2025 - December 31, 2025				

- (I) Where the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.
- (II) Where the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

V. Information on replacement of CPAs

Where the company has replaced its certified public accountants within the last two fiscal years or any subsequent interim period:

In 2024, the Company replaced the CPAs due to internal rotation of the accounting firm in accordance with the relevant laws and regulations.

VI. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm

None.

VII. Any transfer of shares and/or pledge of or change in equity interests by a director, supervisor, managerial officer, 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

Changes in shares of directors, supervisors, managers and major shareholders

Title	Name	2025		Current year as of March 31	
		Increase (decrease) in shareholding	Increase (decrease) in pledged shares	Increase (decrease) in shareholding	Increase (decrease) in pledged shares
Director	Don Tai Development Co., Ltd.	588,020	0	0	0
Representative	Hung, Min-Fu	247,698	0	0	0
Director	Golden Plaza Cultural & Education Foundation	58,268			
Representative	Hung, I-Ching	0	0	0	0
Director	Yo-Li Investment Co., Ltd.	611,524	0	0	0
Representative	Lin, I-Wei	237,921	0	0	0
Director	Hong Ding Investment Co., Ltd.	107,948	0	0	0
Representative	Chen, Teh-Fong	97,186	0	0	0
Independent director	Yen, Kuo-Lung	0	0	0	0
Independent director	Ke, Pai-Ling	0	0	0	0
Independent director	Wu, Chen-Chi	0	0	0	0
President	Lan, Li-Hua	9,176	0	0	0
Vice President	Huang, Kuo-Chin	524	0	0	0
Chief Financial Officer	Shih, Shu-Ying	0	0	0	0

(I) Counterparty in any transfer of shares is a related party: None.

(II) Counterparty in any transfer of pledged shares is a related party: None.

VIII. Any shareholder among the company's top 10 shareholders that is a related party, spouse or a relative within the second degree of kinship of another

Name	Shares held by the person themselves		Shares held by their spouses, children of minor age		Total shares held in the name of others		Any shareholder among the company's top 10 shareholders that is a related party, spouse or a relative within the second degree of kinship of another, their titles or names and relationship		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relations	
Da-Hong Investment Co., Ltd. Representative: Lai, Mei	21,949,435	9.29	0	0	0	0	None	None	
Yi-Sheng Investment Co., Ltd. Representative: Lan, Li-Hua	21,522,978	9.11	0	0	0	0	None	None	
Yi-Fu Investment Co., Ltd. Representative: Lin, I-Wei	16,980,398	7.19	0	0	0	0	None	None	
Yo-Li Investment Co., Ltd. Representative: Hung, I-Hua	15,899,633	6.73	0	0	0	0	Xin-Wang Investment Co., Ltd. Xin-Wei Investment Co., Ltd. Don Tai Development Co., Ltd. Jinyuan Construction Co., Ltd.	The Chairperson and the Chairperson of said Company are second-degree relatives	
Xin-Wang Investment Co., Ltd. Representative: Hung, I-Ching	15,680,901	6.64	0	0	0	0	Yo-Li Investment Co., Ltd. Xin-Wei Investment Co., Ltd. Don Tai Development Co., Ltd. Jinyuan Construction Co., Ltd.	The Chairperson and the Chairperson of said Company are second-degree relatives	

Name	Shares held by the person themselves		Shares held by their spouses, children of minor age		Total shares held in the name of others		Aany shareholder among the company's top 10 shareholders that is a related party, spouse or a relative within the second degree of kinship of another, their titles or names and relationship		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relations	
Xin-Wei Investment Co., Ltd. Representative: Hung, I-Ju	15,610,366	6.61	0	0	0	0	Yo-Li Investment Co., Ltd. Xin-Wang Investment Co., Ltd. Don Tai Development Co., Ltd. Jinyuan Construction Co., Ltd.	The Chairperson and the Chairperson of said Company are second-degree relatives	
Don Tai Development Co., Ltd. Representative: Hung, Min-Fu	15,288,524	6.47	0	0	0	0	Yo-Li Investment Co., Ltd. Xin-Wang Investment Co., Ltd. Xin-Wei Investment Co., Ltd. Jinyuan Construction Co., Ltd.	The Chairperson and the Chairperson of said Company are second-degree relatives	
Jin-Zan Business Development Co., Ltd. Representative: Chung, Hsu-Yuan	13,650,453	5.78	0	0	0	0	None	None	
Jinyuan Construction Co., Ltd. Representative: Hung, Min-Fu	9,477,708	4.01	0	0	0	0	Yo-Li Investment Co., Ltd. Xin-Wang Investment Co., Ltd. Xin-Wei Investment Co., Ltd. Don Tai Development Co., Ltd.	The Chairperson and the Chairperson of said Company are second-degree relatives	

Name	Shares held by the person themselves		Shares held by their spouses, children of minor age		Total shares held in the name of others		Aany shareholder among the company's top 10 shareholders that is a related party, spouse or a relative within the second degree of kinship of another, their titles or names and relationship		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relations	
Hung, Min-Fu	6,440,161	2.72	0	0	0	0	Yo-Li Investment Co., Ltd. Xin-Wang Investment Co., Ltd. Xin-Wei Investment Co., Ltd. Jinyuan Construction Co., Ltd.	Second-degree relative of the Company's Chairman	

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

Unit: Shares; %

Investment business	The Company's investment		Investment by directors, supervisors, managerial officers, and investment directly or indirectly controlled by the company		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Jinyuan Construction Co., Ltd.	249,929	99.9716%	0	0%	249,929	99.9716%

Three. Capital Raising Activities

I. The company's capital and shares

(I) Source of capital stock

1. Type of shares

Type of shares	Authorized shares			Remark
	TPEX listed shares	Shares not yet issued	Total	
Registered common stock	236,118,280	63,881,720	300,000,000	-

Information on the general reporting system: None.

2. Process of capital formation

Year/ month	Issue price (NT\$)	Authorized capital		Paid-in capital		Remark		
		Number of shares (in thousand shares)	Amount (NT\$ thousand)	Number of shares (in thousand shares)	Amount (NT\$ thousand)	Source of capital stock	Paid in properties other than cash	Other
1988.1	10	5,000	50,000	5,000	50,000	Investment of NT\$50,000 thousand in cash	None	None
1989.8	10	17,500	175,000	17,500	175,000	Capital increase of NT\$125,000 thousand in cash	None	None
1990.4	10	35,000	350,000	35,000	350,000	Capital increase of NT\$175,000 thousand in cash	None	Note 1
1991.3	10	70,000	700,000	45,000	450,000	Capital increase of NT\$100,000 thousand in cash	None	Note 2
1993.7	10	70,000	700,000	50,400	504,000	Surplus transferred to capital increase by NT\$54,000 thousand	None	Note 3
1994.7	10	70,000	700,000	55,440	554,400	Surplus transferred to capital increase by NT\$50,400 thousand	None	Note 4
1995.5	10	70,000	700,000	66,528	665,280	Surplus transferred to capital increase by NT\$110,880 thousand	None	Note 5
1996.6	10	70,000	700,000	70,000	700,000	Surplus transferred to capital increase by NT\$34,720 thousand	None	Note 6

Year/ month	Issue price (NT\$)	Authorized capital		Paid-in capital		Remark		
		Number of shares (in thousand shares)	Amount (NT\$ thousand)	Number of shares (in thousand shares)	Amount (NT\$ thousand)	Source of capital stock	Paid in properties other than cash	Other
1997.6	10	77,000	770,000	77,000	770,000	Surplus transferred to capital increase by NT\$70,000 thousand	None	Note 7
1998.8	10	107,000	1,070,000	84,700	847,000	Surplus transferred to capital increase by NT\$77,000 thousand	None	Note 8
1999.6	10	107,000	1,070,000	91,476	914,760	Surplus transferred to capital increase by NT\$67,760 thousand	None	Note 9
2000.7	10	107,000	1,070,000	96,965	969,646	Surplus transferred to capital increase by NT\$54,885.6 thousand	None	Note 10
2002.1 2	10	107,000	1,070,000	93,965	939,646	Cancelled treasury stock capital of NT\$30,000 thousand	None	Note 11
2004.7	10	107,000	1,070,000	98,663	986,628	Surplus transferred to capital increase by NT\$46,982.28 thousand	None	Note 12
2010.6	10	107,000	1,070,000	106,556	1,065,558	Surplus transferred to capital increase by NT\$7,893.02 thousand Capital transferred to capital increase by NT\$19,732.56 thousand	None	Note 13
2011.7	10	160,000	1,600,000	116,145	1,161,458	Surplus transferred to capital increase by NT\$95,900.24 thousand	None	Note 14
2012.7	10	160,000	1,600,000	133,567	1,335,677	Surplus transferred to capital increase by NT\$174,218.76 thousand	None	Note 15
2013.7	10	160,000	1,600,000	153,603	1,536,029	Surplus transferred to capital increase by NT\$200,351.57 thousand	None	Note 16

Year/ month	Issue price (NT\$)	Authorized capital		Paid-in capital		Remark		
		Number of shares (in thousand shares)	Amount (NT\$ thousand)	Number of shares (in thousand shares)	Amount (NT\$ thousand)	Source of capital stock	Paid in properties other than cash	Other
2015.6	10	200,000	2,000,000	176,643	1,766,433	Surplus transferred to capital increase by NT\$230,404.31 thousand	None	Note 17
2020.6	10	300,000	3,000,000	194,308	1,943,076	Surplus transferred to capital increase by NT\$176,643.30 thousand	None	Effective June 16, 2020
2021.8	10	300,000	3,000,000	207,909	2,079,091	Surplus transferred to capital increase by NT\$136,015.34 thousand	None	Effective August 16, 2021
2022.7	10	300,000	3,000,000	216,226	2,162,255	Surplus transferred to capital increase by NT\$54,056.38 thousand Capital increase by capital surplus of NT\$29,107.28 thousand	None	Effective July 8, 2022
2024.7	10	300,000	3,000,000	227,037	2,270,368	Capitalization of earnings NT\$108,112.77 thousand	None	Effective July 22, 2024
2025.6	10	300,000	3,000,000	236,118	2,361,183	Capitalization of earnings NT\$90,814.73 thousand	None	Effective June 30, 2025

Note 1: Approved to be effective by Letter (1990) Tai-Cai-Zheng-(I) No. 00786 dated April 18, 1990, issued by the Securities Supervisory Commission, Ministry of Finance.

Note 2: Approved to be effective by Letter (1991) Tai-Cai-Zheng-(I) No. 00638 dated March 28, 1991, issued by the Securities Supervisory Commission, Ministry of Finance.

Note 3: Approved to be effective by Letter (1993) Tai-Cai-Zheng-(I) No. 29757 dated July 12, 1993, issued by the Securities Supervisory Commission, Ministry of Finance.

Note 4: Approved to be effective by Letter (1994) Tai-Cai-Zheng-(I) No. 31224 dated July 12, 1994, issued by the Securities Supervisory Commission, Ministry of Finance.

Note 5: Approved to be effective by Letter (1995) Tai-Cai-Zheng-(I) No. 30861 dated May 24, 1995, issued by the Securities Supervisory Commission, Ministry of Finance.

Note 6: Approved to be effective by Letter (1996) Tai-Cai-Zheng-(I) No. 39899 dated June 28, 1996, issued by the Securities Supervisory Commission, Ministry of Finance.

Note 7: Approved to be effective by Letter (1997) Tai-Cai-Zheng-(I) No. 49758 dated June 23, 1997, issued by the Securities Supervisory Commission, Ministry of Finance.

Note 8: Approved to be effective by Letter (1998) Tai-Cai-Zheng-(I) No. 67108 dated August 3, 1998, issued by the Securities and Futures Supervisory Commission, Ministry of Finance.

Note 9: Approved to be effective by Letter (1999) Tai-Cai-Zheng-(I) No. 59256 dated June 29, 1999, issued by the Securities and Futures Supervisory Commission, Ministry of Finance.

- Note 10: Approved to be effective by (2000) Letter Tai-Cai-Zheng-(I) No. 47982 dated June 3, 2000, issued by the Securities and Futures Supervisory Commission, Ministry of Finance.
- Note 11: The change of company registration was approved by Letter Tai-Cai-Zheng-III No. 0910163022 dated November 20, 2002, issued by the Securities and Futures Supervisory Commission, Ministry of Finance, and Letter Jing-Shou-Shang-Zi No. 09101495190 issued by the Ministry of Economic Affairs.
- Note 12: Approved to be effective by Letter Zheng-Qi-I-Zi No. 093129608 dated July 6, 2004, issued by the Financial Supervisory Commission, Securities and Futures Bureau, Executive Yuan.
- Note 13: Approved to be effective by Letter Jin-Guan-Zheng-Fa-Zi No. 0990033431 dated June 29, 2010, issued by the Financial Supervisory Commission, Executive Yuan.
- Note 14: Approved to be effective by Letter Jin-Guan-Zheng-Fa-Zi No. 1000032578 dated July 13, 2011, issued by the Financial Supervisory Commission, Executive Yuan.
- Note 15: Approved to be effective by Letter Jin-Guan-Zheng-Fa-Zi No. 1010033412 dated July 26, 2012, issued by the Financial Supervisory Commission
- Note 16: Approved to be effective by Letter Jin-Guan-Zheng-Fa-Zi No. 1020029701 dated July 30, 2013, issued by the Financial Supervisory Commission
- Note 17: Approved to be effective by Letter Jin-Guan-Zheng-Fa-Zi No. 1040023359 dated June 22, 2015, issued by the Financial Supervisory Commission

(II) List of major shareholders

Shares Name of major shareholders	Number of shares held	Shareholding ratio
Da Hong Investment Co., Ltd. Representative: Lai, Mei	21,949,435	9.29
Yi Sheng Investment Co., Ltd. Representative: Lan, Li-Hua	21,522,978	9.11
Yi Fu Investment Co., Ltd. Representative: Lin, Yi-Wei	16,980,398	7.19
Yo-Li Investment Co., Ltd. Representative: Hung, I-Hua	15,899,633	6.73
Xin Wang Investment Co., Ltd. Representative: Hung, I-Ching	15,680,901	6.64
Xin Wei Investment Co., Ltd. Representative: Representative: Hung, I-Ju	15,610,366	6.61
Don Tai Development Co., Ltd. Representative: Hung, Min-Fu	15,288,524	6.47
Jin Zan Business Development Co., Ltd. Representative: Chung, Hsu-Yuan	13,650,453	5.78
Jinyuan Construction Co., Ltd. Representative: Hung Min-Fu	9,477,708	4.01
Hung, Min-Fu	6,440,161	2.72
Total	152,500,557	64.58

(III) Company's dividend policy and implementation:

1. The Company's dividend policy:

The Company shall first make up for accumulated losses using its profit for the year, then set aside 10% as the legal reserve and allocate or reverse the special reserve as required by law. After adding the previous year's accumulated undistributed earnings to the remaining balance, 30% or more shall be allocated as shareholder dividends. However, the above rates for earnings distribution and cash dividends to shareholders are adjusted by resolution of the shareholders' meeting depending on the actual profit of the year and the Company's state of capital.

The cash dividends may not be less than 10% of the total dividends; however, if the cash dividends are less than NT\$0.1 per share or there is a plan for significant capital expenditure for the year, dividends may be distributed in the form of shares.

If the profit for the year is less than NT\$0.5 per share, dividends for shareholders pursuant to the preceding paragraph may be retained.

If there is a reduction in accumulated shareholders' equity from the previous year or incurring in the current year but there is not sufficient net income to provide for the reduction, a special reserve of the same amount should be set aside from the accumulated undistributed earnings of the previous year and deducted prior to the provision for distribution.

The motion for the above distribution of earnings is prepared by the Board of Directors and submitted to the shareholders' meeting for resolution.

2. Dividend distribution proposed at this shareholders' meeting:

Resolved by the Board of Directors on March 3, 2026: the Company recorded an after-tax net loss of NT\$29,934,459 for fiscal year 2025, and accordingly no earnings distribution will be made.

3. Significant changes in the Company's dividend policy are not expected.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

Item		Year	2026 (Distribution of 2025 earnings)
Opening paid-in capital			2,361,182,800
Distribution of dividends for the year	Cash dividends per share		0
	Distribution of surplus transferred to capital increase per share		0
	Distribution of capital reserve transferred to capital increase per share		0
Changes in operating results	Operating income		No disclosed financial forecasts
	Operating income increased (decreased) from the same period last year		
	Net income after tax		
	Net income after tax increased (decreased) from the same period last year, %		
	Earnings per share		
	Earnings per share after tax increased (decreased) from the same period last year, %		
	Annual average return on investment (reciprocal annual average P/E ratio)		
Pro forma earnings per share and price/earnings ratio	Capitalization of earnings changed to distribution of cash dividend in full	Pro forma earnings per share	No disclosed financial forecasts
		Pro forma annual average return on investment	
	If capital surplus is not transferred to capital	Pro forma earnings per share	
		Pro forma annual average return on investment	
	If capital surplus is not recognized and earnings transferred to capital were distributed as cash dividends	Pro forma earnings per share	
		Pro forma annual average return on investment	

Chairperson:
Don Tai Development Co., Ltd.



Managerial officer:
Lan, Li-Hua



Chief Accounting Officer:
Shih, Shu-Ying



Appointed Representative: Wang, Min-Fu



(V) Remuneration to employees, directors and supervisors

1. The percentages or ranges with respect to employee, director, and supervisor remuneration, as set forth in the company's articles of incorporation:

Pursuant to Article 25 of the Company's Articles of Incorporation, where the Company records a profit in a given fiscal year, employee remuneration shall be appropriated at no less than 2% of pre-tax net income, and director and supervisor remuneration shall be appropriated at no more than 2% of pre-tax net income. The recipients of employee remuneration may include employees of subsidiaries meeting specified criteria. Of the total employee remuneration amount, no less than 30% shall be allocated to entry-level employees. Distribution of remuneration to employees and directors/supervisors shall be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the Company should first make up for losses before allocating remuneration to employees and directors/supervisors in the proportion described above.

2. The basis for estimating the amount of employee, director, and supervisor remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The basis for estimating the amount of employee, director, and supervisor remuneration takes profit before tax into account and the estimated amount is allocated to operating expenses and operating costs. If there is a subsequent significant change resolved by the Board of Directors, the change will be adjusted to expenses for the year.

3. Information on any approval by the Board of Directors of distribution of remuneration:
 - (1) Distribution of remuneration to employees of NT\$0 in cash and NT\$0 to directors. There was no difference in remuneration in the financial reports for 2025.
 - (2) The distribution of employee bonus in shares was NT\$0, accounting for 0% of the total profit after tax and total remuneration to employees in the parent only financial reports for the period.
4. Employee compensation of NT\$2,488,140 and director and supervisor remuneration of NT\$1,244,069 distributed for the prior fiscal year (2024) are consistent with the amounts recognized in the fiscal year 2024 financial report.

(VI) Status of the company repurchasing its own shares: None.

II. Corporate bonds, preferred shares, global depositary receipts, employee stock warrants, new restricted employee shares, and any merger and acquisition activities (including mergers, acquisitions, and demergers)

- (I) Corporate bonds: None.
- (II) Preferred shares: None.
- (III) Global depositary receipts: None.
- (IV) Employee stock warrants: None.
- (V) New restricted employee shares: None.
- (VI) New shares issued upon merger or acquisition or acquisition of another company's shares: None.

III. Implementation of the company's capital allocation plans

- (I) Description of the plans: For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.
- (II) Status of implementation: Not applicable.

Four. Business Operations

I. Description of business

(I) Scope of business

1. The Company's major lines of business
 - (1) Contracted construction company to build public housing and commercial buildings for lease and sale.
 - (2) Introduction of domestic and foreign housing rentals and sales.
2. Relative weight of each business

The Company primarily contracts construction companies to build public housing and commercial buildings for lease and sale, supplemented by the development of related businesses.
3. Current products, and new products planned for development

The Company's current products

 - (1) Premium residential buildings.
 - (2) Financial and commercial buildings.
4. New products planned for development

In the future, we will continue to launch storefronts and collective housing in primary locations in Taipei and urban areas in New Taipei City based on existing urban renewal and market bases.

(II) Industry overview

1. Current status and development of the industry

The construction industry in 2025 presented a landscape in which challenges and opportunities coexisted. On the external environment front, persistent geopolitical conflicts and continued international supply chain disruption kept the prices for raw materials such as structural steel and cement elevated, while rising energy costs sustained overall construction cost pressures. Concurrently, the chronic labor shortage that has long afflicted Taiwan's construction sector remained unresolved; an aging workforce and restrictions on foreign labor policy continued to render workforce deployment and schedule management difficult.

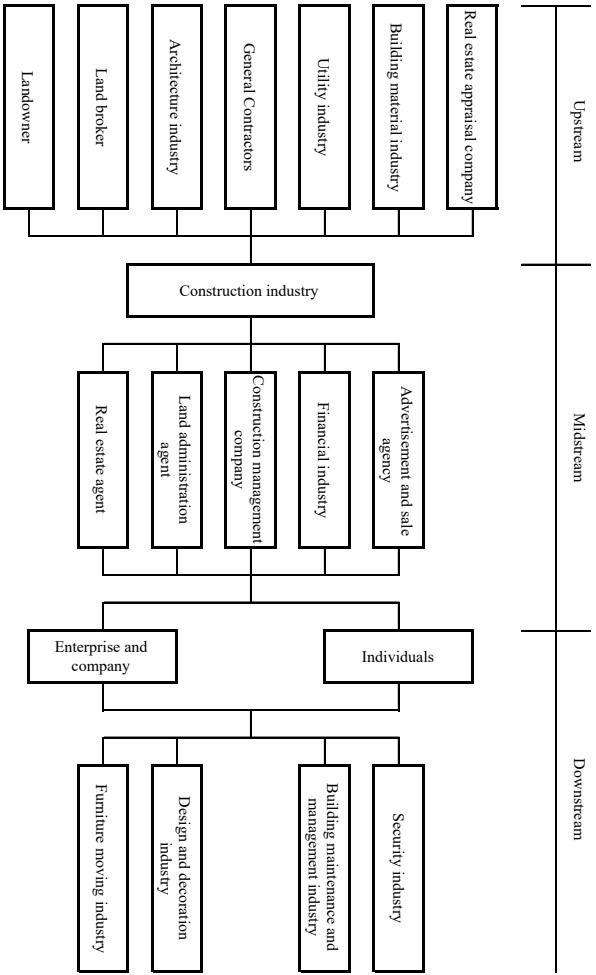
On the policy front, the government's sustained push for public infrastructure investment, mass rapid transit expansion, urban renewal, and social housing injected stable demand into the industry and provided ongoing impetus for contractors to raise standards of quality and operational efficiency. On the ESG and sustainability front, net-zero carbon emissions targets have progressively entered the mainstream, requiring the construction industry to accelerate the adoption of low-carbon building materials, green design principles, energy-efficient systems, and construction waste recycling.

On the other hand, digitalization and smart technology have emerged as critical enablers of industry resilience. The proliferation of Building Information Modeling (BIM), artificial Intelligence (AI), the Internet of Things (IoT), and intelligent jobsite management systems enables contractors to achieve greater precision across planning and design, construction monitoring, safety management, and supply chain coordination, thereby reducing the risk of errors and delays while improving jobsite safety outcomes. A number of industry leaders have leveraged digital transformation to progressively transition from traditional contracting roles into integrated service providers encompassing design coordination, project management, and sustainability solutions.

Looking ahead, while the construction industry in 2025 continued to contend with cost pressures, cyclical headwinds, and residential market policy constraints, policy support and growing demand for green and intelligent buildings underpin the industry's long-term growth potential. Only by proactively adopting innovative technologies, strengthening sustainable governance, and addressing labor and cost challenges can the construction industry seize the opportunities presented by this wave of transformation and advance toward a more resilient and sustainable trajectory.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain

The process of property investment and development as well as construction and marketing is related to a variety of industries, including construction, building materials, water and electricity & plumbing, advertising, finance, land administration, decoration, and building management and maintenance. The construction sector plays a role of coordination and integration that co-exists with its upstream and downstream partners.



3. Product development trends

As real estate transaction laws and regulations are becoming more comprehensive, along with the fact that it is more difficult to acquire land, the housing construction sector often develops projects by buying out land or co-developing with landowners. In the future, land development can be planned in diverse directions, such as establishment of superficies, land trusts, joint developments, participation in urban renewal schemes and public housing incentives, as well as tendering to acquire the required reserve land released by state-owned land policies. Meanwhile, with the increasing emphasis on living quality, upon purchasing a house, buyers take into account the planning of the house and the utilization of space. Moreover, given that the quality of construction is the key to building a positive reputation, the customer's satisfaction has become an important indicator to measure company competitiveness. As a result, refined and practical housing will be the future development trend and competitive advantage of housing products.

4. Competition

We specialize in the Greater Taipei area and adhere to outstanding location and refined modeling characteristics. Although the real estate market has been on a downturn for more than a decade, we have managed to maintain profit. It is our belief that only a professional management team with a sound financial framework that is able to acquire superior land lots can survive the harsh real estate market in Taiwan.

(III) Technology and research and development overview

1. Strengthening the overall capabilities of the organization and improving the quality of manpower.
2. Researching new work methods to improve construction quality and efficiency.
3. Serving customers in a passionate manner and understand their needs to satisfy their living quality.
4. Research and development work to be carried out in the future, and further expenditures expected for research and development work: As we primarily provide land development, construction services, and housing sales, R&D investment is not applicable.

(IV) The company's long- and short-term business development plans

The Company's future short-term, medium-term, and long-term business development plans in the aspects of customers, products and markets:

Business development	Short-term plans	Medium-term and long-term plans
Customer aspect	<ul style="list-style-type: none"> ⊙ Provide customers with comprehensive information, technology and value-added after-sales services. 	<ul style="list-style-type: none"> ⊙ Strive for reducing production costs and assist midstream and downstream vendors to increase competitiveness, achieving the goal of profit sharing.
Product aspect	<ul style="list-style-type: none"> ⊙ Continue with the objective of increasing product quality ⊙ Effectively master the progress of construction projects 	<ul style="list-style-type: none"> ⊙ Innovate work methods to improve construction technology standards ⊙ Enhance housing planning and design to meet the needs of home buyers
Market aspect	<ul style="list-style-type: none"> ⊙ Continue to develop in Greater Taipei and grasp the market trends of different areas to expand market share ⊙ Strengthen the full-set services to meet the needs of home buyers 	<ul style="list-style-type: none"> ⊙ Develop old communities to enhance living functions ⊙ To improve competitiveness and maintain asound corporate image, construct a close after-sales service management mechanism based on the concept of mutual trust and mutual benefit with the customers

II. Market and production/sales overview

(I) Market analysis

1. Sales area of primary products

Year	Project name	Use	Sales Territory
2010	Ding Ji	Residential and commercial building	Intersection of Minsheng West Road and Chongqing North Road, Taipei City
2012	Jiu Ding	Residential and commercial building	Intersection of Section 2, Yanping North Road and Gangu Street, Taipei City
2014	Guo Yan	Residential and commercial building	Guangfu South Road, Taipei City
2017	The Twin Cities	Residential building	Jingping Road, Zhonghe District, New Taipei City
	Wen Ding Hui	Residential and commercial building	Intersection of Nanjing West Road and Yanping North Road, Taipei City
	Feng Hua Hui	Residential and commercial building	Section 2, Chongqing North Road, Taipei City
	Di Yi Hui	Residential and commercial building	Section 3, Chongqing North Road, Taipei City
2019	City Meeting Point	Residential and commercial building	No. 107, Chang'an West Road, Taipei City
2020	Baosheng Emperor Memorial Hall	Office building	No. 138, Section 3, Chongqing North Road, Taipei City
2021	Yun Ji	Residential and commercial building	No. 253, Minsheng West Road, Taipei City
2022-2023	Yun Di	Residential and commercial building	Intersection of Guisui Street and Minle Street Taipei City
	Sun Fon AIT	Residential building	Lane 175, Section 1, Kangning Road, Taipei City
2024	Yun Cheng	Residential and commercial building	No. 128, Section 3, Chengde Road, Taipei City
2025	Ri Li	Residential and commercial building	No. 81, Section 2, Huanshan Road, Taipei City

2. Market share

According to Cathay Real Estate Index Report (January 1, 2025 to December 31, 2025), total project launches in the Greater Taipei area for 2025 amounted to NT\$634.66 billion (encompassing both pre-sale and completed units), placing the Company's estimated market share for 2025 at approximately 0.11%.

3. Future market supply and demand conditions and growth potential

(1) Supply:

The number of issued building permits is a leading indicator of housing construction activities. Changes in the indicator are enough to reflect the future development trend of Taiwan's construction industry and housing supply conditions.

Based on building permit data issued by the National Land Management Agency (as shown in the table below), both the number of building construction permits issued and total floor area approved declined in 2025. The primary drivers were a high interest rate environment, the continuation of selective credit control policies, and a moderation in market demand, which collectively prompted developers to adopt a more conservative approach to project launches and to adjust both their development pace and product mix, resulting in decreases in permits issued and total approved floor area.

Statistics on Building Permits Issued in Taiwan in Past Years

Unit: piece, thousand square meters

Time	Total		Residential building		Increase/ decrease	Growth rate %
	No. of projects	Total floor area	No. of houses	Total floor area	Floor area	
Past 12 years						
2014	31,994	38,635	121,378	21,488	-1,125	-2.83
2015	27,643	32,596	103,755	17,395	-6,039	-15.63
2016	22,511	26,235	78,392	12,946	-6,361	-19.51
2017	25,035	29,884	91,253	15,056	3,649	13.91
2018	27,344	33,984	120,880	18,448	4,100	13.72
2019	27,143	36,928	147,798	21,737	2,944	8.66
2020	25,980	41,521	159,286	22,992	4,593	12.44
2021	26,089	43,425	165,651	24,647	1,904	4.59
2022	23,257	45,827	179,958	24,983	2,402	5.53
2023	18,542	37,443	145,553	19,341	-8,384	-18.29
2024	19,523	39,943	156,237	20,397	2,500	6.68
2025	17,919	32,975	138,245	17,797	-6,968	-17.44

Source: Statistical data from the National Land Administration Agency, Ministry of the Interior

(2) Demand:

According to statistics published by the Central Bank of the Republic of China (Taiwan) for fiscal year 2025, the outstanding balance of residential mortgage loans nationwide stood at approximately NT\$11.058 trillion at the end of Q4, representing an increase of 1.12% from the prior quarter and growth of 4.46% year-over-year. This shows that as real estate market prices have continued to rise in recent years, the loan amounts required for home purchases have increased accordingly, thereby driving up the overall loan balance.

Additionally, Taiwan maintains a relatively loose interest rate environment, where low-cost capital helps support real estate investment demand while providing stable support for housing prices.

Typically, house buying demand can be categorized into owner-occupied and investment. The demand for self-owned housing is due to population increase, change of house, or new home purchase, and is affected by the total population and the total number of households. Investment in house purchases can be categorized into: 1. Regarding property as an investment tool and buying houses as mid-to-long term investment targets that can be rented out in the meantime to increase income; 2. Holding property for a short time during a real estate boom for speculative demand, which is affected by national income and market interest rates.

Number of households and population in Taiwan in the past five years

Year	No. of houses	Number of population
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	23,400,220
2025	9,851,532	23,299,132

Source: Statistics from the Department of Household Registration, M.O.I.; 2025/12/31

4. Competitive niche

We specialize in urban renewal cooperative development projects within older communities in Taipei city and share our development achievements with landowners. The advantages of this are: (1) No land costs, reducing financial burden. (2) Pressure is reduced on sales, reducing the accumulation of unsold houses. (3) Profit is greater than the cost of purchasing the land.

The Company utilizes an urban renewal scheme and adopts the strategy of the reconstruction of old communities to create a unique position for itself in the highly competitive real estate market of Taipei. As a result of our ambition, we do not back down in the face of a recession and create more profit when the market is thriving.

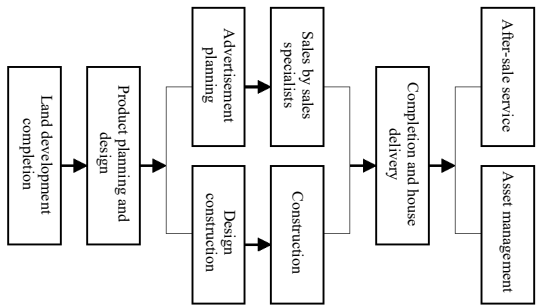
5. Positive and negative factors for future development, and countermeasures

Affected by	Positive factors	Negative factors
Economic aspect	The U.S. economy recovers with an increase in the employment rate, and the U.S. Fed adopts the shrinking balance and active increase of interest rates for the purpose of suppressing inflation in the market and maintaining the stability of the financial environment.	<ol style="list-style-type: none"> 1. As the threat of mutated viruses increases, the risk of global economic and trading uncertainty also increases. 2. The war between Russia and Ukraine affects the global economic growth.
Political aspect	A close relationship between Taiwan and China will pose a positive impact on mid-to-long term economic development.	<ol style="list-style-type: none"> 1. Domestic political instability hurts the stability of political economy. 2. The tension between Taiwan and China will harm economic growth. 3. The war between Russia and Ukraine has caused further increase of raw material prices.
Market aspect	<ol style="list-style-type: none"> 1. Promote suitable housing to drive economic growth. 2. Relax the restriction for Chinese investors to buy property in Taiwan to stimulate the housing market. 3. Taoyuan Aerotropolis project will help drive the housing market. 4. The MRT “3 rings and 3 lines” plan will drive the recovery of real estate around New Taipei City. 5. Eight major renewal projects attract business, driving economic momentum. 6. The U.S.–China trade war has prompted Taiwanese businessmen to return to Taiwan to buy land, driving industrial land demand. 	<ol style="list-style-type: none"> 1. Increase the interest loans on the wealthy to curb housing prices. 2. The central bank requests banks to strengthen the risk control for mortgage loans to avoid speculators and curb housing prices. 3. Build suitable housing to expand supply and curb housing prices. 4. The government intends to promote urban renewal and self-built public housing to expand supply and curb housing prices. 5. The Executive Yuan passed the Joint Property Tax System 2.0 to avoid speculation of pre-sale houses, resulting in slow sales. 6. Construction costs remain high and shortages of labor continue, leading to increase in construction costs for constructors.
Capital aspect	<ol style="list-style-type: none"> 1. The current financial policy remains relaxed and housing prices can be maintained. 2. The return of Taiwanese businesses investing in real estate. 	All banks have strengthened their mortgage risk control, leaving people less willing to buy a house.
Policy aspect	<ol style="list-style-type: none"> 1. The government expects to invest NT\$18.46 billion in the next 4 years for the promotion of the Urban Renewal Industry Action Plan. 2. The Taipei City government’s promotion of new ten major construction projects helps revitalize the general economy. 3. The acceleration of old house renewal facilitates integration for construction companies. 	<ol style="list-style-type: none"> 1. Increase in housing tax and land premium tax makes people less willing to buy a house. 2. Real price registration, to avoid speculation. 3. Implementation of residential justice prevents speculation. 4. Capacity transfer reform results in cost increase for construction companies

Affected by	Positive factors	Negative factors
	4. The government's Youth Families 2.0 program favorably drives first-time buyers.	5. The government has strengthened measures to cool the housing market, including loan restrictions and strict controls on mortgage loans, resulting in decreased willingness to purchase homes.

Countermeasures

- A. The market supply status in the area must be carefully evaluated prior to launching a project in order to plan the design and sales strategy for the project.
 - B. Avoid areas with heavy project load or be the first to launch projects in heavy project load areas.
 - C. Research projects with special features to differentiate the market.
 - D. Fully grasp opportunities and preferential measures of the government.
 - E. Strictly control construction quality and safety with respect to incoming materials and construction process to strengthen the quality of outsourced construction work.
 - F. Reduce land costs and acquire better land in prime locations for construction based on profit-sharing joint construction plans.
 - G. Older community reconstruction, urban renewal schemes, agricultural land release policy and the acquisition of lower cost land.
- (II) Important usage and manufacturing processes for the company's main products
- 1. Important usage for the Company's main products
 - A. Residential buildings: High-end residential buildings and apartments.
 - B. Commercial buildings: Commercial complexes and office buildings.
 - C. Residential and commercial buildings: residential and shops.
 - 2. Manufacturing processes



(III) Supply situation for the company's major raw materials

Our main raw materials are categorized into land and construction projects and our supply sources are stable.

1. Land:

- (1) Selection of area: We center on Taipei City, followed by the Greater Taipei Metropolis and surrounding cities.
- (2) Planned products: We primarily focus on collective residential and commercial buildings and office buildings.
- (3) Acquisition method: Self-built on own land, joint construction and allocation of housing units, and joint-investment construction.
- (4) Location choice:
 - A. Superior locations where the access road is connected to the outer road for easy access.
 - B. New redevelopment zones.
 - C. Locations with convenient transportation.
 - D. Areas with good living functions.
 - E. Areas with scenic views.

2. Construction project:

As a means to provide consumers with a full set of services, we have implemented a unified policy, which allows our invested company, Jinyuan Construction Co., Ltd., to grasp and control the entire construction project progress to ensure the quality.

(IV) A list of any suppliers and clients accounting for 10% or more of the company's total procurement amount in either of the 2 most recent fiscal years

1. List of procurement suppliers

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Percentage of net procurement for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net procurement for the year (%)	Relationship with the issuer
1	A	171,099	18.17	None	H	135,920	11.68	None
2	B	94,545	10.04	None	I	96,602	8.30	None
3	C	92,925	9.87	None	J	94,279	8.10	None
4	D	72,708	7.72	None	K	84,162	7.23	None
5	E	44,490	4.72	None	L	80,535	6.92	None
6	F	30,518	3.24	None	M	55,623	4.78	None
7	G	26,884	2.85	None	N	42,618	3.66	None
8	Other	408,553	43.39	None	Other	574,189	49.33	None
	Net procurement	941,722	100		Net procurement	1,163,928	100	

2. List of sales customers

Unit: NT\$ thousand

Item	2024				2025			
	Name	Amount	Percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net sales for the year (%)	Relationship with the issuer
1	A	679,156	99.16	None	G	3,748	64.80	None
2	B	3,749	0.55	None	H	1,143	19.80	None
3	C	1,143	0.17	None	I	417	7.20	None
4	D	417	0.06	None	J	251	4.30	None
5	E	251	0.04	None	K	63	1.10	None
6	F	62	0.01	None	L	63	1.10	None
7	Other	158	0.01	None	Other	95	1.70	None
	Net sales	684,936	100		Net sales	5,780	100	

III. Information on employees

The number of employees for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

March 31, 2026

Year		2024	2025	Current year as of March 31, 2026
No. of employees	Employee	48	48	47
	Technician	0	0	0
	Other	0	0	0
	Total	48	48	47
Average age		48.4	48.8	48.8
Average years of service		8.9	8.4	8.7
Educational background distribution percentage	Master's degree	6.3%	6.2%	6.4%
	College	79.1%	81.3%	80.8%
	Senior high school	14.6%	12.5%	12.8%

IV. Disbursements for environmental protection

- (I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid) and the total amount:
None.
- (II) Possible expenses that could be incurred currently and in the future and measures being or to be taken:

We have not suffered any losses due to environmental pollution as our line of business does not have environmental pollution issues; there are no expected significant environmental protection capital expenses in the future.
- (III) Relevant information: We are not subject to Restriction of Certain Hazardous Substances anchored in the EU Directive.

V. Labor relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.
 - 1. Employee benefit plans:
 - (1) When our employees join the Company, they are enrolled in labor insurance, and, as required by the government, employees and their dependents are enrolled in national health insurance and employee personal injury insurance.
 - (2) Benefits provided:
Wedding gifts for employees, funeral subsidies, disability allowances, maternity allowances, funeral subsidies for employees' parents or children, and wedding gifts for employees' children.
 - (3) Uniform: Suits are occasionally tailored for employees.
 - (4) Year-end bonuses are provided each year during the spring festival (depending on the Company's operating conditions and the employee's performance)
 - (5) Remuneration to employees: Remuneration is allocated and distributed in accordance with the Company's Articles of Incorporation.

2. Continuing education and training for employees:

Name	Date	Organizer	Course name	Time
Chiu, Chui-I Huang, Kuo-Chin Shih, Shu-Ying Liu, Hun-Ting Pan, Ping-Hung Tsai, Pei-Yu	2/18 4/15 5/13	Competitive Corporate Management Consulting, Ltd.	Compilation of the 2025 ESG Sustainability Report Workshop	3 hours
Shih, Shu-Ying Chuang, Hui-Ling	3/4	OTC	Corporate Governance Evaluation Advocacy Seminar	4 hours
Lin, Chia-Yen	3/10	Taiwan Academy of Banking and Finance	Listed Company Cybersecurity Control Guidelines — E-Co	1.5 hours
Liu, Hun-Ting	4/21	Internal Audit Association of the Republic of China	Foundations for Stable and Sound Labor-Management Relations — Key Considerations in Drafting Employment Contracts, Work Rules, and Human Resources Management Policies	6 hours
	6/27	Taipei City Government Department of Labor	2025 Workplace Sexual Harassment Prevention and Control Regulations Advocacy Session	3 hours
	9/18	Internal Audit Association of the Republic of China	Regulations and Practices on Loans, Endorsements and Guarantees, and Acquisition or Disposal of Assets	6 hours
Shih, Shu-Ying Liu, Hun-Ting	7/7	Taipei City Government	1. Fundamentals of Climate Change and International Trends 2. Climate Risk Identification and Assessment 3. Corporate Greenhouse Gas Inventory Practices	3 hours
Li, Tien-Hsieh	7/23	Architecture and Building Research Institute, Ministry of the Interior	Green Building Professional Training Course	6 hours

Name	Date	Organizer	Course name	Time
All Engineering Department Personnel	5/21 6/18 7/2	External Lecturer	Concepts in Steel Structure Welding and Top-Down Construction Methods	4.5 hours
Huang, Kuo-Chin Wang, Chin-Ching Lin, Chia-Yen Tu, Sheng-Hsun Chu, Po-Wen	8/22	The Real Estate Development Association of Taipei	Urban Renewal Stepping Stones - Valuation Under Rights Transformation	2.5 hours
Li, Tien-Hsieh Huang, Kuo-Chin Wang, Chin-Ching Lin, Chia-Yen Tu, Sheng-Hsun Wang, Chin-Hsiu	9/4-9/5		2025 Urban and Construction Law for Taipei City Seminar	6 hours
Huang, Kuo-Chin Tseng, Hsien-Ya Li, Tien-Hsieh Tu, Sheng-Hsun Chen, Ssu-Ting Wang, Chin-Hsiu	9/19	The Real Estate Development Association of Taipei	The Rule of Law and Practice of Pre-sale Housing Transactions	3 hours
	9/30		Recent Regulatory Developments in Architectural Development	3 hours
Chuang, Hui-Ling	10/27	OTC	2025 IFRS Sustainability Disclosure Standards Advocacy Session	3 hours
Shih, Shu-Ying Chuang, Hui-Ling	10/30	OTC	Advocacy Session on Required Matters for Companies Listed on the Emerging Stock Market	3 hours
Shih, Shu-Ying Liu, Hun-Ting	12/15	OTC	2026 ESG Evaluation Advocacy Session	4 hours

3. Retirement system:

The Company has formulated the “Employee Retirement Measures” as required by the “Labor Standards Act.” Since January 1993, the Company has been making monthly contributions of 4% of each employee’s monthly salary to the “Pension Fund.” With the enforcement of the new system that came into effect on July 1, 2005, if the employee opts for the new system, the Company contributes 6% of the employee’s monthly salary to the employee’s personal account at the Bureau of Labor Insurance, Ministry of Labor.

The recognized amount of contributions to the defined benefit pension plan for fiscal year 2025 was NT\$312,873; the recognized amount of contributions to the defined contribution pension plan for fiscal year 2025 was NT\$976,431.

Employee retirement eligibility conditions are as follows:

- A. Employees who have completed fifteen or more years of service and are at least 55 years of age, or who have completed twenty-five or more years of service.
- B. Employees who have reached the age of 65; provided that those retained with Company approval may continue service for a maximum of ten additional years.
- C. Employees whose mental or physical incapacity renders them unable to perform their duties.

Employees applying for retirement must submit an application no less than one month prior to the intended retirement date, subject to approval by the Company’s responsible person, before retirement may be formally effectuated.

4. Employee Code of Conduct and Ethics:

All our employees must comply with the laws and regulations as well as the Company’s internal control system. They must also adhere to personal integrity and social ethics standards in order to protect the Company’s assets, rights and interests, and image. Management of the Company must establish sound examples that emphasize ethical practices. Under the supervision of the Board of Directors, management discloses complete financial information to the competent authorities and investors in a fair manner. All employees of the Company must abide by: (1) the protection of confidential information (2) the prohibition on engaging in self-interest deals (3) prohibition on soliciting improper benefits (4) the strict prohibition on insider trading (5) fair trade regulations.

5. Work environment and employee safety protection measures:

The Company strives to provide employees with a safe, healthy and comfortable workplace. All employees are covered by personal injury insurance and receive health examinations in order to prevent occupational injuries and diseases to maintain their physical and mental health. The operation of the Company’s environmental protection, safety and health management is detailed as follows:

⊙ Environmental protection

The Company is engaged in real estate investment and the construction of residential and commercial buildings and has always valued the importance of environmental protection. In recent years, we have been working hard on researching and developing environmentally friendly products, including using Low-e glass, environmentally friendly paint, energy-saving lighting, airtight windows, open space greening, sky gardens and rainwater recovery.

Health and safety inspection key points for work sites include greening, soil and water conservation, garbage pollution reduction, air pollution and noise reduction, as well as energy conservation and carbon reduction. All partners are also urged to comply with these rules. We promote digitization to reduce the amount of paper used for documents as well as using the reverse side of waste paper. We continue to urge our employees to save water and electricity and to sort and reduce waste.

⊙ Safety and health

The Company has established Occupational Safety and Health Work Rules, which set forth disaster prevention protocols, emergency response procedures, and accident and occupational injury reporting procedures, clearly defining the responsibilities and duties of personnel at all levels in responding to major incidents — including natural disasters, serious injuries, and other significant emergencies — both in advance and in the aftermath of such events.

To safeguard employee safety and promote occupational safety and health initiatives, the Company has designated a Class A Occupational Safety and Health Business Supervisor.

There are site directors in place at each construction site and our safety and health inspection personnel pay attention to the site safety maintenance at all times. Moreover, safety and health-related laws are complied with and equipment status is regularly checked at the site, and the annual safety inspection report for fire equipment is reported. Not only are our employees covered with labor insurance and national health insurance, we also take out personal injury insurance and medical insurance for our employees.

6. The status of labor-management agreements and measures for preserving employees' rights and interests:

The Company has consistently maintained harmonious labor-management relations. To date, no losses attributable to labor disputes have been incurred, and no recognition of related contingent liabilities has been required. Going forward, the Company will continue to uphold effective labor-management communication mechanisms and conduct regular reviews and improvements of its human resources policies and employee benefit programs, with the objectives of protecting employee rights and interests, enhancing job satisfaction, and strengthening the Company's overall competitiveness in support of sustainable development.

- (II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes:
As the relationship between employees and management has always been harmonious, no losses have been suffered due to labor disputes. It is expected that no significant labor disputes or losses therefrom will occur in the future.
- (III) There is a section dedicated to stakeholders on the Company's website.

VI. Cyber security management

- (I) Cyber security risk management structure, cyber security policy, specific management plans and investment of resources in cyber security management:
 - 1. Cyber security risk management structure:
The responsible unit for information security of the Company is the Management Department, which is responsible for the planning, execution and promotion of information security management affairs, and also responsible for the promotion of information security awareness.
The Audit Office of the Company is the audit unit for information security supervision. In cases where a deficiency is found during audit, it then requests the audited unit to submit the relevant improvement plan for submission to the Board of Directors, and implements periodic tracking of improvement outcomes, in order to reduce internal security risks.
 - 2. Cyber security policy:
 - (1) Maintain sustainable operation of all information systems.
 - (2) Prevent intrusion and damage by hackers and various viruses.
 - (3) Prevent improper human intention and illegal use.
 - (4) Prevent confidential information disclosure.
 - (5) Prevent accidents due to personnel negligence.
 - (6) Maintain physical environment security.
 - 3. Specific management plan:
 - (1) Computer equipment security management
Computer equipment is maintained periodically by specialized information contractor, in order to ensure proper operation of computer equipment.
 - (2) Network security management
The terminal computer equipment of staff is installed with protection software and virus definitions are updated automatically, in order to ensure that the latest viruses are blocked and isolated. In addition, the software is able to detect and prevent installation of system execution files with potential threats.
 - (3) Ensure sustainable operation of the system
 - A. System backup: Establish backup system, and daily mechanism is adopted, in order to ensure system and data security.

- B. Periodic drill for system recovery: The recovery date base point is selected, and the backup media is restored back to the system host machine, following which the use unit then confirms the accuracy of the restored data, in order to ensure the accuracy and effectiveness of the backup media.
- (4) Information security promotion and educational training:
 - A. Educational promotion: Staff are required to periodically change the system password, in order to maintain the account security.
 - B. Information security education: Information security case study documents are provided to the staff for reference.
- 4. Investment of resources for cyber security management:

The Company periodically updates the protection software and entrusts a professional information contractor to perform system and computer equipment maintenance periodically. In the future, the Company will also update the obsolete operating system in order to prevent vulnerability of software, thereby effectively ensuring information security.
- (II) For the most recent year and up to the printing date of the annual report, losses due to major cyber security events, possible impact and countermeasures:

For the year of 2025 and up to the printing date of the annual report of the Company, there has been no loss due to major cyber security event.

Countermeasure: Not applicable.

VII. Important contracts:

(important contracts either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year)

Nature of the contract	Party	Commencement date of the contract	Main content	Restricted terms
Construction contract	Jinyuan Construction Co., Ltd.	March 16, 2022 – start of construction completed in 950 days	Contractor agreement for the construction project “Baosheng Emperor Memorial Hall” in Taipei City	None
		August 11, 2022 – start of construction completed in 1,840 days	Contractor agreement for the construction project “Yun Ji” in Taipei City	None
		August 11, 2022 – start of construction completed in 1,460 days	Contractor agreement for the construction project “Yun Di” in Taipei City	None
		November 11, 2022 – start of construction completed in 1,840 days	Contractor agreement for the construction project “Sunfon AIT” in Taipei City	None
		May 8, 2023 – Construction completion 1,840 days from commencement date	Contractor agreement for the construction project “Yun Du” in Taipei City	None
		March 25, 2024 – Construction completion 970 days from commencement date	Contractor agreement for the construction project “Nanchang Road” in Taipei City	None

Nature of the contract	Party	Commencement date of the contract	Main content	Restricted terms
		July 10, 2024 – Construction completion 1,840 days from commencement date	Contractor agreement for the construction project “Yun Cheng” in Taipei City	None
		December 26, 2024 – Construction completion 1,120 days from commencement date	Contractor agreement for the construction project “Ri Li” in Taipei City	None
Joint development contract	64 people including Chen, ○-Hua	June 17, 2014 – joint construction and delivery completion date	Jointly built “Yun Ji”	None
	21 people including Chen, ○-Kuei	July 27, 2019 – joint construction and delivery completion date	Jointly built “Yun Di”	None
	13 people including Chen, ○-Chen	January 6, 2020 – joint construction and delivery completion date	Jointly built “No.16, Section 1, Nanchang Road Project”	None
	21 people including Sun, ○-Chun	September 12, 2019 – joint construction and delivery completion date	Jointly built “Sun Fon AIT”	None
	14 people including Tsai, ○-Feng	August 25, 2019 – joint construction and delivery completion date	Jointly built “Tianmu Tianyu Street Project”	None
	83 people including Su, ○-Sen	October 21, 2006 – joint construction and delivery completion date	Jointly built “Yun Du”	None
	22 people including Chen, ○-Jung	September 14, 2009 – joint construction and delivery completion date	Jointly built “Chang’an West Project”	None
	6 people including Li, ○-Huang	August 3, 2018 – joint construction and delivery completion date	Jointly built “Yun Cheng”	None
	32 people including Chen, ○-Ming	May 13, 2019 – joint construction and delivery completion date	Jointly built “No. 101, Chang’an West Road Project”	None
	18 people including Lo, ○-I	October 20, 2017 – joint construction and delivery completion date	Jointly built “No. 154, Taiyuan Road Project”	None
	20 people including Chou, ○-Chin	November 8, 2019 – joint construction and delivery completion date	Jointly built “Ganzhou Street Project”	None
	49 people including Chao, ○-Pei	August 2, 2018 – joint construction and delivery completion date	Jointly built “Changji Street Project”	None
	23 people including Tsai, ○-Shiung	March 5, 2021 – joint construction and delivery completion date	Jointly built “No. 31-1, Section 3, Chongqing North Road Project”	None
	10 people including He, ○-Shan	May 8, 2017 – Joint construction unit handover completed	Jointly built “No. 49-59, Section 3, Yanping N. Rd. Project”	None
14 people including Chang, ○-Jung	March 16, 2022 – Joint construction unit handover completed	Joint construction of the “Nanjing Huating project”	None	

Five. Review and Analysis of Financial Position and Financial Performance and Risks

I. Financial position

Comparative analysis of financial position

Unit: NT\$ thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	\$5,449,361	\$4,701,905	\$747,456	15.90
Financial assets measured at fair value through other comprehensive income – non-current	928,405	899,691	28,714	3.19
Property, plant and equipment	42,556	43,086	(530)	(1.23)
Investment property	287,149	288,727	(1,578)	(0.55)
Intangible assets	289	506	(217)	(42.89)
Other non-current assets	32,883	29,104	3,779	12.98
Total assets	6,740,643	5,963,019	777,624	13.04
Current liabilities	3,612,745	2,855,429	757,316	26.52
Other non-current liabilities	4,446	4,408	38	0.86
Total liabilities	3,617,191	2,859,837	757,354	26.48
Share capital	2,361,183	2,270,368	90,815	4.00
Additional paid-in capital	1,346	1,346	0	0.00
Retained earnings	424,670	482,687	(58,017)	(12.02)
Treasury stocks	(23,395)	(23,395)	0	0.00
Other equity	359,650	372,173	(12,523)	(3.36)
Non-controlling interests	(2)	3	(5)	(166.67)
Total equity	3,123,452	3,103,182	20,270	0.65
<p>If the amount difference reaches 20% or more or the change in amount reaches NT\$10,000 thousand, see below: Current liabilities and total liabilities increased, primarily due to continued capital deployment into construction-in-progress costs across the Company's development projects, which increased demand for construction financing and correspondingly drove up short-term borrowings.</p>				

II. Financial performance

Comparative analysis of operating results

Unit: NT\$ thousand

Subject	2025 Amount	2024 Amount	Increase/decrease amount	Change in percentage %
Net operating income	\$5,780	\$684,936	\$(679,156)	(99.16)
Operating costs	1,610	522,184	(520,574)	(99.69)
Operating profit	4,170	162,752	(158,582)	(97.44)
Operating expenses	66,619	67,186	(567)	(0.84)
Operating profit or loss	(62,449)	95,566	(158,015)	(165.35)
Non-operating income and expenditures	32,510	25,085	7,425	29.60
Net profit (loss) before income tax	(29,939)	120,651	(150,590)	(124.81)
Income tax (expense) benefit	0	(35,816)	35,816	(100.00)
Profit or loss for the period	(29,939)	84,835	(114,774)	(135.29)
Other comprehensive income for the period	50,209	134,668	(84,459)	(62.72)
Total comprehensive income for the period	20,270	219,503	(199,233)	(90.77)
<p>Note 1. Analysis of changes in the increase/decrease percentage:</p> <ol style="list-style-type: none"> Operating revenue, gross profit, operating income/loss, and net income for the period decreased, primarily because the comparative period of the prior year included revenue and associated costs recognized upon completion and handover of the Bao Sheng Emperor Memorial Hall, whereas no projects reached completion and handover during the current period — with only rental income recognized. Other comprehensive loss decreased, attributable to a reduction in unrealized gains and losses on equity investments measured at fair value through other comprehensive income. <p>Note 2. Reasons for the change of the Company's primary business: Not applicable.</p> <p>Note 3. Expected sales volumes for the coming year and its basis, and key factors affecting the company's ability to continue growth or decline in expected sales volume:</p> <ol style="list-style-type: none"> The "Baosheng Emperor Memorial Hall" project located at No. 138, Section 3, Chongqing North Road, with a site area of 108.6 ping, is planned as a social education facility building. It achieved a 100% sales rate and was handed over at the end of 2024. The "Yun Ji" project, located near the intersection of Minsheng West Road and Chongqing North Road in proximity to the Ningxia Night Market commercial district, has a site area of 668.83 ping, comprising 5 ground-floor retail units and 207 residential units. The sales rate is projected to reach 100% by the end of 2026. The "Yun Di" project, located at the intersection of Guisui Street and Minle Street, has a site area of 346.67 ping, comprising 8 ground-floor retail units and 104 residential units. The sales rate has reached 100%. The "Sunfon AIT" project, located at Lane 175, Section 1, Kangning Road, Neihu District, has a site area of 215.03 ping, comprising 1 ground-floor retail unit and 36 residential units. The sales rate is projected to reach 100% by the end of 2026. The "Yun Cheng" located on Section 3, Chengde Road, Datong District, has a site area of 188.46 ping, comprising 3 ground-floor retail units and 40 residential units. The sales rate has reached 100%. The Ri Li project, located at No. 81, Section 2, Huanshan Road, Neihu District, has a site area of 269.53 ping, comprising 1 first-floor retail unit and 41 residential units. Launched for sale in the first half of 2025, the sales rate is projected to reach 100% by the end of 2026. The projected sales figures for 2026 are estimated on the assumption of a contraction in construction sector market activity. 				

III. Cash flows

Cash flow analysis table

Unit: NT\$ thousand

Opening cash balance	Expected net cash flow from operating activities for the entire year	Estimated cash outflows for the entire year	Remaining (insufficient) cash	Remedies for insufficient cash	
				Investment plans	Financial plans
110,002	1,858,000	(1,512,900)	455,102	-	-
<p>1. Analysis of changes in cash flows this year:</p> <p>(1) Operating activities: The cash outflow amount was increased by NT\$115,634 thousand, and the change rate was 16.45% from last year.</p> <p>(2) Investment activities: The cash inflow amount was increased by NT\$10,923 thousand, and the change rate was 85.68% from last year.</p> <p>(3) Financing activities: Cash inflow decreased by NT\$75,258 thousand or 12.38% from last year.</p> <p>The change in operating activities was primarily attributable to increased disbursements for construction costs and joint development project costs compared to the prior year period. The change in investing activities was primarily attributable to increased dividend receipts, resulting in higher net cash inflows from investing activities compared to the prior year period. The change in financing activities was primarily attributable to a decrease in bank borrowings compared to the prior year period, resulting in lower net cash inflows from financing activities.</p> <p>2. Expected remedies for cash deficits and liquidity analysis: Not applicable.</p> <p>3. Cash liquidity analysis for the coming year:</p> <p>(1) We expect to buy more land and promote new projects.</p> <p>(2) Investment activities and financing activities: We expect to finance the acquisition of land and pay for construction projects.</p>					

IV. The effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.

V. The company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year: None.

VI. Risks and assessment during the most recent fiscal year and up to the date of publication of the annual report

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

The Company's short-term borrowings are "benchmark interest rate" and "fixed markup" interest-bearing debt. The current benchmark interest rate of the financial institution does not change significantly as the Company is a customer that financial institutions strive for. Also, as the Company does not have foreign-currency assets, interest rate changes pose no impact on the Company's profit or loss. Domestic inflation is moderate so the Company's profit or loss is not significantly affected by inflation.

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

We dedicate ourselves to the development of the industry and do not engage in high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions.

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

The Company does not have a dedicated R&D department but has a Development Department responsible for collecting market information and planning and designing integrated building products. Based on the fact that the construction industry is not like general manufacturing industries or high-tech industries that require R&D for new products, the Company does not have related R&D expenditures.

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

We keep a close eye on domestic and international political and economic developments as well as statutory changes. Moreover, we are fully capable of responding to them in an appropriate fashion and have always complied with relevant government laws, while upholding the principle of stable operation to strive for sustainable development. Recent important policy and regulatory changes in both Taiwan and abroad did not pose any significant impact on the Company's financial operations.

- (V) Impact of technological change (including cybersecurity risks) and industry developments on the Company's financial and business operations, and corresponding response measures:

To respond to changes in science and technology as well as industry, we grasp market changes at all times and proactively obtain industrial information through a variety of methods to expand our business. There is currently no effect on the Company's financial operations due to scientific, technological, nor industrial changes.

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

We became a public company in April 1990 and began trading on TPEx in December 1998. We adhere to the business motto of "integrity, quality, service" to shape an exceptional corporate image. There has been no blemishes on the Company's corporate image.

- (VII) Expected benefits and possible risks associated with any mergers and acquisitions, and measures to be taken in response: None.
- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures to be taken in response: None.
- (IX) Risks associated with any consolidation of sales or procurement operations, and measures to be taken in response:

Due to the characteristics of the industry and to control the quality standards of new construction projects, our construction works are contracted to our affiliate, who has sound construction technology standards and financial position. Because of this, we are able to avoid the risk of consolidation of procurement by enhancing the company's construction quality control. Not only do we buy land from general landowners, we also acquire land for construction through joint construction and allocation of housing units. Therefore, land acquisition transactions are specific and different, and there is no procurement risk. Furthermore, we mostly sell construction projects to the general public, so there is no issue of consolidation of sales.

- (X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding more than a 10 percent stake in the company is transferred or otherwise changes hands, and measures to be taken in response: None.
- (XI) Effect upon and risk to company due to changes in management rights, and measures to be taken in response: None.
- (XII) Litigious and non-litigious matters
1. List major litigious, non-litigious, or administrative disputes that involve the company and have been concluded by means of a final and unappealable judgment, or which are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the company's securities: None.
 2. List major litigious, non-litigious, or administrative disputes that involve the company and/or any company director, supervisor, the president, person with actual responsibility, major shareholder holding a stake of more than 10 percent, or any companies controlled by the company that have been concluded by means of a final and unappealable judgment, or which are still under litigation, where such a dispute could materially affect shareholders' equity or the prices of the company's securities: None.

(XIII) Other significant risks and measures to be taken in response:

1. Risk management policy:

The Company has set up risk control operations in all departments and regularly reports to the Board of Directors.

2. Organizational structure of risk management:

All levels and departments are responsible for risk. In the event of an irregular situation, the Audit Office or senior management must be quickly notified and seek early solutions to address the issue. Meanwhile, the decision-maker should take action within the shortest time.

The Company's organization structure of risk management is as follows:

Organization name	Responsibility scope
Board of Directors	Ensures the efficiency of the risk management mechanism and allocates resources
Senior management	Carries out risk management decisions of the Board of Directors Coordinates risk management affairs between departments
Audit Office	Performs daily risk control inspection Supervises risk management activities and reports to the Board of Directors and supervisors of the implementation situation.
Other departments	Carry out daily risk control management

3. For liquidity risk management and credit risk management, please refer to "the most recent financial statements."

4. Disclosure of the types, objectives, means, effectiveness and accounting treatment of hedging transactions of applicable financial products (including financial derivatives):

Not applicable as the Company is not involved in derivative transactions and does not adopt hedge accounting.

5. Cybersecurity risk:

(1) Cybersecurity framework and policy: Cybersecurity risk management is our priority and to ensure the cybersecurity of our operations and customers, we have formulated the Internal Control Operating Procedures for Computerized Information System Operations in 2007, which is evaluated on a regular basis.

(2) Concrete management plan: Our internal audit is performed once a year targeting cyber security, organization and authority, asset classification control, personnel management and education and training, computer system security management, and network security management to ensure the sustainable operation of the Company's business.

VII. Other important matters: None.

Six. Special Items to Be Included

I. Information related to the affiliate

(I) Consolidated business report of the affiliate

1. Organization chart of the affiliate

<u>Name of the affiliate</u>	<u>Shareholding or fund contribution ratio</u>
Controlling company and subordinate company Jinyuan Construction Co., Ltd. (Note)	99.9716%
Mutually invested company Jinyuan Construction Co., Ltd.	4.01%
Subordinate company and subordinate company None	
Note:	
<u>Same executive shareholders/directors</u>	<u>Shareholding or fund contribution ratio</u>
Hung Min-Fu (legal person representative of Sunfon Construction)	99.9716%

2. Basic information of the affiliate

Unit: NT\$ thousand

Name of company	Date of establishment	Address	Paid-in capital	Major line of business or production
Controlling company: Sunfon Construction Co., Ltd.	1988.01.21	7F, No. 173, Section 2, Chang'an East Road, Zhongshan District, Taipei City	2,361,183	Contracted construction company to build public housing and commercial buildings for lease and sale.
Subordinate company: Jinyuan Construction Co., Ltd.	1980.09.03	7F, No. 173, Section 2, Chang'an East Road, Zhongshan District, Taipei City	250,000	Civil construction project contracting

3. Information on the presumed reasons and personnel presumed to have a controlling and subordinate relationship: None
4. The industries covered by the business operated by the affiliate
 - (1) Construction industry.
 - (2) Construction works of Sunfon Construction Co., Ltd. are mostly contracted to Jinyuan Construction Co., Ltd. to build.

5. The names of the directors, supervisors, and general manager of each affiliate

March 23, 2026

Name of company	Title	Name	Date of assumption of office	Term of office	Shares Held	
					Number of shares	Shareholding ratio
Controlling company: Sunfon Construction Co., Ltd.	Chairperson	Don Tai Development Co., Ltd. Representative: Hung, Min-Fu	2024.05.23	3 years	15,288,524	6.47%
	Director	Jin Sha Cultural and Educational Foundation, Representative: Hung, I-Ching	2024.05.23	3 years	1,514,979	0.64%
	Director	You Li Investment Co., Ltd. Representative: Lin, I-Wei	2024.05.23	3 years	15,899,633	6.73%
	Director	Hong Ding Investment Co., Ltd., Representative: Chen, Te-Feng	2024.05.23	3 years	2,806,666	1.18%
	Independent Director	Yen, Kuo-Lung	2024.05.23	3 years	0	0%
	Independent Director	Ke, Pai-Ling	2024.05.23	3 years	0	0%
	Independent Director	Wu, Chen-Chi	2024.05.23	3 years	0	0%
Subordinate company: Jinyuan Construction Co., Ltd.	Chairperson	Don Tai Development Co., Ltd. Representative: Hung, Min-Fu Hung Min-Fu (representative, Sunfon Construction Co., Ltd.)	2022.04.28	3 years	249,929	99.9716%
	Director	Lin, Yi-Wei (representative, Sunfon Construction Co., Ltd.)	2022.04.28	3 years	249,929	99.9716%
	Director	Chuang, Yu-Te (representative, Sunfon Construction Co., Ltd.)	2022.04.28	3 years	249,929	99.9716%
	Supervisor	Ko, Nien-Chiu	2023.09.05	3 years	0	0

6. Operating overview of the affiliate (individual financial information)

Unit: NT\$ thousand

Name of company	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit or loss	Profit or loss for the period (after tax)	Earnings per share (NT\$) (after tax)
Sun Fon Construction Co., Ltd.	2,361,183	7,530,182	4,406,728	3,123,454	5,900	(49,527)	(29,934)	(0.13)
Jinyuan Construction Co., Ltd.	250,000	1,390,677	1,138,906	251,771	1,025,445	(150)	(3,039)	(12.16)

(II) Consolidated financial statements of affiliates

The Company does not separately prepare consolidated financial statements for affiliated enterprises and only issues a declaration (please refer to page 79). For parent-subsidary consolidated financial statements, please refer to the financial statements available on the Market Observation Post System.

(III) Affiliated enterprises report

Preparation of an affiliated enterprises report is not required

Statement

In 2025 (from January 1 to December 31, 2025), all companies that should be included in the consolidated financial statements of affiliated enterprises in accordance with both the “Regulations Governing the Preparation of Consolidated Financial Statements of Affiliated Enterprises and Reports of Affiliated Enterprises” and IFRS 10 are the same. The consolidated financial statements of affiliated enterprises have been disclosed in the parent and subsidiary consolidated financial statements; therefore, separate consolidated financial statements of the affiliate will not be prepared.

Hereby declared

Company name: Sunfon Construction Co., Ltd.



Chairperson: Don Tai Development Co., Ltd.

Appointed Representative: Hung, Min-Fu



March 3, 2026

- II. Private placement of securities during the most recent fiscal year and up to the date of publication of the annual report:** None.
- III. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the company's securities that have occurred during the most recent fiscal year and up to the date of publication of the annual report:** None.
- IV. Other matters that require additional description:** None.

Sun Fon Construction Co., Ltd.



Chairperson: Don Tai Development Co., Ltd.



Representative: Hung Min-Fu

