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SWEETEN REAL ESTATE DEVELOPMENT

SUSTAINABILITY REPORT

2023

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About This Report

This report is the second sustainability report (referred to as the report) of Sweeten Real Estate Development Co., Ltd (hereinafter referred to as "Sweeten Real Estate Development"). The Company is committed to demonstrating its achievements and commitments in the areas of Environmental, Social, and Governance (ESG) to all stakeholders. Sweeten Real Estate Development will continue to strengthen communication with stakeholders and actively respond to their expectations and needs. Through the annual sustainability report, the Company will disclose its efforts over the past year on the path to sustainability. We believe that continuous communication and improvement will enable Sweeten Real Estate to better achieve its goals in sustainable development and create greater value for all stakeholders.

Report Boundary

The information disclosed in this report covers the period from January 1, 2023 to December 31, 2023 and includes concerns raised by various stakeholders as well as the Company's performance in governance, environmental sustainability and social commitments. The report boundary is set to focus on Sweeten Real Estate Development and does not include operating data from subsidiaries. If any content spans operational activities across different years or regions, it will be explained separately within the text of this report. The financial data aligns with the Company's parent company-only financial statements. During 2023, Sweeten Real Estate Development did not experience any significant changes in size, structure, ownership, or supply chain. Any reorganization of information within the topics of this report will be noted in the corresponding sections.

Report Writing Principles

This report is structured according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021 (GRI Universal Standards 2021) and complies with the Taiwan Stock Exchange's regulations on "Preparation and Filing of Sustainability Reports by TWSE Listed Companies." An index of the GRI standards is provided in the appendix to this report for the reference of stakeholders.

Information Quality of the Report

The data and information in this report are collected and organized by colleagues from various departments. After a preliminary review by department heads, the information is submitted to the Report Working Task Force for further review. In addition, we have engaged an external team of professional consultants to provide recommendations for revisions. Once all data and information is confirmed to be complete and accurate, it is reviewed at various levels by department heads and ultimately approved for publication by the Chairman.

Report Publication Date

An ESG sustainability report is released annually, and the complete electronic version of the report can be downloaded from Sweeten Real Estate Development's website.

Sweeten Real Estate Development Website: <http://www.sweeten.com.tw/>

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Message from the Chairman

Sweeten Real Estate Development has been in operation for 37 years and has built over 80 residential and commercial community projects, primarily in the construction industry. Since its establishment, the Company has concentrated on the residential market in central Taiwan. In recent years, it has also expanded into high-potential markets, such as the Taipei metropolitan area. Since its founding, the Company has embraced the spirit of "Professionalism and Dedication" in providing sustainable services. We offer premium and comprehensive services, fulfilling our management philosophy that "Things are constructed to be great" through our high-quality construction products and after-sales services. Aside from the residential market, the Company has leased land from the Ministry of Education's Property Fund since 2011 to construct the "Sweeten Plaza" in Taichung's New City Hall. In 2019, the subsidiary Sweeten Huan Enterprise Co. Ltd. acquired and operated the Huan Hotel & Residence, a hotel and apartment hotel. This venture leveraged international standards for hardware and software to enter the hospitality industry and expand the Company's experience in commercial property management. In recent years, we have actively participated in the planning and development of public-private industrial parks, and have gained relevant experience in Shengang Fengzhou Industrial Park in Taichung, Shetou Hosiery Technology Park in Changhua, Shiliu Ban Area of Yunlin Technology Industrial Park, and Tainan Technology Industrial Park-Phase 4-2. This has allowed us to expand into various real estate sectors and business models beyond residential real estate.

However, Taiwan has also enacted the "Climate Change Response Act" to declare its commitment to achieving net zero emissions by 2050, aligning with the global trend of environmental sustainability. This legislation highlights the importance of environmental sustainability for the industry. Sweeten Construction is built upon the corporate ethos of "Sweeten Responds to People". When it comes to design and planning, we strictly adhere to the principles of "energy conservation and carbon reduction" while maintaining harmony with nature. By embracing the concept of "creating quality homes and nurturing strong relationships", we embody a customer-centric approach to spatial planning and customer service. Our objective is to deliver a sustainable environment and services that promote a joyful living space, as a testament to the trust bestowed upon us by our clients. Our objective is to tackle the challenges of creating a sustainable environment and community by enhancing public facilities that foster shared benefits. In terms of design and planning, the four aspects of sustainable development – ecology, energy efficiency, waste reduction, and low carbon – have been concretely implemented. The completed projects "Sweeten Green Vision" and "Sweeten Grand Garden" have both obtained the Green Building Silver Candidate Certificate and the Green Building Silver Label. Subsequently, the "KING'S ROAD" project and the Taipei Xinyi district's "Children Welfare Center A1 Base Urban Renewal Project" have also obtained the Green Building Silver Candidate Certificate. Upon completion, these projects will strive to achieve the Green Building Silver Label. Furthermore, the Company plans to apply for Gold and Silver Smart Building Candidate Certificates and Smart Building Certification for two projects: the Taipei Xinyi district's "Children Welfare Center A1 Base Urban Renewal Project" and the "Grand Urban" second project in Taichung City. Starting in 2022, the Company began implementing Building Information Modeling (BIM) to create a digital foundation for smart buildings through building information technology. This includes applications for construction and occupancy management. The sales and reception center, categorized as a temporary structure, has integrated roof sprinkler cooling systems into its standard design since the "Grand Urban" project, with the goal of reducing the building envelope's energy consumption. Climate risk factors in business operations, including building codes, the applicable timeframe for building energy efficiency ratings, the adoption of energy materials and equipment, the response to extreme weather events, the impact of carbon taxes and greenflation, and the demands of the financial environment and the consumer market

for corporate responses and disclosures to extreme climate risks are also environmental challenges for the new year. Whether for office space or retail projects, various green energy initiatives have been implemented, including the installation of solar photovoltaic panels, elevator energy recovery, energy saving fixtures in public areas, gray water recycling for irrigation, antibacterial design for exhaust systems, and the installation of air purification systems to address PM2.5 levels. In addition, automated access control systems have been implemented to improve climate risk management and promote energy efficiency.

As a publicly listed company, Sweeten Real Estate Development is committed to corporate social responsibility with a mission to "create quality living environments for a better and happier life". This mission extends to both internal and external stakeholders, including employees, shareholders, investors, government agencies, customers, suppliers, and the general public. Continuous social contributions begin with the "Sweeten Plaza," where the land is leased from the Ministry of Education's Property Fund. The rental income is used to support various expenses for low- to middle-income students, as well as scholarships and financial aid for underprivileged students. Additionally, the Sweeten Cultural and Educational Foundation was established and continues to receive donations. The Foundation operates The 201 Art "Sweeten Architecture, Culture, and Art Center," which embodies Sweeten Real Estate Development's perspectives on the environment, design, and artistic creativity, as well as its support of local mid-career artists. By independently curating exhibitions, THE 201 ART will serve as an incubator for Sweeten Real Estate's original incubator. This will allow the brand to engage with consumers and the general public, showcasing its brand image and commitment to three-dimensional aesthetics, urban and community life, and design creativity. It will also explore the various possibilities of contemporary visual communication. The Company will also continue to provide financial support and cooperate with the Taichung Education Foundation, the Taichung Cultural Education Foundation for Architecture, and local academic departments related to spatial design. The Company actively participates in the activities of local real estate development business associations (Taichung City, Taipei City, and New Taipei City) to fulfill its corporate social responsibilities. Other initiatives include inviting the "A Grain of Wheat Tutoring Class" to a Christmas Thanksgiving dinner hosted by Huan Hotel & Residences, as well as supporting grassroots baseball development through "BaseGarden" to benefit children in remote areas. In terms of community construction, the first urban renewal project in the former county, "Grand Glory", has successfully fostered a sense of local and brand identity among residents of the original community through the urban renewal process in cooperation with the Tanzi Dafeng Neighborhood Office and community organizations. The architectural beauty of the historic landmark, "Zhaixing Villa", which represents the history of local development, was also incorporated as an architectural element in the new community, "Grand Glory". In addition, the project donated and introduced the green transportation system, YouBike, and established the "Grand Glory Station" to implement low-carbon living for the last mile of the journey home within the community. The urban renewal process seamlessly integrated the cultural and social frameworks of the old and new communities, making Grand Glory a prime example of successful urban renewal. The donation of the Taichung City rehabs also demonstrates Sweeten Real Estate Development's active participation. As for the assumption of sidewalks around the project site, the surrounding areas of the Taiping "The Fortune", "Grand Urban", "Sweeten Tian Pu" and "Sweeten Tian Yue" have not been expropriated for the opening of urban planning roads. These areas were independently acquired and developed for public use. In terms of city marketing, the annual Taichung Lantern Festival and the international sporting events held at the Taichung Intercontinental Baseball Stadium have all been supported by our company as a responsible corporate citizen, contributing to the promotion of Taichung City. Taiping's "The Fortune" marketing strategy emphasizes local community self-identification, leveraging the perspective of local artisans and place-based regeneration to promote the region. In recent years, the Company has also introduced digital innovations in customer service. Services such as independent site inspections, customer service, home inspections, repairs, and handover inspections have all been digitized and mobilized through an app. Furthermore, in terms of gender equality, female employees of Sweeten Real Estate Development account for 65% of the total workforce. The Company fully implements its corporate social responsibility in the area of "gender-friendly workplaces".

In terms of corporate governance, Sweeten Real Estate Development obtained ISO 9002 certification in December 1997 and implemented Total Quality Management (TQM) in 1998, earning the Quality Developer Identification Mark. The Company completed its initial public offering in 2000 and received ISO 9001:2000 certification in 2003. In November 2004, the Company's stock was approved for listing, making it the first in central Taiwan. The Company achieved ISO 9001:2008 certification in 2010. All material information, related party transactions and other disclosures are treated in accordance with the rules of the relevant authorities. The Board established a Remuneration Committee in 2011, introduced independent directors in 2016, and established an Audit Committee in 2019 to strengthen corporate governance. In accordance with the Company's Articles of Incorporation, various work rules and audit systems are established in response to operational needs. The Head of Internal Audit submits monthly audit reports and regularly reports to the independent directors in the Audit Committee on the execution of the audit plan. The CPA attends the audit committee at least once a year and presents the audit results to the independent directors, thereby enhancing corporate governance and establishing strong internal and external partnerships. Information on the work of the Board of Directors and its committees, the implementation of sustainable development initiatives, the greenhouse gas inventory, greenhouse gas reduction targets and action plans, and the fulfillment of corporate integrity are publicly disclosed in the annual report. In 2018, Sweeten Real Estate was awarded the title of "Happy Enterprise Champion" among listed construction companies based on salary income. The principle of "mutual benefit and sharing" reflects Sweeten's commitment to its employees, which is in line with the Company's corporate social responsibility initiatives integrated into its governance framework.

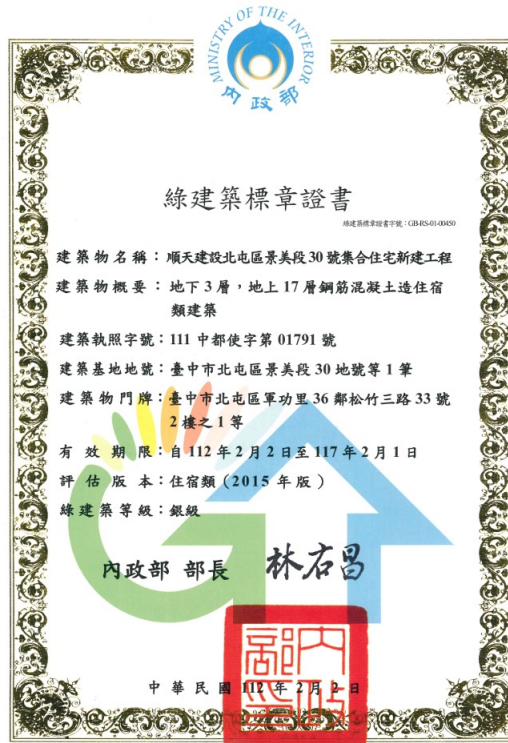
Sweeten, stepping into the 37th year of operation, has headed toward the journey of brand and sustainable management! In addition to keeping abreast of the latest concepts in product planning and design, and translating them into space, building materials, and equipment, we strive to quickly respond to and create new market demands by using great public facilities to represent a happy living environment. The goal is to innovate and transform, enhance product value and brand image, and lead, define, and differentiate the market. By leveraging digital and design innovation to target marketing efforts, Sweeten aims to deliver sustainable services that reciprocate consumer trust and expectations. This strategy will enable the company to overcome market challenges. Based on the residential market in central Taiwan, the Company has expanded into other metropolitan areas with development potential, such as northern Taiwan, and has also entered into commercial property development and management and industrial park development, thus completing its comprehensive real estate business scope. By producing ESG corporate sustainability reports and conducting greenhouse gas inventories, the company identifies and discloses key sustainability performance indicators. This process facilitates the development of future targets aligned with the Sustainable Development Goals (SDGs). These efforts aim to address evolving trends in sustainability indicators across various areas, including operations, finance, construction and customer service. The company is prepared to navigate the challenges and opportunities presented by the implementation of carbon rights, carbon fees, carbon taxes, and green finance in investment and lending. In its long-term operations and development within the real estate industry, Sweeten Real Estate Development is committed to integrating sustainable development concepts into every stage of the building lifecycle, from construction to transaction to ownership or operation. This commitment is in anticipation of the impact on the industry's operations resulting from the various climate policies and economic measures necessary to achieve the environmental goal of net-zero emissions by 2050.

Chairman

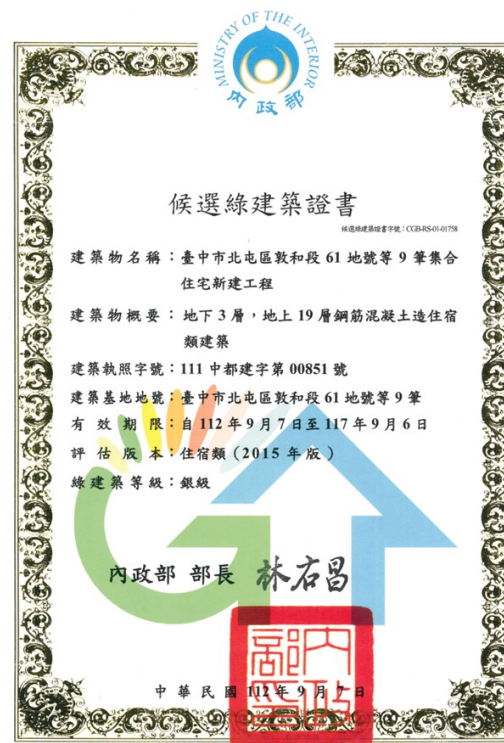
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Awards and Recognition

Sweeten Green Vision Green Building Label - Silver



KING'S ROAD Green Building Candidate Label - Silver





Taichung Nice Living Place Award (Community Greening Popularity Award)

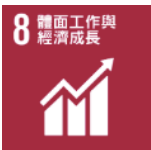




SDGs

Sweeten Real Estate Development strongly believes that the United Nations Sustainable Development Goals (SDGs) are inextricably linked to the Company's own sustainability goals, and that they can be mutually supportive. As a Company with a strong sense of social responsibility, we recognize the importance of the Sustainable Development Goals (SDGs) and have adopted them as our core guiding principles for achieving sustainable development in the environmental, social, and economic spheres.

Sweeten Real Estate Development is committed to fully integrating the SDGs into all aspects of its operations, ensuring that our products and services contribute to global sustainable development. We actively participate in global initiatives to address climate change, protect ecosystems, achieve rational resource use and waste reduction, and implement various measures to reduce carbon emissions and improve energy efficiency.

SDGs	Specific Objectives	Sweeten Real Estate Development's Response
	4.5 Eliminate gender disparity in education and ensure access to education and training at all levels for disadvantaged groups, including persons with disabilities, indigenous peoples and underprivileged children.	The Company treats all employees equally in the application and provision of training and does not discriminate on the basis of gender, race or age.
	5.1 Eliminate all forms of discrimination against women at the local level. 5.2 Eliminate all forms of violence against women in the public and private spheres, including trafficking, sexual assault and other forms of exploitation.	<ol style="list-style-type: none"> 1. Employee hiring, compensation, performance evaluation, and promotion are not based on gender. 2. Establish measures to prevent sexual harassment, as well as related complaint and disciplinary procedures.

SDGs	Specific Objectives	Sweeten Real Estate Development's Response
	<p>8.5 Achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and promote equal pay for work of equal value.</p> <p>8.7 Take immediate and effective measures to prohibit and eliminate the worst forms of child labor; eliminate forced labor; end all forms of child labor, including the recruitment and use of child soldiers.</p>	<ol style="list-style-type: none"> Salaries are distributed in accordance with the Company's Articles of Incorporation, ensuring that employees in the same position and with the same seniority receive consistent compensation, in accordance with the principle of equal pay for equal work. The Company prohibits the use of child labor and implements management measures to avoid the use of child labor. The Company also requires its suppliers to jointly comply with the policy prohibiting child labor.
	<p>10.3 Ensure equal opportunities and reduce inequality by eliminating discriminatory laws, policies, and practices, while promoting effective legislation, policies, and actions.</p>	<ol style="list-style-type: none"> In keeping with our principles of openness and fairness, we do not discriminate on the basis of race, gender, religion, or other factors. Salary calculations are executed based on the principle of equal pay for equal work.
	<p>16.5 Significantly reduce all forms of corruption and bribery.</p>	<ol style="list-style-type: none"> Establish "Code of Ethics for Employee Integrity" and "Code of Ethical Conduct" to implement integrity management. Integrity in business practices and ethical behavior are incorporated into the training materials for the foundational training of new employees.

Stakeholder Communication and Material Topic Analysis

Stakeholder Identification and Communication Channels

The Company is fully aware of the importance of stakeholder opinions and influences on sustainable operations. Therefore, we enhance communication with stakeholders through various channels to gain a thorough understanding of their views and suggestions. We respond to the needs and expectations of our stakeholders through concrete actions. The company also adjusts its organizational strategies in a timely manner based on feedback, with the goal of achieving sustainable development.

To gain a comprehensive understanding of Sweeten Real Estate Development's stakeholders, we invited representatives from each department to identify groups that interact with, influence, depend on, or have responsibilities to the Company. We also consulted best practices from industry leaders to ensure a comprehensive approach. The Company complies to the GRI Standards and the AA1000SES Stakeholder Engagement Standard. Using five assessment factors—dependence, responsibility, influence, diverse perspectives, and tension—the Company conducted discussions and selection processes to identify six key stakeholder groups: shareholders/investors, government agencies, clients, employees, suppliers/contractors, and community residents.

Stakeholder	Importance to the Company	Issues	Communication Channels/ Frequency
Customer	Customers are the Company's primary source of revenue. The Company considers quality and customer service to be its highest commitment to its customers. Maintaining a high level of customer satisfaction will help the Company continue to gain customer recognition.	<ul style="list-style-type: none"> • Corporate governance • Legal compliance • Operating performance • Customer privacy • Customer service and satisfaction 	<ul style="list-style-type: none"> • Toll-free customer service hotline, email, messaging software/ad-hoc • Sweeten Nice Family APP/Ad-hoc • Repair questionnaire/Annual • Community circuit repair/Ad-hoc • Community events/Ad-hoc

Stakeholder	Importance to the Company	Issues	Communication Channels/ Frequency
Shareholders/ Investors	Shareholders are the Company's investors. The Company should protect the rights of shareholders and treat all shareholders fairly, ensuring that shareholders have the right to be fully informed about, to participate in, and to decide on important Company matters.	<ul style="list-style-type: none"> · Operating performance · Corporate governance · Risk management · Legal compliance · Integrity management 	<ul style="list-style-type: none"> · Shareholders' meeting/Annual · Board of Directors/Quarterly · Earnings conference call/Annual · Annual report/Annual · Telephone, fax, email/Ad-hoc · Company website/Ad-hoc
Government agencies	Government agencies oversee and audit companies' compliance practices with various regulations.	<ul style="list-style-type: none"> · Corporate governance · Occupational health and safety · Legal compliance · Energy management · Greenhouse gas emissions reduction 	<ul style="list-style-type: none"> · Correspondence/Ad-hoc · Public hearings, review meetings, and informational briefings/Ad-hoc · In-Person visits/Ad-hoc · Telephone, email/Ad-hoc
Suppliers/ Contractors	The Company maintains long-term, positive relationships with its suppliers. The Company's products and services rely on numerous suppliers to provide raw materials and technology in a stable manner. In addition, the Company uses its influence in the industry to work with suppliers to reduce environmental pollution and incidents of labor rights violations.	<ul style="list-style-type: none"> · Operating performance · Risk management · Occupational health and safety · Sustainable supply chain 	<ul style="list-style-type: none"> · In-Person visits/Ad-hoc · Telephone, fax, email, meetings/Ad-hoc · Supplier evaluation and interviews/Irregular · Ongoing communication/Regular, ad-hoc

Stakeholder	Importance to the Company	Issues	Communication Channels/ Frequency
Employee	Employees are the indispensable foundation of the Company's operations. The Company is committed to providing a working environment that is conducive to the physical and mental well-being of its employees, as well as their diverse development, allowing them to work without worry.	<ul style="list-style-type: none"> Integrity management Operating performance Compensation and benefits Labor relations Occupational safety 	<ul style="list-style-type: none"> Email/Ad-hoc Internal network information system announcements/Ad-hoc Management meeting/Weekly Business review meeting/Monthly Labor-management meeting/Quarterly Welfare committee/Quarterly Performance evaluation/Regular
Community residents	The Company fosters positive relationships with the local communities where it operates and actively makes social contributions.	<ul style="list-style-type: none"> Community relationship management Social welfare 	<ul style="list-style-type: none"> In-Person visits/Ad-hoc Telephone communication/Ad-hoc

Management of Material Topics

Sustainable business practices are one of the long-term goals pursued by the Company and serve as a driving force for growth. Effective communication and interaction with stakeholders contribute to sustainable development. Therefore, the Company listens to the ideas of employees, customers, suppliers, and shareholders while also paying attention to current social and environmental issues. Important sustainability challenges are identified, and goals and strategies are formulated to implement improvement plans that address stakeholder needs. The Company actively fulfills corporate social responsibility and collaborates to pursue a sustainable future. The Company follows the GRI and AA1000SES stakeholder engagement standards to establish a systematic process for managing material sustainability issues and targets.

Assessment Process >>>

Step 1: Identification and Gathering

Identify Stakeholders

This report identifies six key stakeholders - shareholders/investors, government, customers, employees, suppliers/contractors, and community members - based on the five principles of the AA1000SES Stakeholder Engagement Standard: dependency, accountability, influence, tension, and diverse perspectives.

Gathering Sustainability Issues

Based on the GRI standards, the United Nations Sustainable Development Goals (SDGs), internal development goals, and industry-specific issues, the Company identified potential internal and external factors that could impact the company's sustainable operations. Through a questionnaire, internal experts provided feedback that allowed us to consider the issues of concern to stakeholders and the associated impacts and benefits to the Company. Finally, the Company compiled a list of sustainability issues of concern to our stakeholders.

Step Two: Analysis of the Materiality of Sustainability Issues

Analysis of Operational Impact

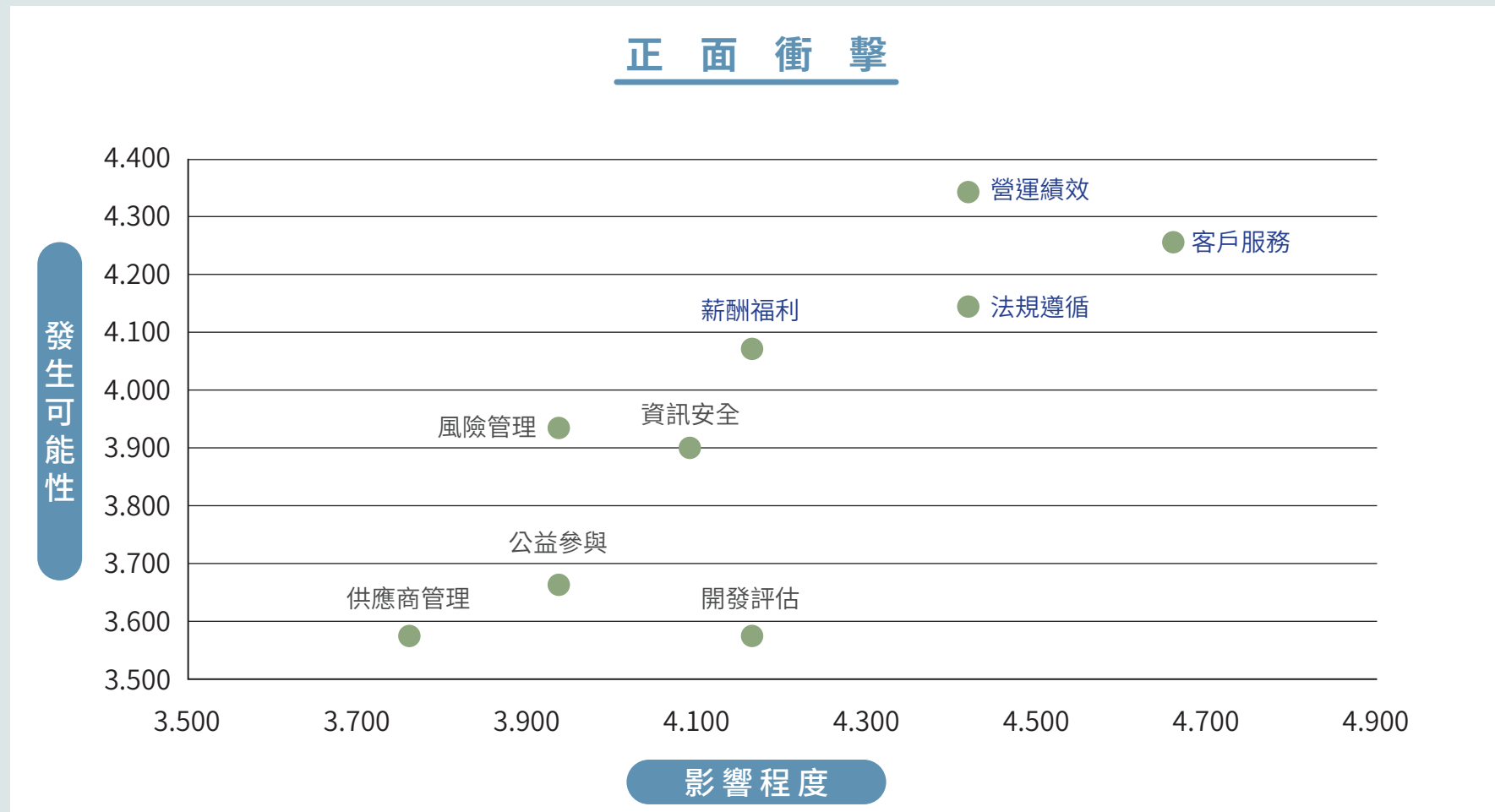
The ESG Sustainability Report Preparation Task Force will consolidate the sustainability issues raised by all stakeholders into a "Sustainability Issue Impact Assessment Table." This table includes 20 sustainability issues, each analyzed by external consultant experts regarding their potential positive, negative, actual, and potential impacts on the environment, economy, and people (including human rights). Internal department heads are required to review and understand the impact analysis for each issue. They will then assess the "impact level" and "likelihood of occurrence" for both the positive and negative impacts of each issue and assign ratings accordingly. The total score for each major issue will be calculated by adding the scores for positive and negative impacts, with each score determined by multiplying the "impact level" by the "likelihood of occurrence" and then summing the results.

Step Three: Confirmation of Material Topics

Decision to Disclose Material Matters

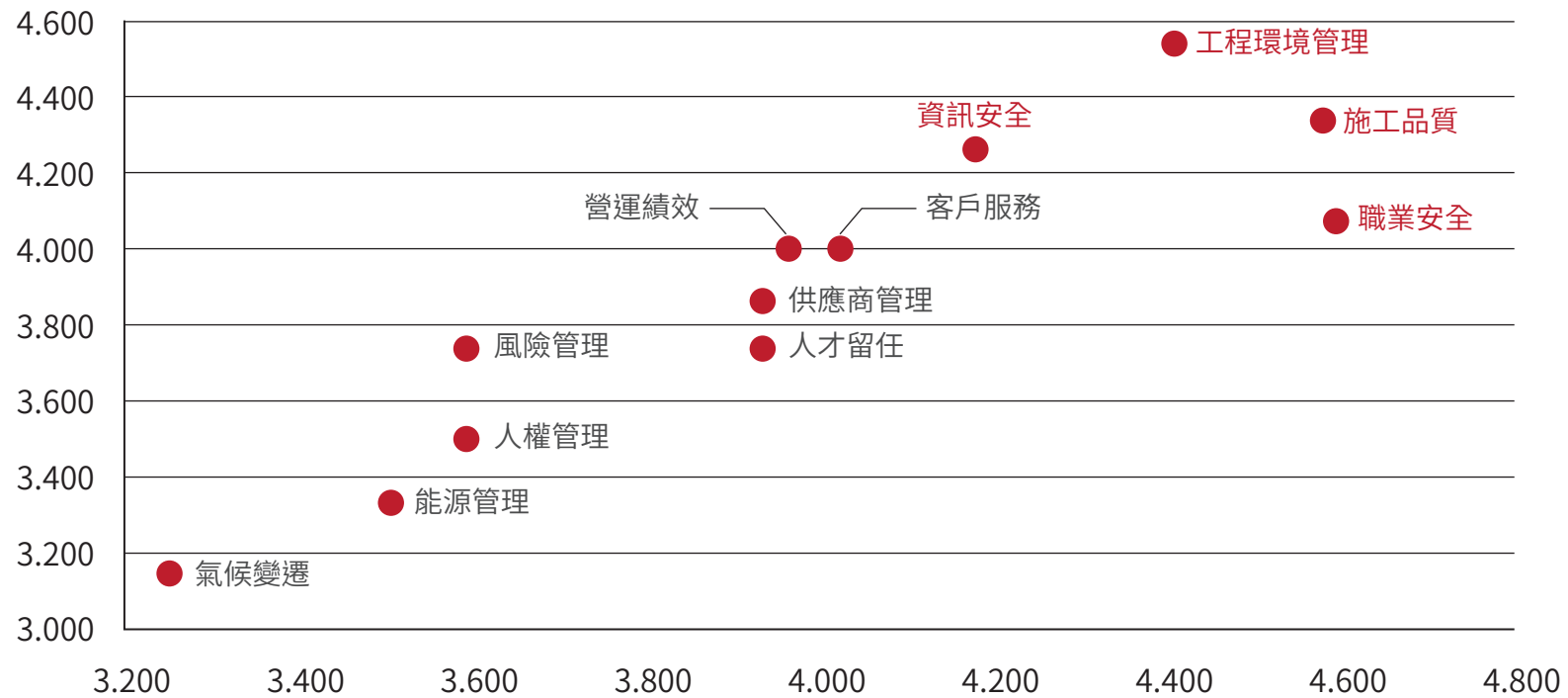
Based on the severity of their impact, the ESG Sustainability Report Preparation Task Force, in consultation with senior management, has identified eight material issues for the year 2023. Sweeten Real Estate Development has identified these eight material topics as key issues for stakeholder communication in this report. For each topic, the company will disclose specific actions, including management policies and annual performance, to address the needs and expectations of all stakeholders.

Materiality Matrix Chart



負面衝擊

發生可能性



影響程度

Management Guidelines of Material Topics

Policies, commitments, goals, management, and evaluation mechanisms

Material topics >>> Operating performance

Policy/Commitments	Core objectives	Performance outcome	Action plan	2024 goals	Medium to long term goals
Sweeten Real Estate Development, guided by a service philosophy of "professionalism and dedication" and a business principle of "building quality homes and forging lasting relationships," delivers high-quality construction products and comprehensive after-sales service in the Taichung and Greater Taipei areas. The Company leverages its diverse business experience and utilizes digital marketing tools to precisely target customers and continuously promote its brand to build brand strength. In product planning and design, Sweeten Real Estate Development invests in research and development resources, utilizes an international team, and strives for innovation and rapid response to market demands. This enables us to continuously create high-value-added products and strengthen our brand image as the first choice for customers.	<ol style="list-style-type: none"> 1. Sweeten Real Estate Development strengthened its pre-sale sales management of residential properties. Focusing on projects in the Taichung area, the company has improved its market research and land selection processes to enhance capital utilization efficiency and reinvestment capability. This will ensure the provision of high-quality housing with convenient transportation and development potential. 2. Enhance professional after-sales management and repair services to elevate residential value and quality through superior property management. Establish a positive reputation and expand future sales opportunities. 3. Taking into account capital, human resources and cash flow efficiency, the Company focuses on investing in medium to large projects. This strategy aims to achieve zero inventory, control costs, increase the equity ratio, strengthen the financial structure, and continuously generate profits for shareholders. 	The Company's 2023 operating revenue was approximately NT\$4.433 billion, which was generated from the completion of the "Sweeten Grand Garden" project, the "Sweeten Plaza" commercial building and the rental income from the "Huan Hotel & Residence" property.	<ol style="list-style-type: none"> 1. Perform a thorough evaluation of development projects, develop a comprehensive analysis of investment returns and pricing, and enhance internal management to minimize raw material expenses. 2. Thoroughly review contracts and advertising content in compliance with legal provisions to safeguard consumer rights and interests. 3. Improve employee training to ensure that employees are familiar with relevant regulations and to prevent operational errors. 4. In accordance with the principle of integrity, our objective is to enhance the control and management of housing design and construction quality. 5. We strongly emphasize the importance of construction quality and closely monitor the progress of delivery to prevent any potential housing disputes. 	Projects due for completion in 2024, such as Grand Glory and Grand Urban Villas, will be recognised as sales progress and title is transferred.	<p>Medium term goals:</p> <p>Currently under construction are projects such as "ONE 33," "The Fortune," "KING'S ROAD," "Grand Urban," and others, with an estimated total sales value of approximately NT\$18.8 billion.</p> <p>Long term goals:</p> <p>The Company plans to launch projects such as "Changming Building" and "Xinfu Road Townhouse project" with an estimated total sales value of NT\$3.6 billion.</p>

Material topics >>> Legal compliance

Policy/Commitments	Core objectives	Performance outcome	Action plan	2024 goals	Medium to long term goals
Establish a culture of integrity, honesty, and compliance, ensuring transparency of information and strict adherence to regulations.	Continually reduce the number and severity of violations, with the ultimate goal of zero penalties.	No penalties were imposed by regulatory authorities in 2023 for any violations of laws related to corruption, unjustified breaches of the Company Law, Securities and Exchange Act, information disclosure, anti-competitive behavior, antitrust, and monopoly practices.	<ol style="list-style-type: none"> 1. Establish comprehensive compliance policies and procedures and conduct legal compliance reviews. 2. Strengthen internal control mechanisms, increase oversight, and provide appropriate employee training. 3. Implement information transparency and proactively disclose important information. 4. All business operations are required to strictly comply with operating procedures in order to minimize the risk of violations and achieve the goal of zero penalties. 	Continually reduce the number and severity of violations, with the ultimate goal of zero penalties.	Continually reduce the number and severity of violations, with the ultimate goal of zero penalties.

Material topics >>> Customer service

Policy/Commitments	Core objectives	Performance outcome	Action plan	2024 goals	Medium to long term goals
Sweeten Responds to People, Integrity and Stability, Pursue Perfection, Sustainable Management.	<ol style="list-style-type: none"> 1. To provide customers with better and higher quality services, realizing the ideal of "things are constructed to be great." 2. Customer satisfaction is measured to determine whether customers are satisfied with the company's products and services. 	2023 Customer Satisfaction Survey Feedback: The average satisfaction rate exceeded 90%.	<ol style="list-style-type: none"> 1. The Company provides comprehensive pre-delivery services, including payment reminders, pre-sale customization changes, and construction inspections with comprehensive third-party testing to ensure the quality of the homes. 2. The Community Circuit Repair Service addresses equipment issues that are beyond their warranty period, thereby enhancing residents' living comfort. 3. Sweeten Nice Family APP provides functions for reporting repairs, events and group purchases, while ensuring the security and privacy of personal data. 	<ol style="list-style-type: none"> 1. Proactively analyze the latest regulations and ensure compliance to provide customer service. 2. Customer Satisfaction Survey Feedback: The average satisfaction rate exceeds 90%. 	<p>Medium term goals:</p> <ol style="list-style-type: none"> 1. Complying to international standards to ensure high-quality customer service. 2. The Company has built a strong reputation, resulting in customer referrals and an average satisfaction rate of over 92%. <p>Long term goals:</p> <ol style="list-style-type: none"> 1. The Company has built a strong reputation, resulting in customer referrals and an average satisfaction rate of over 93%. 2. Increased customer repurchase rate.

Material topics >>> Information security

Policy/Commitments	Core objectives	Performance outcome	Action plan	2024 goals	Medium to long term goals
<p>Policy:</p> <p>To ensure the confidentiality, integrity, and availability of Sweeten Real Estate Development's information assets and the secure operation of its information systems, to comply with applicable laws, and to prevent intentional or accidental threats from internal and external sources, the Company has established the following Information Security Policy:</p> <ol style="list-style-type: none"> 1. Establishing system regulations: Developing company information security management and information system management policies to regulate employee operational behavior. 2. System equipment setup: Establishing endpoint security protection systems and network security devices to monitor equipment and network operations, preventing various information threats 3. Employee awareness training: Regularly issue cybersecurity alerts and conduct information security education and training to increase cybersecurity awareness among all employees. <p>Commitment:</p> <p>The Company has long been committed to safeguarding the interests of the Company, our clients, shareholders, suppliers, and employees. Sweeten Real Estate Development recognizes that information security is a fundamental cornerstone of sustainable business operations. Therefore, we actively implement information security management and privacy mechanisms and integrate them into our daily business activities. This ensures the continued growth of the company and prevents the occurrence of major information security and personal data incidents.</p>	<ol style="list-style-type: none"> 1. Establish a dedicated information security unit and personnel. 2. Update and establish endpoint protection systems (antivirus and information security systems). 3. Patch system vulnerabilities and assess application security. 4. Strengthen data backup and recovery mechanisms. 5. No significant information security incidents. 	<ol style="list-style-type: none"> 1. At the end of 2023, an information security team was established, with two people assigned to develop and implement information systems and cybersecurity regulations. 2. Update and establish endpoint protection systems (antivirus and information security systems) with a completion rate of 50%. 3. Patch system vulnerabilities and assess application security with a 50% completion rate. 4. Strengthen data backup and recovery mechanisms, with a 50% completion rate. 5. No significant information security incidents in 2023. 	<ol style="list-style-type: none"> 1. In 2023, an information security team was established and two people were assigned to it. 2. Implement antivirus system updates and endpoint replacement procedures, and perform regular system security updates. 3. The backup mechanism is designed based on the 3-2-1 backup principle to provide comprehensive protection of the company's data systems and reduce the recovery time to 8-24 business hours. 	<ol style="list-style-type: none"> 1. Establish a cloud data system center (department cloud, transmission cloud) to improve the use, transmission, and services of the Company's digital data. 2. The completion rate of patching system vulnerabilities reached 80%. 3. Set up SSL certificate services for external service websites to encrypt data during transmission. 4. Deployment of endpoint security protection (antivirus and security systems) has reached 80% completion. 5. Zero information security incidents occur every year. 	<p>Medium term goals:</p> <ol style="list-style-type: none"> 1. Implement a zero-trust security framework that enforces strict identity verification and authorization mechanisms to protect the security of data use and transmission within the Company. 2. Conduct annual information security training (both internal and external) and information security awareness campaigns. 3. Conduct annual social engineering drills and information security incident response exercises. 4. Establish an inventory and risk assessment for information systems. 5. Zero major information security incidents each year. <p>Long term goals:</p> <ol style="list-style-type: none"> 1. Annual vulnerability scans are performed on the information architecture, environment, and systems. Recommendations for remediation are derived from scan reports provided by third-party organizations. 2. Establish an information security audit management mechanism. 3. Implement the ISO 27001 Information Security Management System and achieve certification. 4. Strengthening backup policies is critical for comprehensive system data protection. 5. Zero major information security incidents each year.

Material topics >>> Construction quality

Policy/Commitments	Core objectives	Performance outcome	Action plan	2024 goals	Medium to long term goals
<p>An annual supplier evaluation process is conducted, involving rigorous screening, audits, and guidance. Resources are shared to collaboratively improve sustainability performance with suppliers.</p> <p>All supplier contracts will include corporate social responsibility clauses.</p>	<ol style="list-style-type: none"> 1. The completion rate for post-project supplier evaluations is 100%. 2. No major workplace safety incidents occurred. 3. Continue to implement green procurement. 	<ol style="list-style-type: none"> 1. The completion rate for post-project supplier evaluations is 100%. 2. No major workplace safety incidents occurred. 3. The amount for green procurement is approximately NT\$20 million. 	<ol style="list-style-type: none"> 1. Conduct regular audits of major suppliers. 2. Annual growth rate of the green procurement amount 3. Establish a construction supplier evaluation form. 4. Promote the engineering quality management procedures. 	<ol style="list-style-type: none"> 1. Establish supplier selection criteria that give suppliers with a quality score of 85 or higher priority in contract awards and negotiation rights. In addition, if the price difference with other suppliers is less than 5% in a particular case, they may be given preference. 2. At each stage of project completion, the contractor is required to evaluate subcontractors and select those that are deemed to be excellent. 	<p>Medium term goals:</p> <ol style="list-style-type: none"> 1. Annual growth rate of the green procurement amount: 0.5% 2. Ongoing inspections of construction quality and occupational health and safety are conducted on a case-by-case basis. <p>Long term goals:</p> <ol style="list-style-type: none"> 1. Annual growth rate of the green procurement amount: 1% 2. Ongoing inspections of construction quality and occupational health and safety are conducted on a case-by-case basis.

Material topics >>> Engineering environmental management

Policy/Commitments	Core objectives	Performance outcome	Action plan	2024 goals	Medium to long term goals
<p>Each year, the Company conducts on-site case supervision of construction suppliers, strictly controls the environmental impact of construction projects, and develops environmental management plans. It actively manages and implements air, water, noise, and waste pollution control measures for ongoing cases to minimize environmental impact. This practice demonstrates the company's commitment to sustainable performance in pollution prevention and quality management.</p>	<p>Ongoing cases are continuously monitored to assess the effectiveness of environmental management implementation by construction suppliers, with the goal of reducing the number of fines imposed by environmental regulators each year.</p>	<p>Ongoing cases are continuously monitored to assess the effectiveness of environmental management implementation by construction suppliers, with the goal of reducing the number of fines imposed by environmental regulators each year.</p>	<ol style="list-style-type: none"> 1. Periodic inspections of construction suppliers involved in ongoing projects. 2. Plan to use recyclable and reusable building materials to reduce the amount of waste generated by ongoing projects each year. 3. Establish an environmental management evaluation form for construction suppliers at the construction site. 4. Promote construction environmental management regulations 	<ol style="list-style-type: none"> 1. Encourage construction suppliers to establish a process for evaluating the construction environment, establish penalties and incentive programs, and require project teams to comply with these regulations on ongoing projects. 2. During each phase of construction, suppliers will be audited to assess their ability to manage the environmental impact of the project. Penalties will be established to encourage all contractors to comply with environmental regulations. 	<p>Medium term goals:</p> <ol style="list-style-type: none"> 1. Ongoing audits are being conducted to ensure that the construction and construction supply companies responsible for the current cases are implementing environmental assessments and environmental management procedures. 2. Reduce the number of environmental deficiencies in ongoing projects by 0.5% annually. <p>Long term goals:</p> <ol style="list-style-type: none"> 1. Ongoing audits are being conducted to ensure that the construction and construction supply companies responsible for the current cases are implementing environmental assessments and environmental management procedures. 2. Reduce the number of environmental deficiencies in ongoing projects by 1.0% annually.

Material topics >>> Compensation and benefits

Policy/Commitments	Core objectives	Performance outcome	Action plan	2024 goals	Medium to long term goals
Employees are the foundation of any business organization and represent the Company's most valuable asset. Recognizing the importance of the partnership between employees and the Company, the Company shares its operating profits and performance with its colleagues, thus achieving the concept of mutual growth and sustainable development. To safeguard employee rights and promote labor-management harmony, regular labor-management meetings are held to establish effective communication mechanisms and achieve harmonious labor-management relations.	<ol style="list-style-type: none"> 1. Establish a human rights policy. 2. Motivate talent retention, evaluate employee promotions, and manage employee travel. 3. Labor-management meetings: 4 times per year; Employee Welfare Committee meetings: 4 times per year. Sexual Harassment Cases: 0. 	<ol style="list-style-type: none"> 1. A human rights agreement is in place and all new employees are required to sign an internal confidentiality agreement regarding material information. 2. Following an evaluation, 30 colleagues were promoted in March 2023, representing a promotion rate of 52.6%. 3. The labor-management meetings for the year 2023 were successfully held in February, April, July and October. 4. The Employee Welfare Committee meetings for the year 2023 were successfully held in March, July, September, and October. 	<ol style="list-style-type: none"> 1. Based on internationally recognized principles of human rights protection, the Company has formulated its Human Rights Policy. 2. Employee promotions are evaluated in the first quarter based on factors such as peer performance and market competition. 3. Plan for overseas travel in the fourth quarter. 4. Hold labor-management meetings and Employee Welfare Committee meetings. 	<ol style="list-style-type: none"> 1. In response to market conditions and competition for talent, the Company actively evaluating the possibility of adjusting employee salaries. Our goal is to exceed the rate of increase for government salaries. 2. Hold at least one labor-management meeting and one Employee Welfare Committee meeting each quarter. 	<p>Medium term goals:</p> <ol style="list-style-type: none"> 1. Strengthen the link between employee compensation and benefits and individual, departmental, and organizational performance to achieve the goal of talent retention. 2. Continually promote employee benefits. <p>Long term goals:</p> <p>Develop remuneration and benefits policies that outperform the market and evaluate the integration of ESG performance metrics.</p>

Material topics >>> Occupational safety

Policy/Commitments	Core objectives	Performance outcome	Action plan	2024 goals	Medium to long term goals
Each supplier is evaluated on an annual basis, and strict controls are in place to ensure that suppliers comply with occupational health and safety laws. All employees and suppliers involved in business operations are strictly required to comply with occupational safety and health regulations.	<ol style="list-style-type: none"> 1. Enhance the involvement of construction supply chain site supervisors and engineers in relevant training courses. 2. Reduce the number of health and safety violations at project sites. 	Ensure that all construction site supervisors and subcontractor engineers participate in relevant training programs and receive certificates of completion and training. At the same time, reduce the number of health and safety violations during project execution.	<ol style="list-style-type: none"> 1. To address the identified deficiencies, the Company will enhance employee and supplier training programs. In addition, the Company will encourage suppliers to strengthen their self-inspection capabilities. 2. Monthly security assessments and monitoring of ongoing cases. 	<ol style="list-style-type: none"> 1. In compliance with the Occupational Safety and Health Act and related regulations, all employees participate in promoting the occupational health and safety management system, ensuring that all employees follow policies and plans in their execution. 2. Prevent occupational hazards and accidents, eliminate potential hazards and contributing factors, and ensure the safety and health of employees. 	<p>Medium to long term goals:</p> <ol style="list-style-type: none"> 1. The project completion process included a supplier evaluation. 2. Continuously implement and comply with occupational health and safety management regulations to achieve zero accidents.



Economy

1

Integrity Transparency, Responsible Governance

- 1.1 Organizational Overview
- 1.2 Corporate Governance
- 1.3 Integrity Management
- 1.4 Risk Management
- 1.5 Information Security

1.1 Organizational Overview

Since its establishment, Sweeten Real Estate Development has been dedicated to creating a beautiful living environment. The Company has always adhered to the principle that "cultivating talent is the foundation of sustainable development". The Company cultivates outstanding talents to provide the best service to our customers. " Since 2011, Sweeten Real Estate Development has established "THE 201 ART Sweeten Architecture, Culture, and "Arts Center" promotes artistic culture and architectural aesthetics. In 2014, it established the Sweeten Culture and Education Foundation to enrich the city's aesthetics through art and humanities, striving to achieve a harmonious integration of architectural environment and humanistic art. The Company's primary business activities include residential development, commercial real estate development, industrial park development, urban renewal, and land development. Adhering to the principle of "Things are built to be great," Sweeten Real Estate Development does not build luxury residences, but rather homes that are more worthy of trust.

Name	Sweeten Real Estate Development Co., Ltd.
Date of Establishment	November 28, 1987
Company Address	3F, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City
Chairman	Ke Xing-Shu
President	Lin Bing-Shen
Paid-in Capital	NT\$ 2,804,668 thousand
Number of Employees	57 (End of December 31, 2023)
Main Products and Services	<ul style="list-style-type: none"> • The Company engages contractors to construct residential and commercial buildings for lease and sale. • Industrial building development for lease and sale • Development of specialized zone • Urban renewal development • Office building for rent
Location of Operations	3F, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City
2023 Revenue	NT\$ 4,433,122 thousand

Vision, mission, core values, business philosophy

Sweeten Responds to People

Align with nature, respond to humanity. By upholding the principles of harmony with nature and human ethics, and serving the community, the Company aims to create a high-quality living environment and achieve our corporate mission.

Integrity and Stability

Integrity in management, steady growth. With a pragmatic management approach, the Company avoids short-term gains and opportunism and focus on solid and steady development.

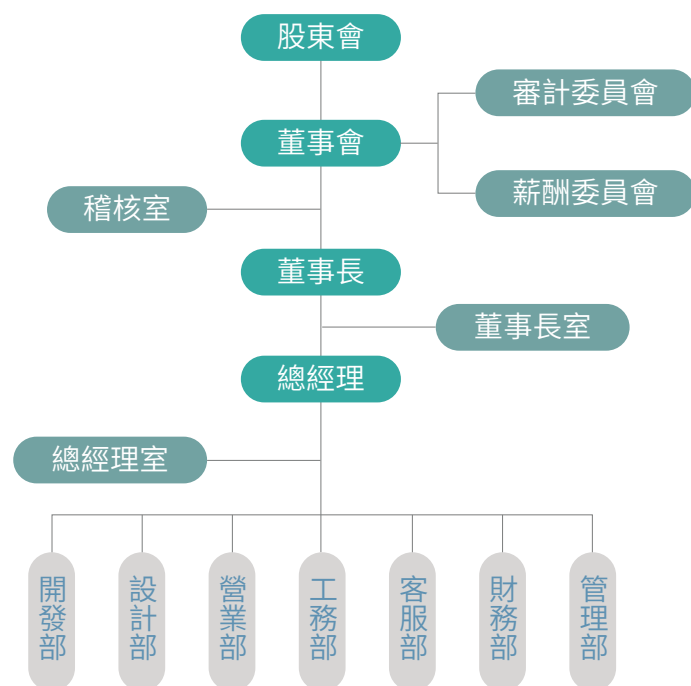
Pursue Perfection

Meticulously crafted, striving for perfection. Man-made environments shape people. A quality living environment not only provides safety and comfort but also cultivates and nurtures excellent character for the benefit of society.

Sustainable Operations

Corporate sustainability, responsibility sustainability. Sustainable management is a commitment and an ongoing responsibility to the company, society and the environment.


Organizational chart



Departments

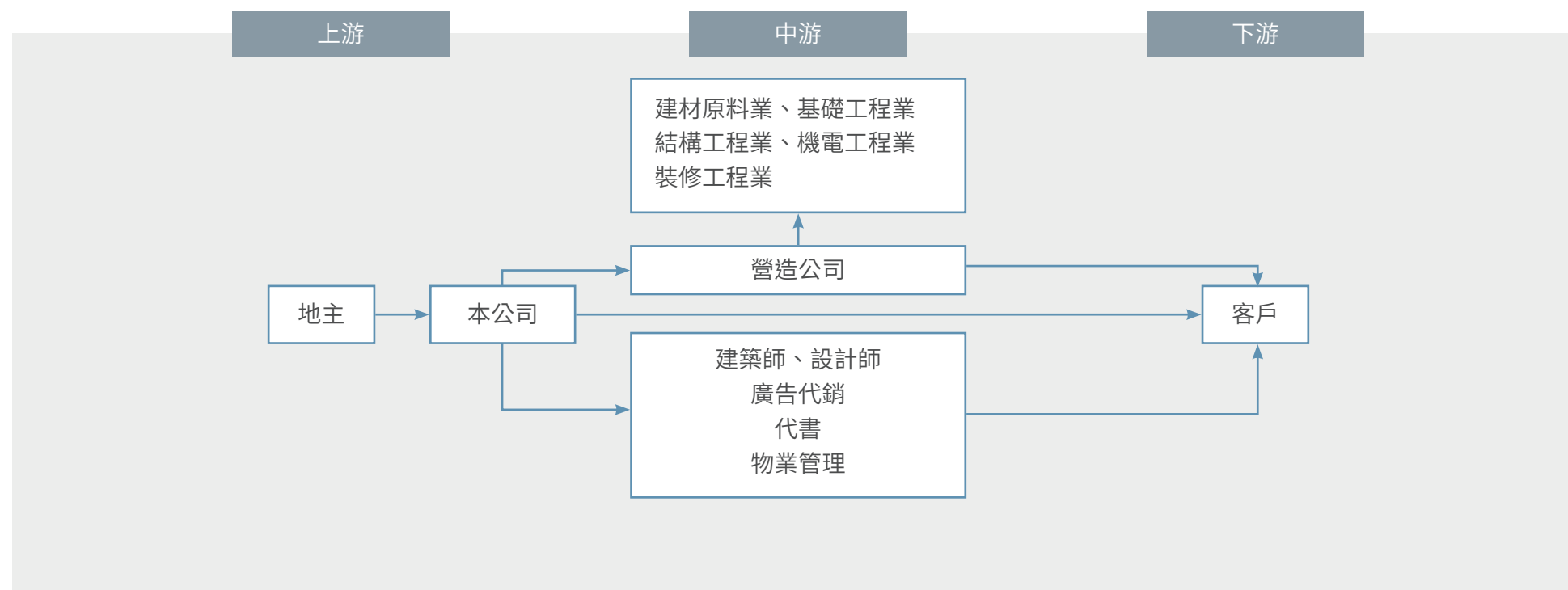
Department	Functions
Chairman's Office	The formulation of the Company's business policy, to assist the Board of Directors in reviewing the short, medium and long-term business plans, to assist the Board of Directors and the chairman in reviewing the appointment and removal of each department head, and to assist the chairman in reviewing other important matters of the company.
General Manager's Office	To manage the overall affairs of the Company, assess and evaluate the performance of the organization's operations, assist the personnel of each department to fulfill their responsibilities, and audit to confirm the correctness of their work in order to improve organizational effectiveness. Office Building Leasing Business.
Auditing Office	In charge of conducting audits of the internal control system and evaluating, monitoring, and making improvement recommendations for the performance of operations in each department.
Construction Department	Comprehensive construction project management encompasses various tasks, including construction planning, budgeting, and cost analysis, project scheduling, construction supervision, procurement and contracting, construction management, execution planning for customer change requests, and evaluation of project quality.
Development Department	Responsible for land resources survey, analysis, evaluation, development, industrial zone development, and urban planning.
Design Department	Responsible for the design and planning, inspection and correction of construction drawings of the building structure of each project.
Customer Service Department	The responsibilities include collecting installment payments, providing engineering change services, registering property transfers, delivering properties, and offering after-sales services and other related business operations.
Sales Department	Responsible for market research, product positioning, house sales, pricing management and advertising planning and other related business.
Financial Department	Responsible for capital allocation and planning, cost analysis and control, contract management, loan operations, Accounting and cashier accounting treatment, taxation and stock affairs and other related business. Evaluate, analyze, and tracking of the reinvestment business.
Administrative Department	We handle the management of manpower demand and recruitment, general affairs and office supplies, salary administration, office building management, and computer information services.

History

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- 1997**
 - Introduced CIS to unify the corporate identity system and establish a good corporate image.
 - Approved by the Securities and Futures Bureau of the Ministry of Finance for a public offering of shares
 - 2000**
 - Officially listed on the stock exchange on May 22.
 - 2004**
 - Applied for transfer from OTC to a listed company during the year and was officially listed on November 26.
 - 2011**
 - Leased the educational property from the Ministry of Education in the Huikuo Section of Xitun District, Taichung City, and completed the construction of the "Sweeten Plaza" commercial property. Sweeten Real Estate Development relocated to the new site and continued its leasing operations.
 - Established "THE 201 ART Sweeten Architecture, Culture, and Art Center."
 - 2015**
 - The Company invested in and established "Shun-Ding Construction Co., Ltd." with a 55% shareholding, whose main business was the development and construction projects in Sanchong District, New Taipei City, Taiwan.
 - Implemented EIP computer system operations, create e-forms and computerized work.
 - 2020**
 - Launched the B3 and 15-storey residential building of "Sweeten Grand Glory" in Tanzi District, Taichung City, built on the Company's own land. This was Sweeten's first urban redevelopment project.
 - 2021**
 - Launched the "ONE 33" project in Nantun District, Taichung City, which included B1/4 and 5F villas, as well as B4/15F residential buildings, all self-built on the Company's land.
 - The "Sweeten Park Museum" was completed, and the houses were handed over one after another.
 - 16 parcels of land including No. 6, Section 1 of Yaxiang, Xinyi District, Taipei City (Children's Welfare Center A1 Base) Urban Renewal Project" has completed the comprehensive evaluation and has been awarded the status of "Most Qualified Applicant."
 - 2022**
 - Launched "The Fortune" project in Taiping District, Taichung City, consisting of 4F villas and B2/14F residential buildings built on the Company's own land.
 - The "Sweeten Green Vision" has been completed and the houses have been handed over one after another.
 - Launched the "KING'S ROAD" project in Beitun District, Taichung City, consisting of B3/19F residential buildings built on the Company's land.
 - An urban renewal project for 10 lots, including Lot No. 13 in Section 5 of Donghu Area, Neihu District, Taipei City.
 - 2023**
 - The "Sweeten Grand Garden" was completed and the houses were handed over one by one.
 - Launched the "Grand Urban" in Taiping District, Taichung City, which included 4F villas and B3/14F residential buildings, constructed using a self-owned land and self-built approach with some joint development.

Activity value chain

Within the overall economic development environment, construction companies play a crucial role in the real estate industry, which includes land development, building construction, and home sales. The upstream process begins with the supply of raw materials such as land and building materials. Land sources include private sales, joint development, or bidding for non-public land owned by the government, as well as urban renewal projects that redevelop aging areas. The midstream segment focuses on the supply of raw materials and initial design, which includes the production and supply of building materials such as reinforcing steel, cement and ready-mix concrete, as well as infrastructure, civil engineering, electromechanical engineering and related engineering planning and design. The development of the industry as a whole is closely linked to and significantly influenced by the economic cycle. For example, the operating status of suppliers directly affects construction costs and the stability of the supply chain, including fluctuations in building material prices, the introduction of new construction materials and methods, the improvement of professional services, labor shortages, and the cost of updating machinery and equipment. At the same time, it also directly drives the growth and adaptation of the real estate construction industry. From a downstream client perspective, the Taiwanese real estate market underwent several policy adjustments in 2023. These included amendments to the Land Rights Compensation Law, interest rate hikes and credit restrictions by the central bank, and the enactment of the Housing Speculation Tax 2.0. These measures have caused consumers to adopt a wait-and-see attitude, anticipating price adjustments to facilitate transactions. In response to rising housing prices, the government launched the "New Youth Home Loan Subsidy" program to attract first-time homebuyers. This has led to increased demand for both new and existing homes, as they are immediately eligible for the new subsidy. Overall, the housing market continues to fluctuate between significant gains and small declines, with the effects of policy measures beginning to be felt. The entire industry chain includes land, building materials, construction, finance, real estate brokerage, advertising, and legal services, all of which are interconnected. Construction companies are not only the core, but also the bridge that connects all these aspects.



Involvement in public associations

Sweeten Real Estate Development actively participates in various public associations to gain an in-depth understanding of the latest trends and developments in the real estate industry. At the same time, the company engages in exchanges and collaborations with industry peers, sharing practical experiences and participating in relevant policy discussions. These efforts are aimed at jointly promoting the development of the industry. By participating in industry associations, Sweeten Real Estate Development can remain informed about industry changes and trends, proactively adjust its strategies and policies, collaborate with peers to promote the healthy development of the real estate sector, and enhance its awareness of corporate social responsibility, thereby creating a positive impact on both the industry and society.

Organizations	Roles
Taichung Real Estate Development Association	Director, Member
Taipei Real Estate Development Association	Members
TCQCA	Members
Cross-Strait CEO Summit	Members



Financial performance

The Company's operating performance is primarily reflected in the growth of its operating income and the improvement of its profitability. This is critical to achieving the Company's goal of sustainable operations. By demonstrating strong financial performance, The Company ensures that our stakeholders have a clear understanding of the value of their investment in our Company. The Company committed to maintaining sound financial performance, continually creating greater economic value, and returning it to all stakeholders, including shareholders/investors, government agencies, customers, employees, suppliers/contractors, and community members. This is particularly important to us because financial performance often has a direct impact on shareholder/investor valuation of the Company.

Sweeten Real Estate Development conducts a regular review of its operating policies and objectives at the end of each year. Taking into account economic conditions, the current status of the Company, and future development, the company formulates overall objectives for the following year. Each division then formulates its own operating plans and budgets based on the overall goals and strategies, establishing a system for medium- and long-term strategic planning and budgeting. Through a top-down management mechanism, the Company ensures that the Board of Directors, all levels of meetings, and department heads are informed and adhere to the overall goals for the year. This is achieved through a cascading communication process. Each department monitors the rate of achievement of overall goals through the budget system to ensure that the Company continues to make progress toward our established goals.

Unit: NT\$ Thousands

Item	Detail	2021	2022	2023
Direct economic values generated	Operating income	448,037	2,891,660	4,433,122
	Operating costs	503,146	2,116,844	3,447,971
Economic values distributed	Employee remuneration and benefits	49,660	117,837	131,279
	Payments to investors	132,296	79,377	396,887
	Payments to government	-60,844	44,970	171,780
	Community investment	5,956	2,230	4,400
Retained economic value		-132,517	648,239	412,084

Note: In 2023, the Company did not receive any financial support from the government

1.2 Corporate Governance

The Company is committed to establishing a sound corporate governance system. Specifically, the Company has developed a Corporate Governance Practices Guideline and disclosed it on the Market Observation Post System. In line with corporate governance principles, the Company ensure legal compliance, protect shareholder rights, strengthen the functions of the Board of Directors, respect stakeholder rights, and enhance information transparency. The Company has designed and implemented an internal control system in accordance with the "Guidelines for Establishing Internal Control Systems for Publicly Listed Companies". The Board of Directors and management review departmental assessments annually and regularly submit audit reports to the independent directors to ensure effective implementation. The Company will also appoint appropriate governance personnel and a Corporate Governance Officer to oversee governance-related matters, including assisting the Board of Directors and the Shareholders' Meeting. This will ensure a transparent, fair and effective governance framework, protect the interests of stakeholders, and promote the long-term sustainable development of the Company.

Continuing education status of corporate governance supervisors:

Date of Training	Corporate Governance Officer	Unit	Course	Hours	ESG-Related
2023.06.09	Zheng Fu-Yue	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
2023.07.04	Zheng Fu-Yue	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	6	6
2023.09.22~ 2023.09.23	Zheng Fu-Yue	Taiwan Corporate Governance Association	Net Zero Sustainable Talent Development Class [Central Region]: Carbon Offsetting, Carbon Rights, and Carbon Trading	9	9
Total hours of the corporate governance officer				18	15

1.2.1 Board of Directors

The Board of Directors of Sweeten Real Estate Development is the Company's highest governing body, responsible for organizing and overseeing the work of each department, which in turn manages its respective business operations. The Board of Directors has established an Audit Committee and a Remuneration Committee. These two functional committees operate in accordance with the Company's "Board of Directors Meeting Rules," "Audit Committee Charter," and "Remuneration Committee Charter." Each year in the first quarter, the Board of Directors and functional committees complete the performance evaluation for the previous year. Through a robust corporate governance framework, Sweeten Real Estate Development is committed to protecting shareholder rights, strengthening the functions of the Board of Directors and enhancing transparency in information disclosure. This ensures that the interests of all stakeholders are protected.

Board of Directors organization

To establish a sound system of Board governance, to enhance the supervisory and management functions, to comply with the "Rules for Election of Directors" and the "Guidelines for Corporate Governance Practices", and to ensure the diversity and independence of Board members. Sweeten Real Estate Development complies with legal requirements and ensures that the number of directors who also serve as company managers does not exceed one-third of the total number of directors. In addition, the Company has established an appropriate diversification strategy based on its operating methods, business model, and development needs. This includes basic qualifications and values such as gender, age, nationality and culture, with a target of one-third women on the Board, as well as professional knowledge and skills such as law, accounting, industry, finance, marketing or technology. Board members should possess a broad range of knowledge, skills, and attributes necessary to perform their duties, including operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market understanding, leadership, and decision-making skills.

The Board of Directors of Sweeten Real Estate Development consists of 13 members, including 3 independent directors, who represent 23% of the Board. The Board of Directors possesses strong capabilities in business judgment, leadership decision-making, and operational management, along with extensive industry experience and professional expertise. Among the members, there are 4 directors who are employees, representing 31% of the Board, and 1 female director, representing 8%. Going forward, the Company will seek to increase the proportion of female directors to meet our diversity goals. The Board of Directors held four meetings during the year. The average actual attendance of all Board members at Board meetings was 88.5%.

Information on the 13th Board Members (Term: June 8, 2022, to June 7, 2025)



Director

Ke Xing-Shu

Age: 77 Male

Education | Department of Business, Masters in Management, National Chung Hsing University

Current position | Sweeten Real Estate Development Chairman, Jian-Gao Engineer Chairman, China Electric MFG Corporation Director, Lelon Electronics Corp. Director and Universal Microelectronics Co., Ltd. Chairman

Name of the represented legal entity | Tian Qi Investment Co., Ltd.

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law



Director

Wang Li-Qing

Age: 43 Male

Education | Master of Business Administration, University of St. Thomas

Current position | Pin Da Investment Co., Ltd. Chairman

Name of the represented legal entity | Pin Da Investment Co., Ltd.

Board of Directors diversity and core competencies

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law



Director

Wu Wen-Chieh

Age: 43 Male

Education | Department of Finance and Economics, National Taiwan University, University of Wisconsin Madison MBA, Senior Qualification Examination of Realty Appraiser Qualification and Sweeten Real Estate Development Department Manager

Current position | Chao Da Investment Co., Ltd. Chairman

Name of the represented legal entity | Chao Da Investment Co., Ltd.

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law



Director

Wu Kuo-Hsiang

Age: 69

Male

Education | Sweeten Real Estate Development Supervisor

Current position | City Resort International Management Consulting Co.,Ltd Chairman

Name of the represented legal entity | Tian Xiang Investment Co., Ltd.

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law



Director

Wu Kuo-Yu

Age: 65

Male

Education | Sweeten Real Estate Development Supervisor

Current position | Chung Tai Investment Director

Name of the represented legal entity | Chong You Investment Co., Ltd.

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law



Director

Lin Yi-Ren

Age: 63

Male

Education | Dept. of Drafting Technology,Taichung Municipal Dongshih Industrial High School, and Sweeten Real Estate Development Vice President

Current position | Jian-Gao Engineer Supervisor

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law

Director

Ke Qi-Yu

Age: 51 Male

Education | MA of Middlesex, UK, and Jian-Gao Engineer Assistant Vice President

Current position | Tian Xing Investment Co., Ltd. Chairman

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law

Director

Chen Xiu-Hui

Age: 61 Female

Education | Department of Business Administration, National Taichung College of Business, and Overseas Master of Cross Strait Senior Executives Operation Management College of Management, National Chi Nan University

Current position | Da Ying Investment Chairman

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law

Director

Lin Chi-Nung

Age: 73 Male

Education | Shan Wong Industrial Co., Ltd. President

Current position | Sun Kuan Enterprise Chairman

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law

Director

Ke Qi-Sin

Age: 48 Male

Education | University of San Diego MBA, and Sweeten Real Estate Development Special Assistant

Current position | Tian Sheng Investment Co., Ltd. Chairman

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law



Zhang Zhi-Sheng

Age: 64 Male

Education | Accounting and Statistics, National Taichung College of Business, Master of Graduate Institute of Plastic Arts, Dayeh University, and CPA

Current position | Lan-Jai CPAs, and Firm CEO

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law



Liao Nian-Heng

Age: 76 Male

Education | Graduated from the Department of International Business, Feng Chia University

Current position | Sinon Corporation Vice Chairman

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law



Ou Zheng-Ming

Age: 79 Male

Education | Graduated from the Department of Electrical Engineering, National Cheng Kung University

Current position | Chairman of Universal Microelectronics Co., Ltd.

Board of Directors diversity and core competencies |

Management

Executive decision

Industry knowledge

Financial accounting

Marketing

Information

Law

The Board of Directors has held four meetings in 2023, and the attendance of the 13 directors was as follows:

Title	Board of Directors	Cumulative Count for 2023	Attendance Rate for 2023 (%)
Chairman	Ke Xing-Shu	4	<div><div></div></div> 100
Independent Director	Zhang Zhi-Sheng	4	<div><div></div></div> 100
Independent Director	Liao Nian-Heng	4	<div><div></div></div> 100
Independent Director	Ou Zheng-Ming	4	<div><div></div></div> 100
Director	Wu Kuo-Hsiang	4	<div><div></div></div> 100
Director	Wang Li-Qing	4	<div><div></div></div> 100
Director	Wu Wen-Chieh	4	<div><div></div></div> 100
Director	Wu Kuo-Yu	4	<div><div></div></div> 100
Director	Lin Yi-Ren	3	<div><div></div></div> 75
Director	Ke Qi-Yu	4	<div><div></div></div> 100
Director	Chen Xiu-Hui	3	<div><div></div></div> 75
Director	Lin Chi-Nung	4	<div><div></div></div> 100
Director	Ke Qi-Sin	0	<div><div></div></div> 0

The attendance rate is calculated by dividing the total number of actual attendances by the total number of expected attendances for the 13 directors

Actual attendance rate of all directors at the Board meetings:
 $46/52 = 88.5\%$

Continuing education status of the Board of Directors

The ongoing professional development of the Board of Directors at Sweeten Real Estate Development is a vital aspect of corporate governance. Board members must continually update their knowledge to adapt to the rapidly changing business environment and relevant regulations. The Board of Directors of Sweeten Real Estate Development regularly schedules training and professional development programs to ensure that directors maintain their professional knowledge and skills in areas such as industry trends, corporate governance best practices and legal compliance. Through continuing education, the members of the Company's Board of Directors are able to enhance their professional competence, better fulfill their oversight and decision-making responsibilities, and promote the long-term, stable development of the Company.

Date of Training	Director	Unit	Course	Hours	ESG-Related
2023.06.09	Wang Li-Qing	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
2023.09.23	Wang Li-Qing	Securities and Futures Institute (SFI Taiwan)	Seminar on Sustainable Development Practices	3	3
2023.06.09	Wu Wen-Chieh	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
2023.09.22~ 2023.09.23	Wu Wen-Chieh	Taiwan Corporate Governance Association	Net Zero Sustainable Talent Development Class [Central Region]: Carbon Offsetting, Carbon Rights, and Carbon Trading	9	9
2023.09.23	Wu Kuo-Hsiang	Securities and Futures Institute (SFI Taiwan)	Seminar on Sustainable Development Practices	3	3
2023.10.13	Wu Kuo-Hsiang	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	

Date of Training	Director	Unit	Course	Hours	ESG-Related
2023.09.23	Wu Kuo-Yu	Securities and Futures Institute (SFI Taiwan)	Seminar on Sustainable Development Practices	3	3
2023.10.20	Wu Kuo-Yu	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
2023.11.15	Wu Kuo-Yu	Securities and Futures Institute (SFI Taiwan)	2023 Annual Insider Equity Trading Legal Compliance Seminar	3	
2023.06.09	Lin Yi-Ren	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
2023.10.13	Lin Yi-Ren	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
2023.08.10	Lin Chi-Nung	Taiwan Corporate Governance Association	Driving Business Growth through Effective Performance Management	3	
2023.12.14	Lin Chi-Nung	Taiwan Corporate Governance Association	Legal Considerations for Internal Shareholding Management and Stock Trading	3	
2023.10.20	Ke Qi-Sin	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
2023.11.29	Ke Qi-Sin	Securities and Futures Institute (SFI Taiwan)	2023 Annual Insider Equity Trading Legal Compliance Seminar	3	
2023.05.23	Ke Qi-Yu	Taiwan Stock Exchange	Promotion of the Sustainable Development Action Plan for Listed Companies	3	3

Date of Training	Director	Unit	Course	Hours	ESG-Related
2023.10.20	Ke Qi-Yu	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
2023.07.15	Ke Xing-Shu	Commerce Development Research Institute	Workshop on Corporate Governance and Sustainable Business Operations	3	3
2023.09.23	Ke Xing-Shu	Securities and Futures Institute (SFI Taiwan)	Seminar on Sustainable Development Practices	3	3
2023.03.23	Zhang Zhi-Sheng	CPA Associations R.O.C. (Taiwan)	Supervision and Practice of Accountants in Anti-Money Laundering	3	
2023.08.03	Zhang Zhi-Sheng	CPA Associations R.O.C. (Taiwan)	Analysis of Cases Involving Money Laundering and Insider Trading Patterns	3	
2023.11.17	Zhang Zhi-Sheng	CPA Associations R.O.C. (Taiwan)	Latest Trends in Cleaning and Protection in Business	3	
2023.05.23	Chen Xiu-Hui	Taiwan Stock Exchange	Promotion of the Sustainable Development Action Plan for Listed Companies	3	3
2023.09.23	Chen Xiu-Hui	Securities and Futures Institute (SFI Taiwan)	Seminar on Sustainable Development Practices	3	3
2023.06.27	Liao Nian-Heng	Taiwan Corporate Governance Association	Disclosure of Significant Company Information and Responsibilities of Directors and Supervisors	3	
2023.06.27	Liao Nian-Heng	Taiwan Corporate Governance Association	Reviewing Internal Control and Internal Audit: A Guide for Directors and Supervisors	3	

Date of Training	Director	Unit	Course	Hours	ESG-Related
2023.04.14	Ou Zheng-Ming	Taiwan Academy of Banking and Finance	Lecture on Corporate Governance	3	
2023.06.09	Ou Zheng-Ming	Securities and Futures Institute (SFI Taiwan)	2023 Annual Conference on Preventing Insider Trading and Promoting Ethical Practices	3	
Total hours of directors				90 hours	33 hours

Board of Directors performance evaluation

The Board of Directors for Sweeten Real Estate Development's self-assessment and the board members' self-assessment resulted in scores of 94 and 94, respectively. The self-assessment results of the Audit Committee and the Compensation Committee achieved scores of 100 and 88, indicating the effective operation of the Board of Directors and the functional committees. The evaluation results was submitted to the Board of Directors on March 13, 2024.

Performance evaluation of Board of Directors

| Evaluation frequency

1. In accordance with the "Regulations Governing the Evaluation of the Performance of the Board of Directors", the annual performance evaluation includes the overall performance of the Board of Directors as well as the individual performance of each member of the Board of Directors and of the functional committees.
2. Evaluation results should be available by the end of the first quarter of the following year.

| Evaluation method

The Board of Directors and Board members evaluate their performance through self-assessment. The performance evaluation of functional committees is conducted by committee members.

| The criteria for evaluating the performance of the Board of Directors is the following five aspects:

1. Participation in the operation of the company
2. Improvement of the quality of the Board of Directors' decision making
3. Composition and structure of the Board of Directors
4. Election and Continuing Education of the Directors
5. Internal control

| The criteria for evaluating the performance of the board members is the following six aspects:

1. Alignment of the goals and missions of the company
2. Awareness of the duties of a director
3. Participation in the operation of the company
4. Management of internal relationship and communication
5. The director's professionalism and continuing education
6. Internal control

| The performance assessment of functional committees is measured across five main dimensions:

1. Participation in the operation of the company
2. Awareness of Committee Responsibilities
3. Improvement of the quality of the Committee Members' decision making
4. Composition and Selection of Committee Members
5. Internal control

| Evaluation results

The evaluation results shall base its determination of an individual directors' performance, remuneration and reappointment.

1.2.2 Remuneration Committee

Sweeten Real Estate Development established a Remuneration Committee on December 5, 2011. The committee is responsible for defining the compensation structure and regulations for the Company's highest governance body, senior management, and all employees. These policies were evaluated based on a number of factors, including the company's business objectives, the competitive and changing economic environment, employee performance and the well-being of employees' families. After evaluation, the Remuneration Committee submits the proposal to the Board of Directors for discussion, deliberation, and implementation.

The Remuneration Committee of Sweeten Real Estate Development consists of three members. The term of the fifth committee is from June 8, 2022, to June 7, 2025. Two meetings were held in 2023, with 100% attendance (including those attending on behalf of others).

Remuneration Committee responsibilities

This Committee shall, with the care of a prudent person, diligently perform the following duties and present its recommendations to the Board of Directors for discussion:

- I. Establish and periodically review policies, systems, standards, and structures for the performance goals and remuneration of directors and executive officers.
- II. Regularly assess the achievement of performance targets for directors and executive officers and determine the content and amount of their individual remuneration.

Information on Compensation Committee members

Title	Name	Professional Qualification and Work Experience	Other Position Concurrently Held at the Company and Other Companies
Convener Committee Member	Zhang Zhi-Sheng	Accounting and Statistics, National Taichung College of Business Master of Graduate Institute of Plastic Arts, Dayeh University Lan-Jai CPAs Firm CPA and CEO	Independent Director of Asia Tech Image Inc.
Committee Member	Liao Nian-Heng	Graduated from the Department of International Business, Feng Chia University Sinon Corporation Vice Chairman	Sinon Corporation Representative Director (Legal Representative) Director of Lelon Electronics Corp.
Committee Member	Ou Zheng-Ming	Graduated from the Department of Electrical Engineering, National Cheng Kung University Universal Microelectronics Co., Ltd. Chairman	Universal Microelectronics Co., Ltd. Chairman Lelon Electronics Corp. Independent Director

Note: All of the aforementioned committee members meet the independence requirements stipulated in Article 6 of the Regulations Governing the Establishment and Exercise of Powers of the Compensation Committee.

Attendance is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
Convener	Zhang Zhi-Sheng	1	1	50%
Committee Member	Ou Zheng-Ming	2	0	100%
Committee Member	Liao Nian-Heng	2	0	100%

1.2.3 Audit Committee

Sweeten Real Estate Development's Audit Committee is composed entirely of independent directors, with a minimum of three members. One member serves as the convener and at least one member must have accounting or financial expertise. The Audit Committee of Sweeten Real Estate Development consists of 3 members, with the term of the second committee running from June 8, 2022, to June 7, 2025. Four meetings were held in 2023, with 100% attendance (including those attending on behalf of others).

Audit Committee responsibilities

The primary purpose of this committee is to oversee the following matters:

- I. Appropriate presentation of the Company's financial statements.
- II. Selection (Dismissal) of CPA and their independence and performance.
- III. The effective implementation of the internal control system within this Corporation
- IV. Compliance with relevant laws and regulations by this Corporation.
- V. Management and control of the existing or potential risks of this Corporation

Audit Committee member information

Title	Name	Professional Qualification and Work Experience	Other Position Concurrently Held at the Company and Other Companies
Convener Independent Director	Zhang Zhi-Sheng	Accounting and Statistics, National Taichung College of Business Master of Graduate Institute of Plastic Arts, Dayeh University Lan-Jai CPAs Firm CPA and CEO	Independent Director of Asia Tech Image Inc.
Independent Director	Liao Nian-Heng	Graduated from the Department of International Business, Feng Chia University Sinon Corporation Vice Chairman	Sinon Corporation Representative Director (Legal Representative) Director of Lelon Electronics Corp.
Independent Director	Ou Zheng-Ming	Graduated from the Department of Electrical Engineering, National Cheng Kung University Universal Microelectronics Co., Ltd. Chairman	Universal Microelectronics Co., Ltd. Chairman Lelon Electronics Corp. Independent Director



The attendance of independent directors is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)
Independent Director (Convener)	Zhang Zhi-Sheng	4	-	100%
Independent Director (Committee member)	Ou Zheng-Ming	4		100%
Independent Director (Committee member)	Liao Nian-Heng	4	-	100%

Note: Dates of the Audit Committee meetings in 2023: March 15, May 10, August 9, November 9

1.3 Integrity Management

To ensure the implementation of the Company's integrity management policy, we have established a clear "Code of Ethics for Employee Integrity" and "Code of Ethical Conduct." These policies are intended to guide the conduct of the Company's directors, officers and employees in accordance with ethical standards and require management to set an example by embodying these standards in their own conduct. We work with external suppliers to achieve industry prosperity through integrity and ethical business practices, becoming a trusted partner for all stakeholders.

In 2023, the Company did not experience any violations of regulations related to corruption, anti-competitive behavior, antitrust, or monopoly practices that resulted in penalties from regulatory authorities. To ensure that all employees understand professional ethics standards, the Company's integrity-related regulations have been published on the website. This provides employees with a comprehensive understanding of the Company's unwavering commitment to integrity, its policies, preventive measures, and the potential consequences of violating these rules.

To promote the healthy development of ethical business practices, we actively prevent unethical conduct and have established a "Procedure for Handling Reports of Illegal, Unethical or Dishonest Conduct." This formal reporting mechanism encourages employees, customers, and suppliers to report any fraud, illegal activities, and violations of the Code of Conduct to the Company. At the same time, a mechanism for absolute confidentiality is in place, and appropriate rewards are offered for legitimate reports to create a win-win situation for both the whistleblower and the Company.

Legal Compliance

Sweeten Real Estate Development complies with the relevant regulations of the competent authorities to ensure the legality and compliance of its business activities. In 2023, the Company did not incur any penalties for violations of the Companies Act, the Securities and Exchange Act, information disclosure, or environmental or social violations.

1.4 Risk Management

To enhance operational performance, Sweeten Real Estate Development not only requires employees to effectively manage daily business operations but also implements target and risk management measures. In terms of systems and processes, risks are categorized according to their different levels and areas of impact. Each department's execution of risk management and implementation of improvement strategies is also tracked. These improvement strategies were reviewed and evaluated by the relevant departments to develop actions to address the risks. We prioritize proactive analysis and preventative measures to effectively minimize the impact of various risks on the business and prevent losses. We require all departments to take stock of potential risks that may arise during operations and to develop targeted response plans and measures to ensure that the Company's operations run smoothly and that established goals are met.

Risk Category		Potential Risk Issues	Risk Management Measures
Governance	Corporate governance	Policy change risk	Continually refine sales strategies and construction methods to reduce construction time and minimize risk.
Economic aspect	Finance	Regulatory risk	<ol style="list-style-type: none"> 1. Employee: Establish guidelines for employees to follow during business operations, ensuring strict adherence to the "Code of Ethics for Employee Integrity." 2. Education and training: Employee education and training programs are planned based on legal categories and include both internal and external training. 3. Environment, health and safety: Employees strictly comply with occupational health and safety, environmental protection laws and regulations, and other requirements of relevant authorities.
Environment	Operations	Fluctuating market conditions and an imbalance between labor supply and demand have led to a downward trend in the overall quality of labor, resulting in inconsistent engineering quality. Reduced supply and price volatility in the broader market have led to an increase in material costs.	<ol style="list-style-type: none"> 1. Use a significant number of negotiation terms to suppress costs. 2. Actively seeking alternative materials. 3. Explore alternative construction methods to identify opportunities to reduce the number of work types and processes.
	Environment	Excess materials cannot be recycled, resulting in an inability to reduce waste. Energy prices continue to rise.	<ol style="list-style-type: none"> 1. Materials used are changed to environmentally friendly and recyclable materials. 2. Introduce green building and smart home designs to enhance energy efficiency.
Society	Occupational safety	Employee attendance and the risk of accidents in the workplace	<ol style="list-style-type: none"> 1. The "Employee Handbook" outlines the necessary precautions for working in the office and entering and leaving job sites, as well as information on office fire safety and emergency evacuation procedures. 2. Establish guidelines and related protocols for employees in the event of significant emergencies, such as COVID-19.
	Human resources	High employee turnover rates can negatively impact company operations	<ol style="list-style-type: none"> 1. Periodically review the salary structure and assess whether remuneration terms need to be adjusted. 2. A variety of benefits, such as company trips and group meals, help build team cohesion. 3. Maintain close contact with employees outside the Company who demonstrate outstanding performance in the workplace, so that they can be targeted for recruitment when job openings arise.

Internal audit

Sweeten Real Estate Development's internal controls are designed to promote sound corporate governance and provide reasonable assurance of achieving the following objectives 1. effectiveness and efficiency of operations, 2. reliability, timeliness, transparency and compliance of reporting, and 3. compliance with applicable laws and regulations.

To establish an internal control system, the Company systematically divides primary business activities into interconnected transaction cycles, thereby creating relationships between them. Internal operations are primarily divided into the following eight major cycles:

1 Sales and collection cycle.	2 Procurement, contracting and payment cycle.	3 Production cycle.	4 Payroll cycle.
5 Financing cycle.	6 Property, plant, and equipment.	7 Investment cycle.	8 Other management control operations.

Internal audit conducted a focused audit of specific operations/departments, including key operational cycles such as sales and collections, procurement, contracting, and payment. A total of 72 audits were conducted during the year, with a 100% compliance rate. CPAs must participate in the Audit Committee at least once a year to report their findings to the independent directors. The head of internal audit submits an audit report to the independent directors by the end of the month following the completion of each audit item. In addition, the head of internal audit presents audit reports at regular meetings of the Audit Committee.

Internal audit flowchart



An internal control system is an ongoing operational process that involves the continuous examination of various business and management activities to identify inconsistencies between company policies, operating procedures, established objectives or expected standards. When problems are identified, the situation is reported to the appropriate level of management through the feedback system. Necessary corrective actions are taken to ensure that the Company's operations remain aligned with the original direction.

In addition, the internal control system uses internal checks and balances to achieve the purpose of verification, thereby preventing potential irregularities in operations. This responsibility is not the sole responsibility of any one department, nor is it limited to management. Rather, it is a collective effort that must be driven and executed by all employees.

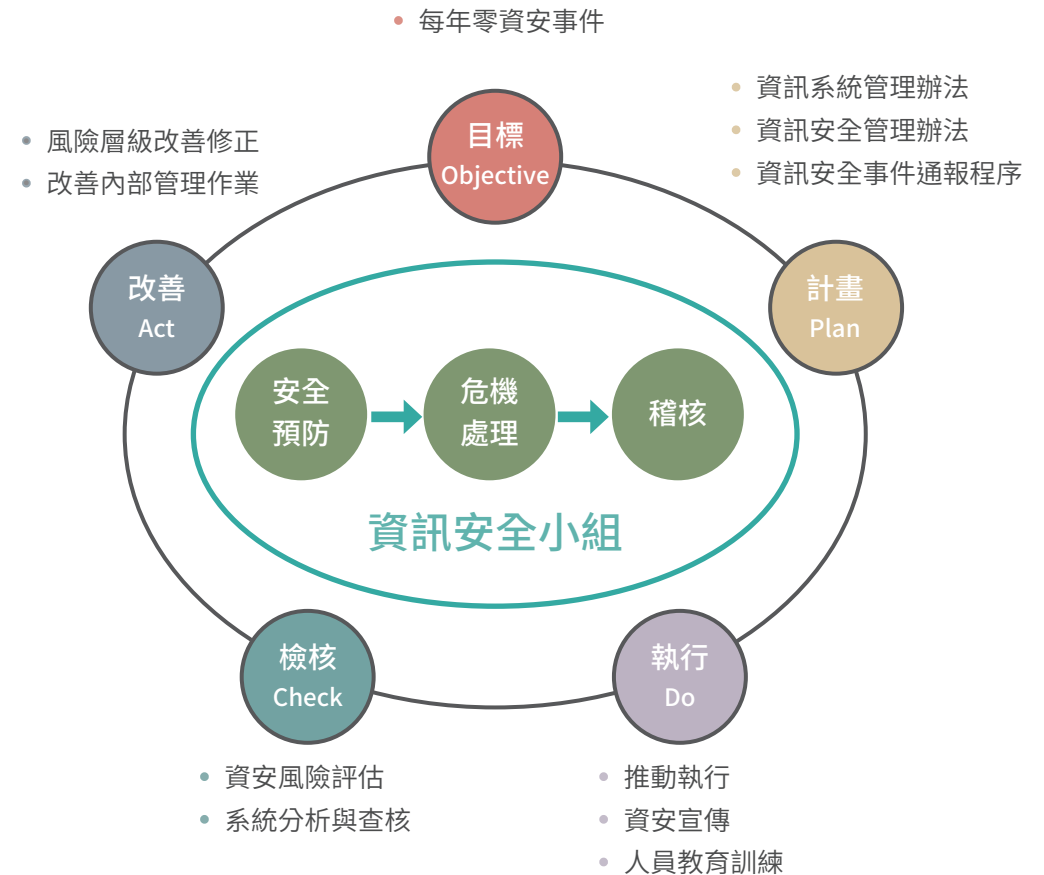
1.5 Information Security

Information security is one of the fundamental cornerstones of the Company's operations. We are committed to ensuring the security of the Company's information assets in terms of confidentiality, integrity and availability, and to maintaining the stable operation of information systems. By establishing a comprehensive information security management framework and policies, we strive to prevent both internal and external threats and risks, while raising cybersecurity awareness among all employees. Through sustained efforts and unwavering commitment, we can effectively protect the Company's information assets and ensure the security and stability of the Company's information.

Information Security Team

Sweeten Real Estate Development's Information Security Team, consisting of the Information Security Manager and Information Security personnel, is responsible for establishing and implementing information systems and information security policies, as well as implementing information security incident reporting procedures.

The Company utilizes the OPDCA (Objective-Plan-Do-Check-Act) cycle management approach in its information security operation mode to ensure goal achievement and continuous improvement. Our information security protection and control measures cover seven aspects: server management, firewall management, e-mail security management, website security management, and physical security management. These measures comprehensively cover all aspects of information security, including equipment, systems, environment, and personnel, to ensure the security and stable operation of the company's information environment.

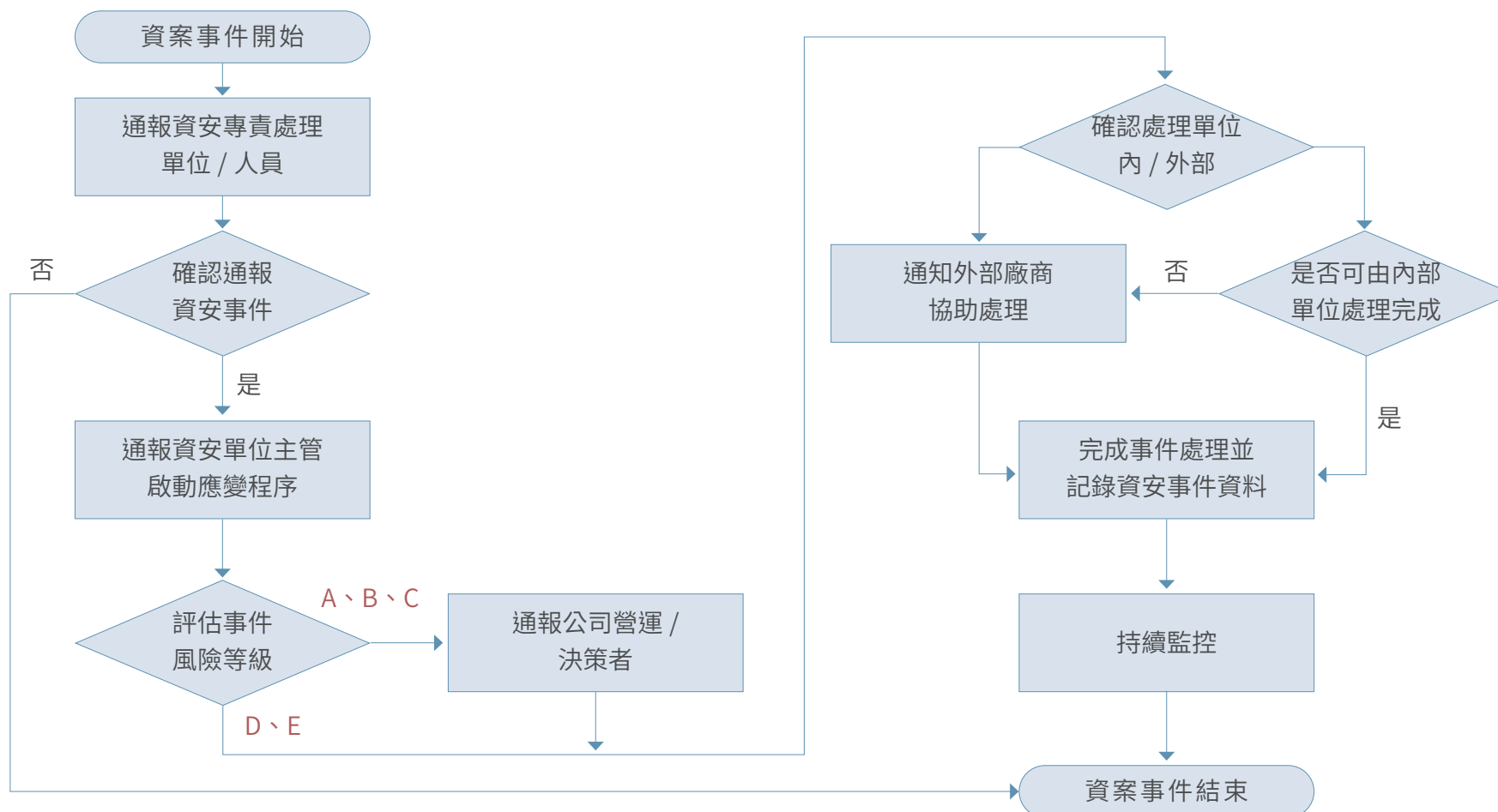


Information security protection and control measures

1. **Server Management:** In order to ensure the proper functioning of server hosts, we will establish an information security control mechanism.
2. **Firewall Management:** The establishment of a corporate firewall and the configuration of connection protocols based on network usage characteristics are crucial for safeguarding the company's information environment and data.
3. **Email Security Management:** We will implement an email filtering system to scan emails and proactively protect against attack threats, phishing emails, spam emails, unsafe attachments, and malicious links.
4. **Website Security Management:** The data transmission of website services is carried out using security protocols, and the transmission process employs SSL/TLS encryption.
5. **Physical Security Management:** Internal important information equipment should be securely stored in a dedicated machine room to ensure effective protection. The power supply and communication lines that connect the information facilities should be adequately safeguarded and subject to regular inspections.
6. **Environmental Security Management:** Implement access control for the server room and maintain appropriate temperature and humidity levels within the facility to ensure proper operation of system equipment.
7. **Access Control Management:** To ensure the security of important information assets, such as networks and operating systems, as well as confidential data in information services and other projects, it is essential to establish operational procedures for access control. These procedures will define the access rights of both users and administrators.
8. **Backup and Recovery Management:** Both servers and endpoint devices regularly perform backup procedures to ensure data security and facilitate information recovery operations.
9. **Management of Virus Protection System:** Anti-virus software and endpoint protection system is installed on each endpoint to effectively ensure the security of information operations.
10. **Management of Intrusion Detection Systems:** Implement an intrusion detection system to efficiently monitor network connectivity and mitigate external attacks.
11. **Electronic Data and Media Destruction:** Prior to conducting the electronic data and media destruction process, an inventory should be conducted to confirm the retention period, type, and value of the data. Management personnel, in conjunction with relevant information personnel and units, should then oversee the entire process to ensure complete erasure or destruction.

Information security incident reporting procedure

Information security incidents include any cyber-attacks, virus infections, spam, data or website tampering, equipment vulnerabilities, and communications disruptions that originate from the network.



Key measures for information security management

1. Regarding the control of access, use, and destruction rights for electronic data, the control methods shall be in accordance with Sweeten Real Estate Development's "Information System Management Regulations."
2. Sweeten Real Estate Development has deployed two types of intrusion prevention systems (IPS): the information security fleet from Chunghwa Telecom and the FortiGuard IPS security service. These systems help the company identify malicious traffic and monitor for vulnerabilities and intrusions. When detected, appropriate actions are taken, such as blocking access, isolating hosts, or blocking access to external websites that may pose potential vulnerabilities
3. The Company uses firewalls to prevent threats from external networks. It unifies the monitoring and control of all threats and security-related activities and integrates multiple security features or services into network devices. This provides network users with protection from a variety of threats, including antivirus, content filtering, email and website filtering, and anti-spam.
4. Establish an information equipment policy that outlines rules for employees using company information equipment and Internet resources. This includes prohibiting the downloading of illegal files and software and the unauthorized transmission of sensitive electronic data. In addition, firewall measures are implemented to increase control over applications and electronic data.
5. Server host management is divided into software (Regulations for Information System Management) and hardware environment (Information Security Management). The "Regulations for Information System Management" primarily detail the management of system software operating on the server host, covering system setup, updates, maintenance, usage, and electronic data security. The "Information Security Management" focuses on managing the transmission security of electronic data on the server host, the physical security of hardware equipment, and the security of the operating environment.

2



Economy

Innovative Breakthrough, Brand Value

- 2.1 Construction Quality Management
- 2.2 Innovative Technologies
- 2.3 Customer Value
- 2.4 Sustainable Supply Chain

2.1 Construction Quality Management

The core policy of Sweeten Real Estate Development is "Things are built to be great". From land development, design, and engineering to construction, procurement, supervision, and handover, all employees work together in their respective areas of expertise to complete each stage of the process and meet quality requirements. This ensures that every building constructed by the company is a guarantee of excellence. Backed by high quality products, we serve our customers with sincerity and responsibility. We strive to create a comfortable living and working environment and continuously improve our customer service quality to ensure customer satisfaction.

Superior construction quality management has always been a vision pursued by Sweeten Real Estate Development. Providing high-quality and safe homes for our customers is the company's responsibility.

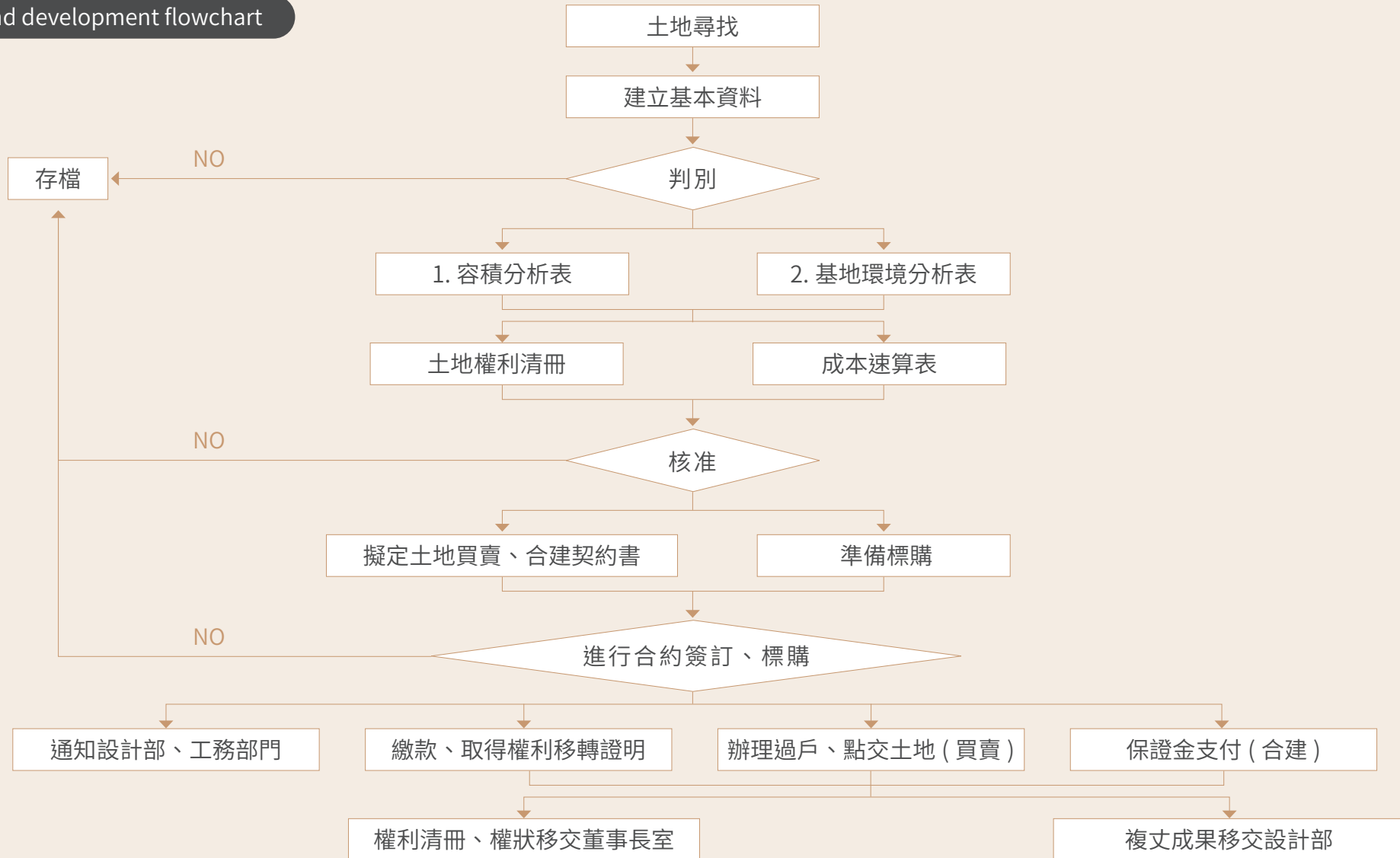
Land development

The Company understands the importance of land development in making investment decisions and confirming investment returns. Land development, as the raw material for the construction and operation of the Company, requires not only reasonable and prudent assessment, but also planning of the most appropriate intensity of development in accordance with the relevant legal regulations. We conducted an assessment of the development, transportation, amenities, and public facilities in the area where the site is located, with a particular focus on the future prospects of the real estate market. Therefore, we recognize the importance of land development in construction and have incorporated this principle into our land development plans.

Land Development Process

1. Confirming the urban planning zoning based on the regulations of the relevant building laws, this review examines the floor area ratio of the development site, aiming to maximize its effectiveness.
2. This application seeks confirmation of the land registry data, including area, ownership, structures, and encumbrances, to ensure a clear title for the transaction.
3. The investigation will evaluate the road width and property ownership at the survey site to determine if it is accessible and if there are any right-of-way issues.
4. This assessment considers and conducts on-site inspections of the surrounding area to determine if the housing amenities, transportation access, public facilities, and nearby schools adequately meet housing needs.
5. Based on the analysis of land, construction, sales and management costs, income and profit using the basic data of the land, the effectiveness of the investment is confirmed and submitted to the meeting for decision.
6. In accordance with the Company's land development control procedures and asset acquisition or disposal policies, a professional appraisal report must be obtained for transactions exceeding a specified amount.
7. The land purchase agreement and payment method will be determined based on the submission process of the land administration agency, and the payment schedule will be established accordingly.
8. Land acquisition requires an on-site boundary survey to confirm property boundaries and current conditions. Upon receipt of the land, the Company assumes management responsibilities.

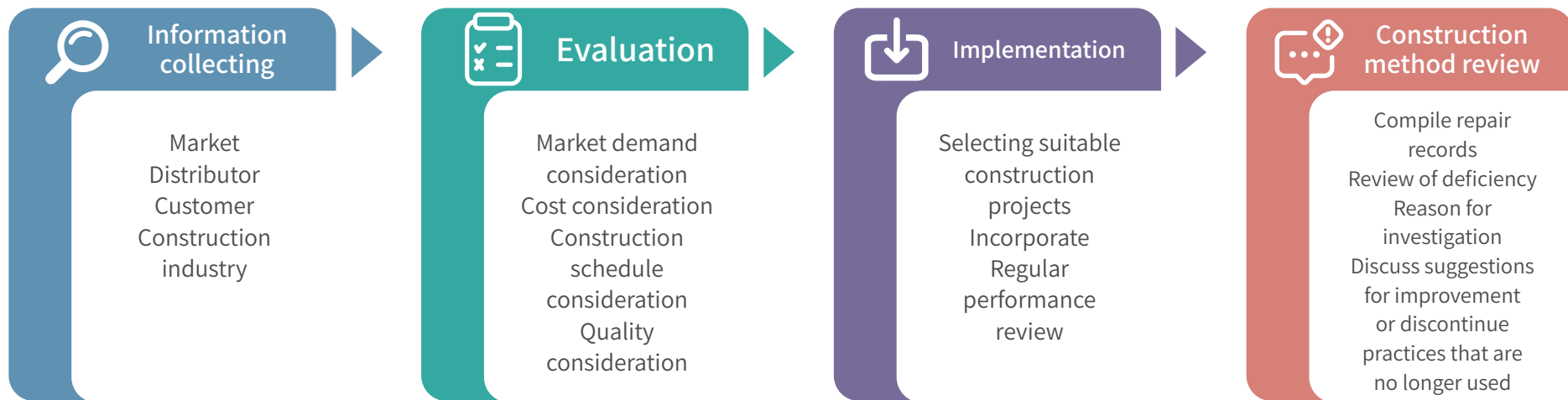
Land development flowchart



Enhance quality management

Sweeten Real Estate Development, in pursuit of homes that meet the demands of the times, has focused on talent and organizational structure. In order to cultivate more outstanding professionals and enhance the core capabilities of the team, we participate in various construction information exchange activities. From external seminars and exhibitions to visits to suppliers, we never miss an opportunity to learn, acquire new materials and construction methods, and understand market trends. We then translate the knowledge gained into internal training materials.

In addition to continuously acquiring external knowledge to enhance our professional skills, we use a project-based organizational structure and establish dedicated units to monitor construction quality. We use the reviews and feedback from each construction project as a basis for improvement. In addition, we analyze customer repair records from the Customer Service Department to identify repair items and propose solutions for improvement. We continuously improve construction methods, materials, and quality control procedures. By accumulating knowledge and experience and making continuous adjustments, we demonstrate the company's management capabilities at every stage of our construction projects.



Establish a three-tier quality control system

Sweeten Real Estate Development implements a "three-tier quality control system" to rigorously manage construction quality.

[Level One]

Material and construction suppliers must submit their own quality control procedures, inspection frequency and inspection items. They must also supervise construction suppliers to verify and implement other suppliers' self-inspection procedures.

[Level Two]

Construction suppliers establish quality control organizations. Based on the characteristics of each project, contract drawings, and construction specifications, they develop comprehensive construction plans, quality control plans, and construction quality management standards. They also compile construction guidelines and construction schedules, draw construction drawings, prepare self-inspection checklists, establish material inspection procedures, develop defect correction procedures, and maintain quality records. This ensures effective implementation of quality control and supervision of construction sites to meet requirements for progress, safety, hygiene, environmental protection, access control, and construction quality.

In addition to architectural design and supervision, we have also engaged structural engineers, a PCM, and a team of consultants to oversee and manage the quality control of the construction unit to ensure that quality standards meet legal and contractual requirements.

[Level Three]

The Construction Department of Sweeten Real Estate Development is responsible for auditing and supervising the project management and construction supervision units in fulfilling their quality inspection duties. Subsequently, the Customer Service Department conducts internal quality checks, utilizing professionals from diverse backgrounds to identify and rectify any potential issues.

If problems are identified during the inspection process, corrective action should be taken immediately and re-inspections should be conducted until the inspection is passed. A property is delivered only after it has passed internal quality control procedures. This meticulous approach ensures the quality of the building and meets the client's expectations.

Level One

Suppliers propose self-conducted quality audits at each stage

Level Two

Supervisory unit and structural engineer construction inspection
Quality audit by dedicated engineers of the construction supplier
Self-conducted quality inspections by site engineers of the construction supplier at each stage

Level Three

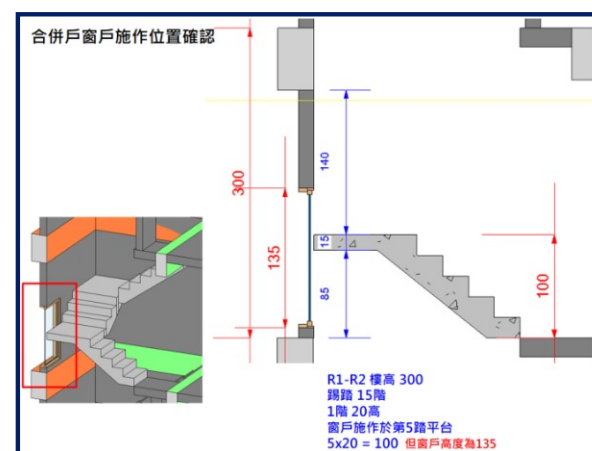
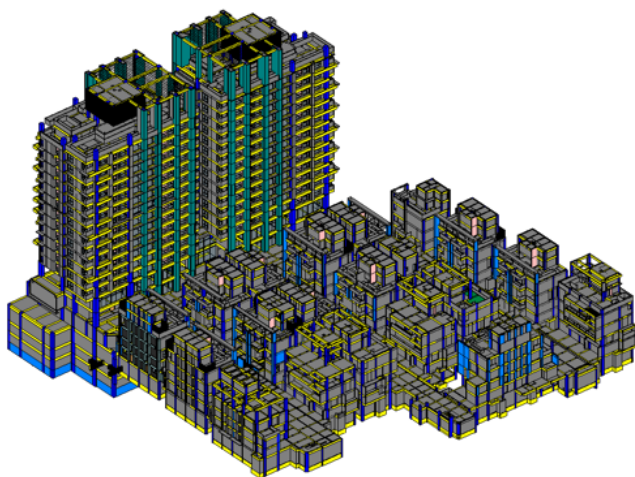
Quality inspection by the Construction Department of Sweeten Real Estate Development

2.2 Innovative Technologies

Construction management

BIM establishment before construction

1. Before construction begins, the BIM system is used to simulate the finished shape of the building. This allows for the review of spatial arrangements to identify potential conflicts. This process helps the engineering team identify problems early and correct them in a timely manner.



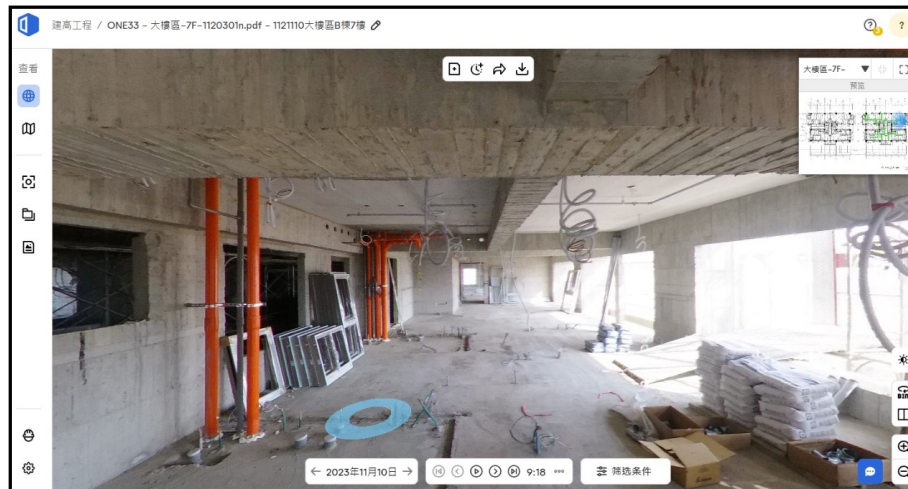
2. Standard construction drawings were developed, integrating materials and constructability from various suppliers. Detailed drawings were then created and followed through construction.
3. Prior to the structural work, an exterior tile plan was implemented. The three-line principle was used to review structural lines, plaster lines and renovation lines to control the use of whole and half tiles as basic shapes to minimize material waste.
4. The creation and implementation of a MOCK-UP ROOM involves the construction of a partial space, such as a restroom or stairwell, prior to the start of the main construction project. This allows for evaluation of visual aesthetics, spatial comfort, and feasibility of material detailing upon completion. Once approved, the project proceeds with the construction of the remaining spaces, adhering to the adjusted dimensions and details established during the mock-up phase.

Project progress control

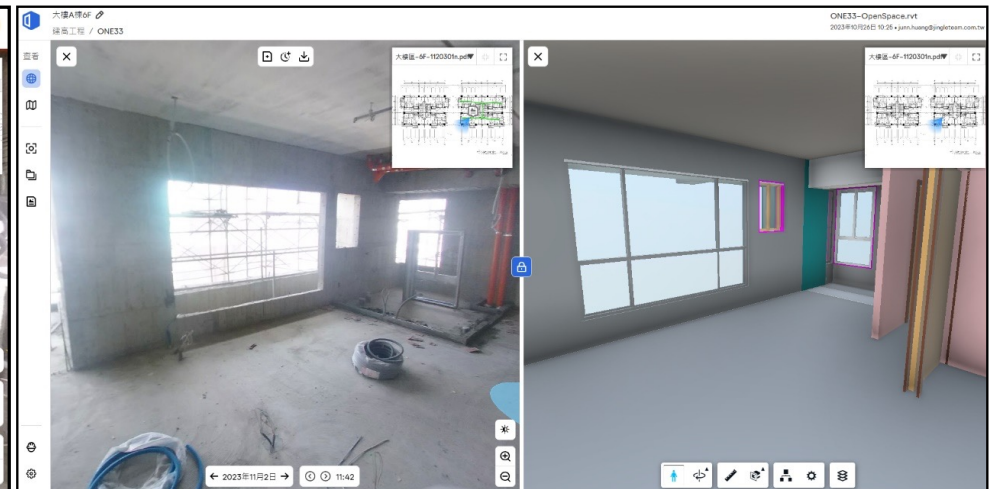
1. In addition to submitting construction progress reports, construction suppliers must also submit procurement plan progress reports. This is to avoid delays in project start due to material selection, sample selection, and material preparation time.
2. To keep the project on schedule, construction progress is regularly monitored at each stage. If any concerns arise, further adjustments are made and the detailed construction schedule is revised accordingly.

Project implementation

1. The implementation of an OPEN SPACE system supports site management by providing a cloud-based panoramic view of the site. This allows for rapid completion of real-time records of key tasks and facilitates understanding of project progress. The ability to compare BIM models through Virtual Design and Construction (VDC) tools enables real-time comparison between the BIM model and the actual construction progress on site.



Implement Google Street View mode for on-site capture and preservation



The BIM model can be compared to the actual construction process and results to verify that the construction is being performed in accordance with the verified design conclusions.

2. Construction weekly report:

Construction suppliers shall submit a progress report for each project every six months, detailing the types of construction work in progress at each stage and the scheduled progress. In addition, project engineering inspection reports, key engineering inspection checklists, material inspection records, material test reports and photographs, occupational safety and health management operations, construction record photographs, and site environmental safety assessment checklists are randomly inspected on an irregular basis.

3. Hold regular construction site meetings

Regular site meetings are held bi-weekly to address drawing integration issues and coordinate other construction issues.

Seismic-resistant buildings: Safety Standards for Design Planning and Materials

Sweeten Real Estate Development ensures the safety of its buildings through rigorous seismic design and construction material requirements, providing clients with peace of mind. The less visible the details, the more attention they require. In structural design analysis, geological drilling investigations by geotechnical engineers serve as the first step in architectural planning. The company will enhance the geological parameter report to inform structural design strength and select appropriate foundation construction methods, thereby improving the building's structural safety and mitigating the risk of soil liquefaction.

Seismic structural foundation design

1. Raft foundation:

In a raft foundation, all structural columns rest on a single large foundation slab, resulting in a more even load distribution. During an earthquake, the entire building moves as a unit, similar to a raft on the water, increasing its overall seismic resistance.

2. Pile foundation:

Pile foundations extend deep into the ground, transferring structural loads directly to the underlying bearing layer, such as hard soil or rock. They provide excellent load bearing capacity and protect structures from soil liquefaction.

3. Diaphragm walls:

Reinforced concrete retaining structures constructed below grade that serve as the exterior walls of building basements and provide a barrier for the structural safety of building basements.

Seismic building materials standards

1. High-spec concrete strength:

The concrete materials used in this project use well-known cement brands such as Taiwan, Asia, Hsing Ta Cement, Lucky Cement and Universal Cement. These are combined with ready-mixed concrete from reputable domestic manufacturers such as Goldsun, Taiwan Cement and Liang Chun. The concrete materials used meet the requirement of chloride ion content below the national standard, which ensures that no sea sand is used. The cement used in the concrete materials is strictly regulated to prevent the mixing of different brands, thus ensuring the best structural quality.

2. High-tensile seismic reinforcement steel

The project utilizes vanadium-added rebar produced by a reputable steel mill. Vanadium is added during the steel bar production process to improve the mechanical properties of the reinforcing bars, including yield strength and ductility. Water quenched rebars are not used due to their unsuitability for welding and fabrication, thus ensuring the quality of the rebar structure.

All rebars meet the requirements of CNS560 for weldable rebars. Their advantages include not only meeting the yield strength requirement, but also being suitable for welding or joining. They have excellent ductility, which ensures that the structure meets the requirements of seismic design.

3. SA grade steel bar couplers

Sourced from reputable professional manufacturers, SA grade couplers offer superior ductility and toughness compared to B grade couplers. Their tensile and compressive strength should enable the connected rebar to achieve its specified tensile strength.

4. Offset splicing method for column reinforcement bars

Unlike traditional splicing methods that use a lap splice, the connector uses a layered splice approach. This prevents the connectors from being placed on the same cross-section and ensures that the splice positions do not overlap. As a result, the concrete and reinforcing steel are firmly bonded, reducing the likelihood of cross-section collapse due to strong external forces.

Green building

Green buildings not only provide a comfortable living environment for their occupants, but also actively incorporate a range of environmentally friendly measures in the design and construction of buildings in the face of the growing challenges posed by global warming and environmental pollution. These measures include the use of renewable energy, energy-efficient equipment, and environmentally friendly building materials to minimize negative environmental impacts. At the same time, with a focus on indoor air quality, the project will use non-toxic, environmentally friendly green building materials and environmental control systems to ensure occupant health and comfort. In addition, the Company actively promotes environmentally friendly architectural design, using methods such as green roofs, rainwater harvesting, and recycling to protect the ecological environment and promote the development of biodiversity. Sweeten Real Estate Development's green buildings are committed to achieving sustainable development goals, providing a healthy and comfortable living environment for society and residents, while contributing to the fight against global warming and environmental protection. In 2023, obtained one green building silver certificate and one green building silver candidate certificate.

Sweeten Green Vision Green Building - Silver



Application of carbon reduction technologies

- Interior partition walls will be constructed using lightweight grouted walls
- Vertical greening design for exterior walls
- Water-saving labeled bathroom fixtures
- The air conditioning of the public facilities uses a multi-split variable frequency system
- Install a rainwater harvesting system
- Insulation covering for hot water piping

KING'S ROAD Green Building Candidate - Silver



Urban Renewal - Children Welfare Center A1 Base Urban Renewal Project

Sweeten Real Estate Construction Development actively responds to national development plans, helping to promote the reconstruction of old buildings and urban renewal to improve the safety and quality of living environment for the people of Taiwan. Taipei Xinyi District Children Welfare Center A1 Base Urban Renewal Project held its groundbreaking ceremony in November 2023 and is expected to be completed in 2028. The site is located on the south side of Civic Boulevard Section 6 and will be developed with three buildings and four structures. The National Housing and Urban Regeneration Center, the Taipei City Government and Sweeten Real Estate Development will jointly own the project. The central area of the site adopts the design concept of a courtyard within a courtyard, incorporating a courtyard park. This design both distinguishes different functions and connects the overall open space, providing a common area for the community and neighborhood residents.

This project meets Silver Green Building, Gold Smart Building, and Structure Accreditation Building Label, creating a safe, high-quality, and environmentally friendly community for all ages. This project has three key features: First, it involves close cooperation between the central government, local authorities and the private sector, using the concept of "value exchange" to concentrate land value while maintaining the integrity of the site. Second, the local government has boldly tackled the "double aging" challenge of elderly residents and aging homes, revitalizing the area and creating a friendly living environment. Third, with a building coverage ratio of approximately 38.64%, the project will incorporate a spacious community courtyard that will serve as a large living room for neighborhood residents, fostering interaction and a sense of belonging among different generations.



2.3 Customer Value

Sales process

Sweeten Real Estate Development pays close attention to every detail of product sales, starting with product positioning and preparation. The company carefully identifies its target market and customer base and then develops appropriate sales strategies. The goal is to provide customers with a realistic experience of the product's quality and features through the creation of color line drawings, perspective drawings, models, and the construction of a 1:1 scale model home. During the contract drafting phase, the standard contract template set by the Executive Yuan was followed, and building materials and equipment were confirmed. The final contract was then completed. At the same time, sales inquiry forms and sales data will be prepared. Professional vendors are hired to conduct training sessions for sales staff to improve their product knowledge and sales skills. Great care has also been taken in the selection of distributors, ensuring their legal compliance and the signing of clear cooperation agreements.

For advertising materials, the Planning Department will propose the content of the advertising copy. After review by the company and the sales agency, the content is implemented to ensure accuracy and legality. Sales personnel offer detailed product information while greeting and introducing clients, and they organize activities tailored to client preferences. During the presale housing sales and contract signing stages, a contract is provided to clients for review, clearly outlining the building materials, equipment, and model home configuration. At the same time, arrangements are made for clients to establish a dedicated real estate development trust at a bank to ensure the security of the transaction. To prevent consumer disputes, the Company has established strict consignment management regulations, including legal and compliance requirements for consignment companies, sales personnel work records, and clear records of customer requests. Sweeten Real Estate Development places the utmost importance on every step of the process, providing clients with the highest quality products and services. We ensure that each customer is satisfied and completes the transaction while enjoying a quality community lifestyle.

Customer service

At Sweeten Real Estate Development, our customer service philosophy is "professionalism and dedication, sustainable service." We are committed to a customer-centric approach and listen carefully to our clients' needs and feedback. Through our exceptional expertise and attentive service, we provide customized solutions to help our clients achieve their dreams and aspirations.

Pre-handover services

The Company complies to a customer-centric philosophy, offering a comprehensive range of attentive services before handover. This includes payment reminders, pre-sale construction modifications, and partial material selection to effectively meet customer needs. In addition, through a dedicated app system, customers can more conveniently engage in dialogue, conduct property inspections, complete property handovers, and submit repair requests, increasing service efficiency and convenience. Lastly, a third-party inspection of the community is conducted to ensure the quality of the housing and provide customers with a safe and secure living environment.

Home inspection



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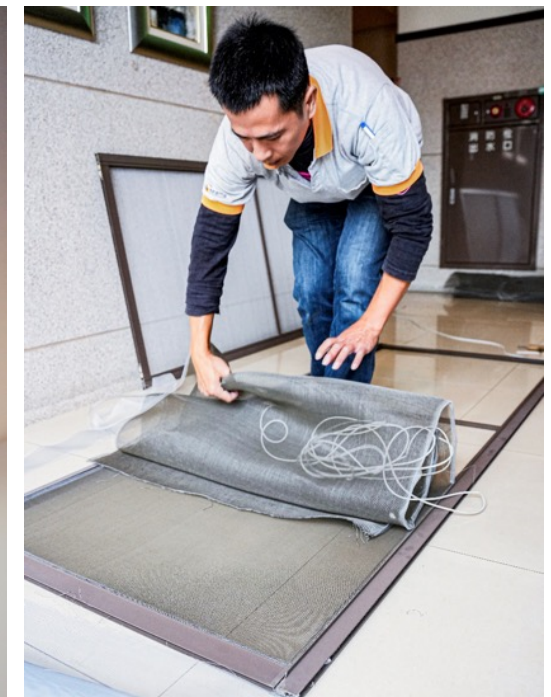
房屋驗收單		編號	SI-4-720	制定日期	112.05.31	版本	3	頁次	1
工址名稱	順天謙華	客戶姓名	2023/08/22	樓層		樓戶號			
樓層	位置	內容	工程	備註	改善與否	備查說明			
1	客廳	牆面平整度、牆面清潔度	OK	OK					
2	廚房	牆面平整度、牆面清潔度	OK	OK					
3	浴室	牆面平整度、牆面清潔度	OK	OK					
4	臥室	牆面平整度、牆面清潔度	OK	OK					
5	玄關	牆面平整度、牆面清潔度	OK	OK					
6	陽台	牆面平整度、牆面清潔度	OK	OK					
7	樓梯	牆面平整度、牆面清潔度	OK	OK					
8	走廊	牆面平整度、牆面清潔度	OK	OK					
9	門廳	牆面平整度、牆面清潔度	OK	OK					
10	廚房	牆面平整度、牆面清潔度	OK	OK					
11	浴室	牆面平整度、牆面清潔度	OK	OK					
12	臥室	牆面平整度、牆面清潔度	OK	OK					
13	玄關	牆面平整度、牆面清潔度	OK	OK					
14	陽台	牆面平整度、牆面清潔度	OK	OK					
15	樓梯	牆面平整度、牆面清潔度	OK	OK					
16	走廊	牆面平整度、牆面清潔度	OK	OK					
17	門廳	牆面平整度、牆面清潔度	OK	OK					
18	廚房	牆面平整度、牆面清潔度	OK	OK					
19	浴室	牆面平整度、牆面清潔度	OK	OK					
20	臥室	牆面平整度、牆面清潔度	OK	OK					
21	玄關	牆面平整度、牆面清潔度	OK	OK					
22	陽台	牆面平整度、牆面清潔度	OK	OK					
23	樓梯	牆面平整度、牆面清潔度	OK	OK					
24	走廊	牆面平整度、牆面清潔度	OK	OK					
25	門廳	牆面平整度、牆面清潔度	OK	OK					
26	廚房	牆面平整度、牆面清潔度	OK	OK					
27	浴室	牆面平整度、牆面清潔度	OK	OK					
28	臥室	牆面平整度、牆面清潔度	OK	OK					
29	玄關	牆面平整度、牆面清潔度	OK	OK					
30	陽台	牆面平整度、牆面清潔度	OK	OK					
驗收人：[簽名] 日期：2023/08/22									
交屋新開單									
備註：									
客戶	客戶姓名	客戶電話	客戶地址	客戶簽名	客戶日期	客戶簽名	客戶日期	客戶簽名	客戶日期
客戶	客戶姓名	客戶電話	客戶地址	客戶簽名	客戶日期	客戶簽名	客戶日期	客戶簽名	客戶日期
客戶	客戶姓名	客戶電話	客戶地址	客戶簽名	客戶日期	客戶簽名	客戶日期	客戶簽名	客戶日期

General inspection



Community circuit repair service

Complying with the principles of "people-centric" and "customer-first" along with the motto "things are built to be great," Sweeten Real Estate Development has dedicated 30 years to core business, providing enthusiastic and unwavering service to customers. To ensure continuous after-sales support, especially for communities beyond warranty periods, the company conducts "Community Circuit Services" to address wear and tear on equipment. This service offers residents the fastest and most effective home repair solutions, ensuring a more comfortable living environment.



Sweeten Nice Family APP

The Sweeten Nice Family APP is a convenient service application designed specifically for residents that offers a number of convenient features, including a member center, online repair requests, event registration, and group shopping. To ensure the security of customer data, we have activated an SSL certificate and implemented SSL encryption during transmission. This provides a secure communication channel for our customers, ensuring that data is protected from any risk of modification or leakage. At the same time, we have established a strict privacy policy that clearly informs customers about the collection, processing, and use of their personal information, as well as their rights regarding their personal information and the privacy protection in place. This ensures the security and reliability of our customers' personal information.

共享登入-設定帳號



- **Member center:** Provides centralized property management and allows sharing mechanisms to give tenants and family members access to the same property for management purposes.
- **Online repair request:** Users can submit repair requests and track their progress online, anytime, anywhere. They can also communicate with customer service representatives through the chat system, facilitating efficient resolution of repair issues.

編輯	單號	報修日期	目前狀態	使用者名稱	聯絡人	聯絡電話	聯絡時間	建築名稱
	ST113-000199	2023-10-30	待排定	陳先生	陳先生	0912-345678	10/30 14:30	建國大樓
	ST113-000198	2023-10-30	待排定	林先生	林先生	0912-345678	10/30 14:30	建國大樓
	ST113-000197	2023-10-30	待排定	陳先生	陳先生	0912-345678	10/30 14:30	建國大樓
	ST113-000196	2023-10-30	待排定	陳先生	陳先生	0912-345678	10/30 14:30	建國大樓
	ST113-000195	2023-10-30	修繕中	陳先生	陳先生	0912-345678	10/30 14:30	建國大樓
	ST113-000194	2023-10-29	待排定	陳先生	陳先生	0912-345678	10/29 14:30	建國大樓
	ST113-000193	2023-10-29	待排定	陳先生	陳先生	0912-345678	10/29 14:30	建國大樓
	ST113-000192	2023-10-29	待排定	陳先生	陳先生	0912-345678	10/29 14:30	建國大樓
	ST113-000191	2023-10-29	修繕中	陳先生	陳先生	0912-345678	10/29 14:30	建國大樓
	ST113-000190	2023-10-29	待排定	陳先生	陳先生	0912-345678	10/29 14:30	建國大樓

- **Event registration:** Users can inquire about events hosted by Sweeten Real Estate Development or the community, complete registration, and make payments.
- **Group purchases:** Users can view project-specific discounts at any time and purchase discounted products as a group.
- **Appointed stores:** Users can enjoy preferential services at appointed stores.

Community events

To create a vibrant and welcoming community environment where residents not only enjoy comfortable living conditions, but also have access to a wide range of community activities. Through a variety of carefully planned events, we aim to increase communication and interaction among community residents, fostering emotional connections and improving residents' well-being and quality of life.

• Stress relief exercises



• Children's summer camp



Wellness seminar



Festival events



Mid Autumn festival events

Halloween decorations



Christmas events



Seasonal items



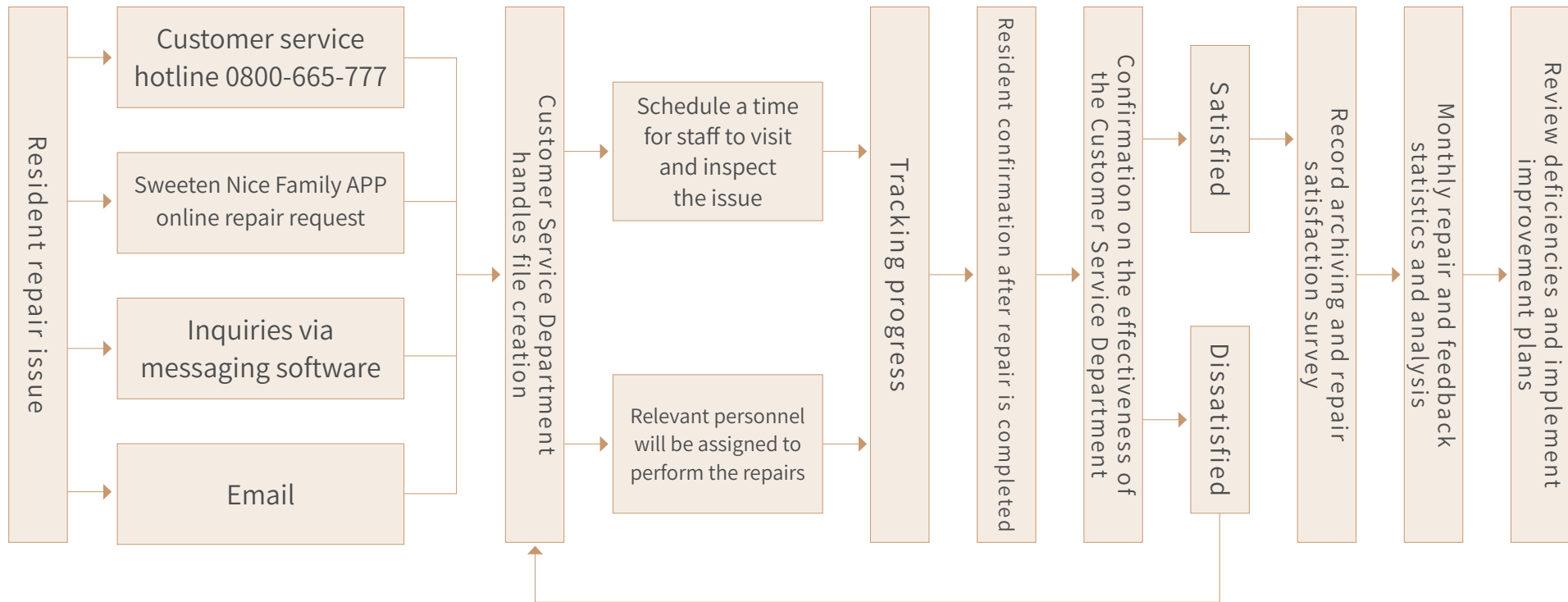
Customer satisfaction

Sweeten Real Estate Development prioritizes customer satisfaction and provides a comprehensive after-sales service process, including a one-year warranty and lifetime service commitment. We value the opinions and feedback of every client. Therefore, at the end of each project, we invite clients to complete a satisfaction survey to ensure that our services meet their expectations.

Based on the results of customer satisfaction surveys conducted over the past three years, the average satisfaction rating has reached 92%. Customer satisfaction generally ranges from average to very satisfied. We conduct annual customer satisfaction surveys and develop action plans to address any areas of dissatisfaction or high levels of dissatisfaction. These plans are reviewed regularly to ensure that our services consistently meet customer expectations and needs.

Besides this, we actively gather and utilize customer feedback to improve our services and products. We provide multiple convenient feedback channels, including communication software for inquiries from existing customers, the Sweeten Real Estate Development 0800 toll-free hotline, and the Sweeten Nice Family app. Additionally, we regularly send out repair satisfaction surveys for residents to complete. We also work closely with property managers and management committees in each community to understand residents' needs and feedback, and to actively implement improvements.

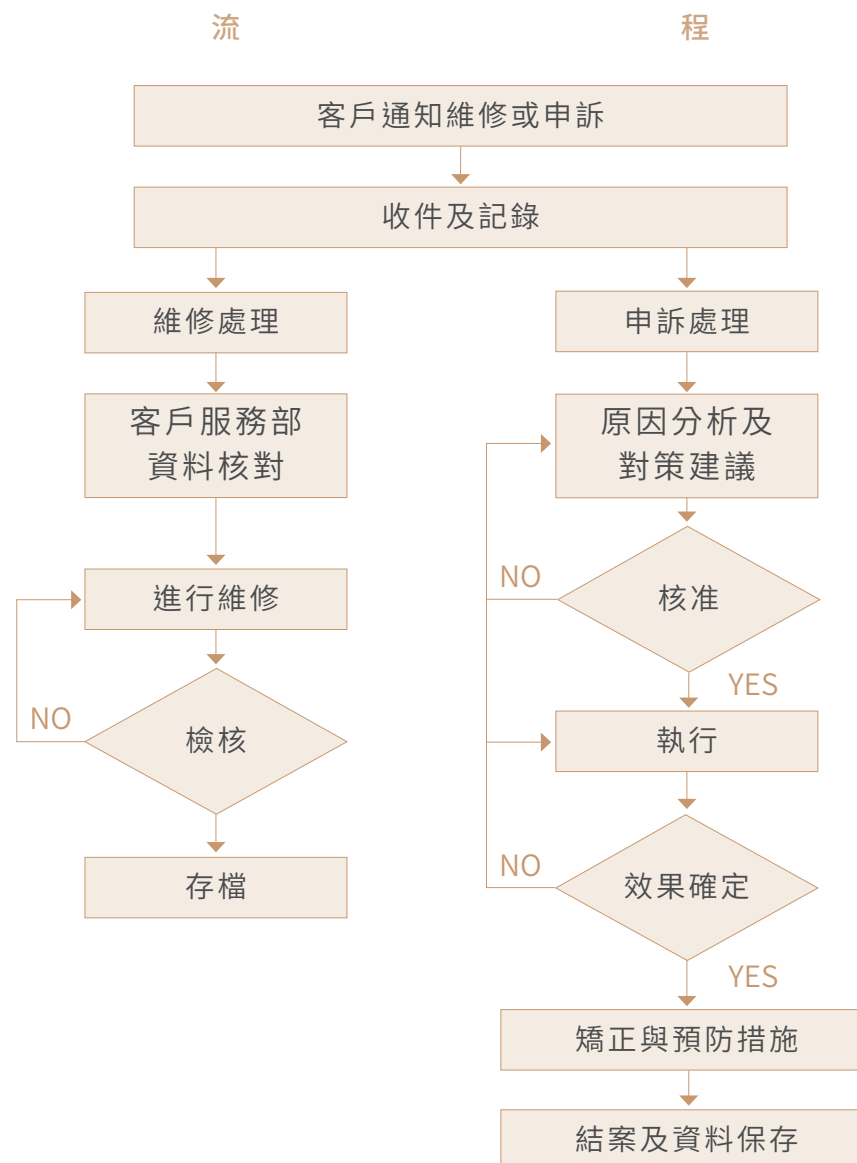
After-sales service repair process



Handling of customer complaints

The complaint process at Sweeten Real Estate Development is very rigorous. When a customer files a complaint, Customer Service will record the relevant information on a Complaint Handling Record Form and forward it to the appropriate unit for processing. The appropriate unit will conduct a thorough analysis of the complaint and formulate appropriate countermeasures. Upon approval by the President, the appropriate unit will implement the corrective action. Upon completion, the results of the action will be recorded on the Complaint Handling Record Form.

To prevent similar problems from recurring, the responsible unit will submit a report in accordance with the "Corrective and Preventive Action Control Procedure" and implement preventive measures to address the problem. Lastly, when a complaint case is closed, the relevant forms are returned to the Customer Service Department for centralized archiving and management. Ensure that customer complaints are effectively addressed and that comprehensive actions are taken to resolve and prevent problems.



2.4 Sustainable Supply Chain

Supplier management

Sweeten Real Estate Development values partnerships with suppliers, considering them one of the key factors for success. We have established a stable and reliable supply chain to ensure the smooth progress of the project and maintain a high level of quality. A thorough evaluation and selection process should be conducted for potential suppliers, examining their performance in areas such as quality, environmental practices, and financial stability. Existing qualified suppliers with whom we have a collaborative relationship will be given priority contracting rights based on their performance. A list of qualified suppliers will be established. At the same time, suppliers are required to share social responsibility by protecting the environment and ensuring worker safety and well-being. Working with suppliers is not just a transactional relationship, but a partnership built on trust and shared values. We will continue to strive to maximize mutual benefits and enable sustainable development for both parties.

Suppliers have signed a Supplier Social Responsibility Commitment Statement to work with Sweeten Real Estate Development to uphold ESG principles and progressively implement sustainable development goals.

Supplier evaluation

To ensure that the quality of the goods supplied remains at a certain level, suppliers are evaluated on a regular basis. This evaluation includes a weighted score based on factors such as cooperation, quality, price and company size. Suppliers are then classified into four tiers based on their scores: A, B, C and D. In addition, suppliers will be rewarded or penalized based on their performance ratings. This will encourage high performing suppliers to continue working with us, while those with ratings below Class C will be addressed. This ensures the overall quality and service level of all suppliers. We look forward to working with suppliers to implement corporate social responsibility and jointly build an inclusive and environmentally friendly industrial supply chain.

3



Environment

Low Carbon Circulation, Impact Mitigation

3.1 Energy Resource
Management

3.2 Engineering Environmental
Management

3.3 Climate Change Responses

Sweeten Real Estate Development is deeply aware of the impact of energy consumption on the environment and society, and therefore actively implements various energy saving measures. Our commitment to environmental protection and compliance extends beyond project development to the operational management of our business. This includes the use of high-efficiency air conditioning equipment, the promotion of electronic management systems, and the implementation of regular equipment inspections and maintenance. We comply with the principle of prevention by implementing strict regulatory systems, continuously improving construction methods, and striving to implement resource recycling and reuse. When purchasing daily office supplies, we select products with environmental certification labels to minimize our impact on the environment. In 2023, office green procurement expenditures totaled NT\$472,365.

3.1 Energy Resource Management

3.1.1 Greenhouse Gas Management

The electricity consumption statistics for Sweeten Real Estate Development focus primarily on the Sweeten Real Estate Development building. These statistics are based on electricity usage as the basis for greenhouse gas emissions calculations. Greenhouse gas emissions in 2023 totaled 351,2145 metric tons of CO₂e, an increase of 34.29% compared to 2022. This increase was primarily driven by an increase in Scope 2 electricity consumption due to increased customer traffic at business locations following the lifting of pandemic restrictions, the hosting of irregular events, and the addition of a new business location.

Future locations will be equipped with rooftop sprinkler systems that will be activated during the summer months to lower temperatures and maintain a constant indoor temperature. Indoor and outdoor lighting will use LED fixtures and energy-saving bulbs.

Greenhouse gas emissions for the last three years are shown in the table below:

Factory	Scope	2021	2022	2023
Headquarters/ Other operational locations	Scope 1	16.2290	39.9747	37.8905
	Scope 2	139.0725	194.5861	289.2127
	Scope 3	23.7616	26.9679	24.1113
	Total of Scope 1+2+3	179.0631	261.5287	351.2145
	Greenhouse gas emission intensity metric tons CO ₂ e/ million revenue (Note)	0.3997	0.0904	0.0792

Note:

1. Adopt the operational control method.
2. The types of greenhouse gases accounted for include carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).
3. Scope 1: This refers to direct emissions from processes or facilities, including: the use of gasoline and diesel fuel by government vehicles.
4. Scope 2: Refers to indirect emissions from the use of electricity as an energy source.
5. Scope 3: Refers to carbon emissions calculated from employee commuting.

Energy Saving Events

Developing, promoting, and maintaining relevant environmental management programs, ensuring that all employees participate through practical measures in implementing energy conservation and carbon reduction initiatives, and effectively improving the utilization efficiency of various resources. The specific actions are as follows:



Paper restriction

1. Encourage e-meetings; paper-based meeting materials are not provided.
2. Encourage employees to adopt digital document storage and promote duplex printing for paper documents.
3. Encourage employees to use environmentally friendly tableware (cups) and reduce the use of disposable items (such as paper cups, disposable chopsticks, and bottled water).



Air conditioning control

1. Adjust the indoor air conditioner temperature based on the outdoor temperature.
2. The air conditioning in public areas is programmed to turn on and off at scheduled times during working hours.
3. Ensure that air conditioning is turned off after use in meeting rooms.
4. It is recommended to hire professional vendors to regularly maintain and clean the air conditioning equipment.
5. Existing facilities are phasing out older, energy-intensive air conditioning systems. New facilities will use environmentally friendly and energy-efficient air-cooled air conditioning systems.



Power control

1. Employees must shut down their computers when they leave work, and the mainframe is programmed to automatically shut down the computers at 11:00pm every night.
2. The office equipment used is equipped with an energy-saving function certified by an environmental label and automatically enters a sleep mode when not in use.
3. Water dispensers with the Environmental Protection and Energy Saving label automatically go into energy saving mode after work hours.
4. Regularly clean out refrigerator items to save energy



Water usage control

1. Office restrooms are equipped with water-efficient toilets and sensor-activated faucets that reduce water flow.
2. The new facility will use sensor-activated water-saving faucets and toilets.
3. The air conditioning in the new business premises is scheduled to be replaced with an air-cooled system, replacing the current water-cooled system.
4. The landscape planting system in the office garden is equipped with a rain sensor. When it rains, the sensor will measure the amount of rainfall and automatically shut off the sprinkler system.



Lighting control

1. Kindly remember to switch off the lights in the meeting rooms, pantry, and restrooms after use.
2. To ensure efficient use of office area lighting, employees should be reminded to turn off the lights in their respective areas after work.
3. Implement a policy to turn off lights during lunch breaks.
4. The recycling room and restrooms are equipped with automatic motion-sensor lights that automatically turn on and off as people enter and exit.

3.1.2 Water Stewardship

Sweeten Real Estate Development's offices and business locations utilize 100% of their water supply from Taiwan Water Corporation and do not draw from any controversial water sources. In 2023, water usage increased by 30.9% compared to 2022, primarily due to increased customer traffic at business locations following the lifting of pandemic restrictions, as well as the occasional hosting of events and the addition of a new operational site.

Water withdrawal unit: liters

Tap water volume	2021	2022	2023
Headquarters (Including operational locations)	5,308	4,924	6,447

3.2 Engineering Environmental Management

Sweeten Real Estate Development, during the construction of buildings, to avoid the impact of construction projects on surrounding neighborhoods, strictly controls the environmental impact of construction projects in accordance with relevant environmental protection laws and regulations, prepares environmental management plans, actively manages air, water, noise and waste pollution, implements pollution control and quality management, and strictly implements and executes the 6S management SOP operating procedures for on-site work environment management.



Sort (Seiri), Straighten (Seiton), Shine (Seiso), Standardize (Seiketsu), and Sustain (Shitsuke), as well as the cultivation of good work habits and the importance of Safety.

Before starting construction at each project site, the Company holds meetings with suppliers to outline standard operating procedures for project execution. These meetings also provide an opportunity to review resource utilization and pollution control performance together, with the goal of developing improvement plans.

Site Environmental Management

Sweeten Real Estate Development strictly requires and controls the impact of construction suppliers on the surrounding environment. The Company requires contractors to comply with regulations and implement further construction site pollution control management for surrounding neighborhood roads. Specific measures include:

1. Before starting excavation work in the basement, an assessment of the density of nearby buildings and the geological conditions of the site should be conducted to determine an appropriate construction method. This approach will help minimize noise and vibration.
2. During the excavation and transportation of the earthwork in the basement, the surrounding streets were regularly watered to prevent dust from spreading and contaminating the area.
3. Install dust nets, tarps, and catch nets around the building to prevent dust from blowing or debris from falling.
4. A closed-tube vertical waste disposal system will be implemented with sprinklers and a centralized waste storage tank to prevent spills during the process.
5. Waste from each floor is placed in designated collection points and sorted.
6. Regularly employed workers will clean and disinfect the drainage ditches surrounding the base to ensure smooth flow and maintain environmental sanitation.
7. Immediately after each grouting operation, the surrounding roadway shall be watered and cleaned the same day.
8. Training and seminars on environmental protection and occupational health and safety are held regularly for ongoing projects. In addition, employees are regularly sent to environmental protection and occupational safety seminars organized by government agencies. This strengthens the environmental protection and safety awareness of employees and suppliers and ensures their implementation in the construction environment.
9. Actively invite and arrange for local residents and government regulatory agencies to participate in construction project briefing meetings to promote good neighbor relations and effective communication.

3.2.1 Noise and Vibration Control

Noise pollution often occurs during construction activities and is caused by operations such as drilling, pile driving, concrete pouring and the use of construction equipment. These activities generate noise that can adversely affect nearby residents and the environment. Sweeten Real Estate Development adheres to relevant regulations, including the Noise Control Act, its implementation rules, amendments to noise control standards, guidelines for setting up and operating noise-generating facilities, and environmental noise level standards. The company actively implements noise and vibration control measures to protect the rights of residents in the surrounding area of the construction site. The construction suppliers are committed to reducing noise pollution caused by construction activities in the surrounding environment. Whenever they receive related deficiency reports, they make every effort to implement corrective actions, such as adjusting construction schedules, improving construction techniques, and adding soundproofing measures, to minimize sound transmission and reduce noise impact on nearby residents.

3.2.2 Water Pollution Control

During construction, several measures were taken to improve wastewater discharge. First, contractors are required to install a vehicle wash station, wastewater collection pit and settling pond at the entrance to the site before beginning work. These facilities effectively collect wastewater generated during construction, especially from washing vehicles, to prevent direct discharge and pollution. In addition, it is required that vehicles undergo a thorough cleaning of the body and tires before departure to ensure that no mud adheres to the surface, thereby reducing pollution of the road.

In addition, several sedimentation barrels have been set up at the site to allow for initial sedimentation of the wastewater. After settling, the wastewater is conveyed through sewer pipes to a large grit trap or settling basin for further sedimentation treatment. Finally, the treated wastewater is discharged into the drainage ditch designated by the government agency. The installation of these grit traps and sedimentation tanks effectively removes suspended solids and impurities from wastewater, improving water quality standards of wastewater discharges and reducing pollution of the surrounding environment.



The wash platform uses a high-pressure washer to wash the tires and body of vehicles as they exit.



Vehicle wash station sedimentation tank

3.2.3 Air Pollution Control

To prevent air pollution during construction, Sweeten Real Estate Development urges its construction suppliers to comply with relevant regulations, including the Air Pollution Control Act Enforcement Rules, the Serious Deterioration of Air Quality Warning Issuance and Emergency Prevention Measures, the Air Quality Standards, and the Regulations Governing the Collection of Air Pollution Control Fee. During construction, we used heavy equipment that meets emission standards. The exposed ground surface of the site will be covered and protected from dust by dust nets, gravel, sprayed concrete and an automatic sprinkler system. During excavation and transport, increase the frequency of water truck runs for intermittent irrigation, and place gravel in the vehicle path to reduce dust generation. In addition, regular inspections should be made to ensure that the dust nets on the exterior wall scaffolding are not torn or damaged. Any damage should be immediately repaired or replaced to effectively control air quality during construction.



1 | 2 | 3 | 4 | 5

1. During the earthwork excavation and transportation process, water trucks should be utilized to spray water on the road surface to prevent dust from becoming airborne.
2. Dust control net covering for exposed slope surfaces
3. Gravel leveling on vehicle traffic routes
4. Sedimentation barrels are placed on each floor and wastewater is discharged to the sewer after initial sedimentation
5. Install portable toilets on appropriate floors

3.2.4 Waste Management

Sweeten Real Estate Development fully complies with all relevant waste management regulations. Regarding construction waste management, the company classifies on-site waste into two categories: construction waste and household waste, with construction waste having a greater environmental impact. All construction waste is handled by professional and licensed companies with government-issued permits. Waste disposal is entrusted to authorized sites that manage the transportation of waste. The company follows its internal management procedures when collaborating with vendors to ensure that the waste disposal companies comply with all relevant regulations.

The on-site waste disposal process is as follows:

1. Domestic waste: All waste must be placed in designated bins and will be collected regularly by a qualified waste disposal company.
2. Construction waste: All waste shall be placed in designated areas and removed by a qualified waste disposal company.
3. Prior to or during construction, personnel will be dispatched to the contractor's designated disposal site to conduct an inspection and ensure that the disposal site complies with legal requirements. All waste disposal contractors are required to provide appropriate legal transport and confirmation slips for billing and settlement purposes.

Unit: tons

Waste statistics		Location	Category of Waste	Method of Disposal	2021	2022	2023
Headquarters			Domestic waste	Incineration	29.63	44.49	45.94
			General industrial waste	Landfilling, incineration	0	44.8	586.82
			Hazardous waste	-	0	0	0
			Subtotal		29.63	89.29	632.76

Note: General industrial waste consists of mixed construction debris from demolition; Sweeten Real Estate Development does not produce hazardous industrial waste.

In 2023, as per the new project plan, the current above-ground structures on the site will be demolished. The demolition of houses will be conducted to facilitate the management of construction waste and resource recycling. A professional house demolition company will be contracted to carry out the demolition work, and the construction waste will be transported to an authorized soil and stone resource disposal site for processing. The contracted vendors will be obligated to accurately register the business waste cleanup plan on the website of the Environmental Protection Bureau, providing details of the waste disposal methods and total quantity.

Business waste disposal plan registration

事業廢棄物清理計畫書

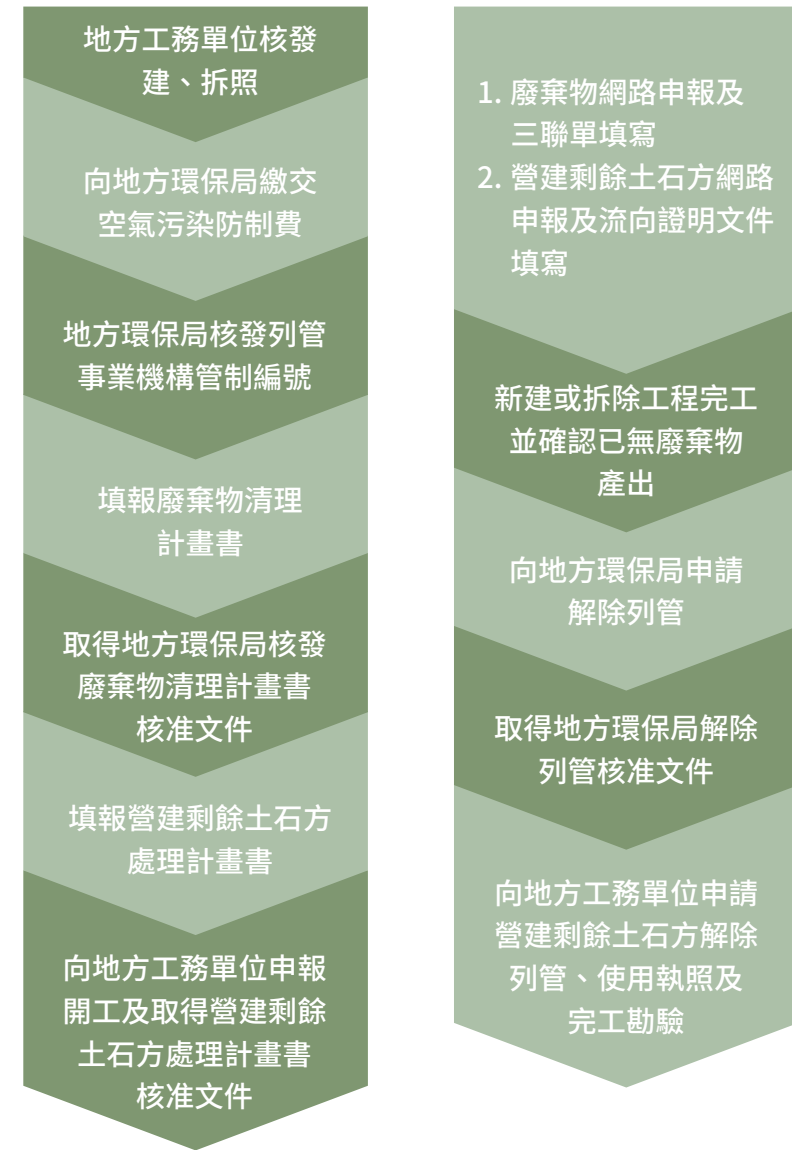
事業管制編號：A45B7673

四、事業廢棄物之清理方式(含自行處理及再利用)

四之一、事業廢棄物之清理方式

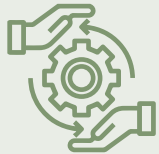
項次	製程代碼	廢棄物		總產生量(公噸/月)	廢棄物(公噸/月)		物理性質	有害特性	主要有害成分	貯存方式	貯存地點	貯存設施容量	貯存設施密閉性	清除方式	中間處理方法	再利用管理方式	最終處置方式	產生廢液製程編號	清除頻率
		代碼	名稱		最大月產生量	平均月產生量													
※製程:000000 廢棄物:H-0002 事業員工生活垃圾 最大月總產生量:0.02 平均月總產生量:0.01																			
1	000000	H-0002	事業員工生活垃圾	0.02	0.02	0.01	固狀	無有害特性	無有害成分	袋裝	廠內	0.1	密閉	委託清除	焚化處理	該項廢棄物無最終處置方式	該項廢棄物無再利用行為	M00	每1月至少清理4次
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※製程:430005 廢棄物:R-0503 營建混合物 最大月總產生量:586.82 平均月總產生量:293.41																			
2	430005	R-0503	營建混合物	586.82	586.82	293.41	固狀	無有害特性	無有害成分	堆置(無包裝材質)	廠內	1467.06	半密閉	委託清除	委託處理	該項廢棄物無最終處置方式	該項廢棄物無再利用行為	M00	每1月至少清理4次
其他製程說明																			
※貯存設施容量單位說明:立方或平方米※																			
項次	廢棄物代碼	廢棄物名稱	處理製程代碼	廢棄物來源	最大月處理量(公噸/月)	處理方法	自行處理設備及工具	量能估算說明	是否有產品產出	產品代碼	備註								
無資料																			
項次	自行再利用類型	廢棄物來源	再利用情形與製程量能				再利用主要產品				備註								
			廢棄物代碼	製程代碼	最大月處理量(公噸/月)	再利用設備及工具	量能估算說明	產品代碼	品質規範	品質規範內容或說明									

Construction demolition waste management flowchart



3.3 Climate Change Responses

In light of the increasing frequency of natural disasters caused by climate change in recent years, Sweeten Real Estate Development has actively responded to this challenge, assumed responsibility for environmental protection, and continuously promoted sustainable development. Referencing the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations issued by the Financial Stability Board (FSB), the Company has disclosed policies for addressing climate change-related risks, preventive measures, and the potential financial impacts of these risks. By implementing effective climate adaptation strategies and comprehensive post-disaster recovery plans, companies can increase their resilience to future climate disasters and ensure long-term sustainability.



Governance

The Board of Directors serves as the highest oversight body for climate change issues, is responsible for a comprehensive climate strategy, and oversees performance in managing climate risk. Sweeten Real Estate Development established an ESG Sustainability Report Preparation Task Force in 2022. This committee is responsible for promoting sustainability-related issues, including conducting regular climate risk assessments and developing related management measures and strategic directions.

Climate governance is managed by the ESG Sustainability Report Preparation Task Force, which conducts an in-depth analysis of the potential impacts of climate change on Sweeten Real Estate Development, including the identification and assessment of climate risks and related climate impacts. After identifying climate-related impacts and proposing measures to mitigate potential risks, the company will adapt and reduce climate-related financial risks while proactively seizing future development opportunities.



Strategy

Assess the risks and opportunities of climate change in relation to the value chain (organization, suppliers, customers) and evaluate their impact on business and operational aspects. Conduct a financial impact assessment. Identify significant climate risks and opportunities by considering the occurrence timeline (short-term, medium-term, long-term), as well as the likelihood and impact of different climate issues. This will enable the development of a forward-looking climate action plan. Including the development of risk mitigation and response measures and crisis management procedures.

In terms of risk, current policy and regulatory risks are primarily short-term. These include domestic and international greenhouse gas emission reduction requirements, increasingly stringent carbon taxes, related environmental regulations, changes in customer demand, and the rising severity of extreme weather events. Medium- to long-term risks encompass uncertainties in regulations and policies, renewable energy mandates, product and service requirements, shifts in rainfall patterns, dramatic fluctuations in weather, and rising average temperatures. Opportunities arise from adapting to changes in market demand, improving resource utilization efficiency, promoting green buildings, and pursuing smart building projects, thereby capturing promising future business prospects.



Risk management

To identify and assess significant impacts or risks related to operations, each division will independently assess climate change risks to understand the specific potential financial impacts. This will serve as the basis for policy development and target setting, and for establishing a comprehensive climate management process, including steps such as identification, assessment, management, mitigation, adaptation and continuous monitoring.

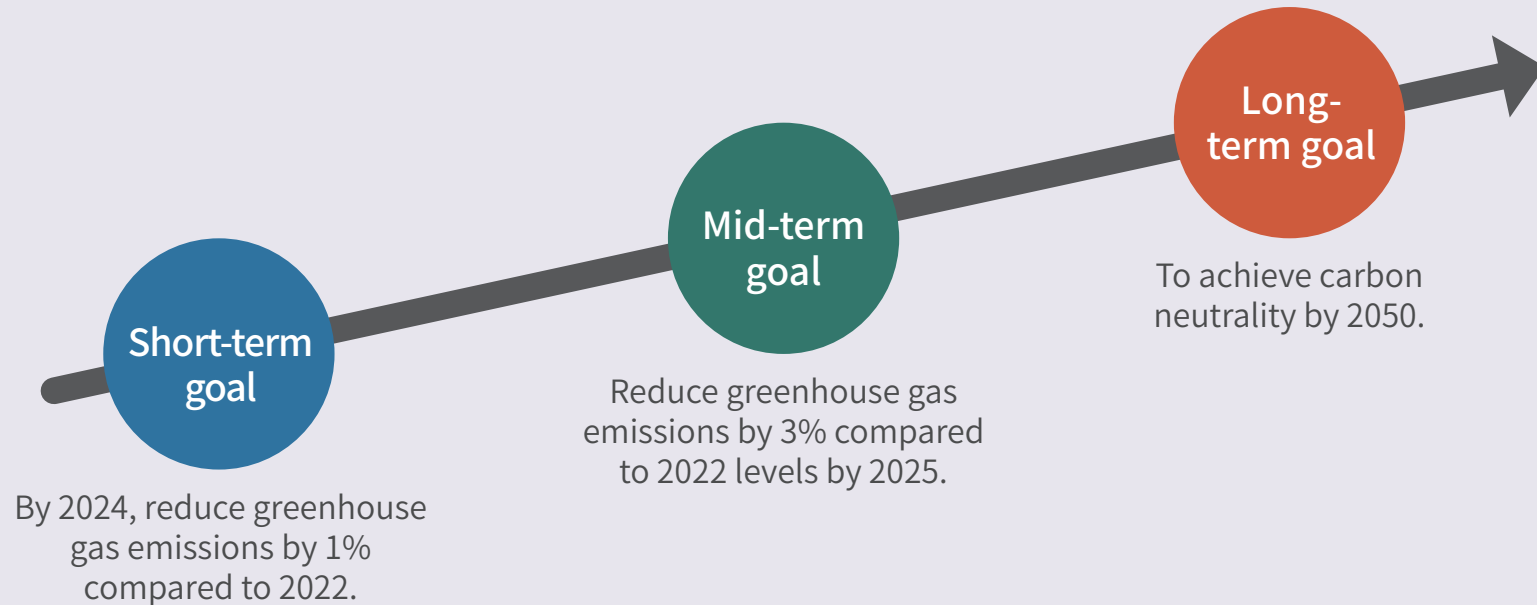


Objective management

Through a comprehensive office energy conservation program, Sweeten Real Estate Development is committed to reducing carbon emissions and meeting its environmental responsibilities. The planned implementation includes a number of measures:

- Improve the thermal insulation performance of buildings to reduce energy consumption for air conditioning.
- Implement a comprehensive transition to energy-efficient lighting systems, such as high-efficiency LED fixtures.
- Prioritize the purchase of office equipment with higher energy efficiency ratings to maximize energy use efficiency.

Furthermore, the Company actively promotes environmental education to increase employee awareness of energy conservation and emission reduction. This initiative aims to educate each employee about the international issues of greenhouse gases and global warming, and to encourage them to participate in environmental protection efforts and contribute to sustainable development.



Climate change risk and opportunity identification table

Risk/ Opportunities	Category	Core aspects	Scenario and background	Financial impact	Time of occurrence	Impact level	Action/Response adopted
Transformation risk	Regulations	Uncertainty of new regulations	Uncertain timeline for implementation of related building energy efficiency assessments	Increase operating cost	M	H	New construction projects must comply with new regulations during the design phase, including building energy efficiency assessments.
Transformation risk	Regulations	Carbon tax	Due to the imposition of carbon taxes by governments, the cost of raw materials in the market has increased.	Increase operating cost	S	M	<ul style="list-style-type: none"> • Prioritize improving building energy efficiency, using renewable energy sources or green building materials to reduce carbon emissions and tax burdens. • Supply chain integration to reduce the risk of raw material cost volatility • Seek government subsidies and technical cooperation to raise the standard of green building technologies.
Transformation risk	Regulations	General regulatory stipulation	Regulatory restrictions are increasing, leading to a slowdown in market transactions	Reduction of asset acquisition	S	H	The Company pursues a diversified business strategy, optimizing its product mix to offer room types and prices that meet market demand. The Company also seeks to work with the government on urban renewal and joint development projects to mitigate political risks. In addition, we continue to strengthen our internal risk management, control our financial leverage, and stabilize our Company's structure.
Transformation risk	Technology	Technology modifications	Use recycled building materials to manage the energy transition	Increase R&D cost	M	M	<ul style="list-style-type: none"> • Prioritize suppliers of recycled materials that meet green building standards to ensure quality and stability of material sources. • Incorporate sustainable building concepts during the design phase to reduce waste of resources.

Risk/ Opportunities	Category	Core aspects	Scenario and background	Financial impact	Time of occurrence	Impact level	Action/Response adopted
Physical risk	Immediacy	Tropical cyclone	The severity and frequency of extreme weather events are increasing	Increase operating cost	M	H	<ul style="list-style-type: none"> Optimize building design to improve disaster resilience by strengthening waterproofing, windproofing, and thermal insulation measures. Select development areas with a higher level of safety and avoid areas with a high risk of disaster. Enhance employees' awareness of workplace safety and reinforce disaster prevention measures.
Physical risk	Immediacy	Extreme rainfall	Construction progress affected by extreme climate	Increase operating cost	L	M	<ul style="list-style-type: none"> Prioritize increased engineering planning and allow additional construction time to address unforeseen delays. Use technology to predict weather conditions and adjust construction schedules accordingly. Optimize supply chain management to ensure flexibility in the supply of materials and labor. Enhance construction safety standards to minimize the risk of work-related injuries during inclement weather conditions. Work with insurance companies to create a mechanism to protect against extreme weather events and mitigate financial losses.
Physical risk	Long-term	Average temperature change	Average temperatures are rising and the number of days with high temperatures is increasing, increasing the likelihood of work stoppages due to extreme heat.	Increase operating cost	L	M	<ul style="list-style-type: none"> Adjust construction hours to avoid peak temperatures and increase shade and ventilation. Provide adequate water sources and rest areas to ensure that personnel can cool down as needed. Increase health and safety education to prevent heat exhaustion and other symptoms.

Risk/ Opportunities	Category	Core aspects	Scenario and background	Financial impact	Time of occurrence	Impact level	Action/Response adopted
Opportunity	Market	Seek cooperation with the government	Participate in government environmental policy promotion projects to receive subsidies or rewards	Increase revenue	M	H	<ul style="list-style-type: none"> Conduct in-depth policy research to ensure that project design complies with relevant standards. Training employees to improve their understanding of policies and work closely with government agencies to ensure they are aware of application procedures and deadlines. This report focuses on the application of green building technologies and demonstrates their value to the environment and society.
Opportunity	Products and services	Changes in customer behavior	Market preferences are shifting toward greener and more energy-efficient buildings, including green buildings and smart buildings.	Operating revenue increase	M	H	<ul style="list-style-type: none"> Expand market research to understand consumer demand for green and energy-efficient products. By integrating advanced energy-saving technologies and intelligent management systems, we are meeting market expectations. Collaborate with experts and technology providers to develop innovative architectural designs. Enhance the team's technical skills to ensure buildings meet green building standards.

Note: Short term: 1–3 years, Medium term: 3–10 years, Long term: over 10 years.



4



Society

Workplace Care, Inclusive Diversity

- 4.1 Friendly Workplace
- 4.2 Talent Development
- 4.3 Employee Communication
- 4.4 Occupational Safety

At Sweeten Real Estate Development, we consider our employees to be one of our most valuable assets. Employees are not only the driving force and pillar of the company's development, but also the key drivers in achieving our mission and goals. Therefore, we are committed to fostering a positive, dynamic and inclusive work environment that inspires and meets the needs and expectations of each employee. By providing excellent career development opportunities, professional training programs and competitive benefits, our employees are able to reach their full potential and gain valuable experience and rewards as the company grows.

4.1 Friendly Workplace

As of December 31, Sweeten Real Estate Development had a total of 57 employees (all full-time, no part-time). Of these, 35% are male and 65% are female. There are 11 management positions and 46 non-management positions. The majority of employees, approximately 53% of the company's total workforce, are between the ages of 30 and 50. All employees of Sweeten Real Estate Development are locally recruited and are Taiwanese citizens.

Employee structure (as of December 31, 2023)

	Age	Gender	Number of individuals	Proportion
Management-level employee	Under 30	Male	0	0
		Female	0	0
		Subtotal	0	0
	Between 30 and 50	Male	0	0
		Female	0	0
		Subtotal	0	0
	50 and above	Male	8	14%
		Female	3	5%
		Subtotal	11	19%

	Age	Gender	Number of individuals	Proportion
General employee	Under 30	Male	0	0%
		Female	4	7%
		Subtotal	4	7%
	Between 30 and 50	Male	8	14%
		Female	22	39%
		Subtotal	30	53%
	50 and above	Male	4	7%
		Female	8	14%
		Subtotal	12	21%

Note: The proportion is calculated by dividing the total number of employees by the number of employees in each category.

Employee information by gender and region

Taiwan

Category	Male	Female	Total
Total number of employees	20	37	57
Permanent employee	0	0	0
Temporary employee	0	0	0
Non-guaranteed hours employee	0	0	0
Full-time employee	20	37	57
Part-time employee	0	0	0

New hires and employee turnovers

Employee turnover rate is crucial for Sweeten's operational stability. In 2023, Sweeten Real Estate Development's hired a total of nine new employees, for a new hire rate of 15.79%. The total number of employees who left the Company was 6, representing a turnover rate of 10.53% (including new hires and employees who left the Company during the year). To maintain employee satisfaction, we place great emphasis on employee retention. We continually monitor attrition rates to understand the reasons for and trends in employee turnover. In addition, we continue to offer competitive salaries and benefits, comprehensive career development plans, an enjoyable work environment, and a healthy work atmosphere to attract and retain top talent. This fosters a shared vision for the sustainable development of the Company and drives us forward.

Number and proportion of new hires and employee turnovers in 2023 (as of December 31, 2023)

	Age	Gender	Number of individuals	Proportion
New hires	Under 30	Male	0	0%
		Female	1	11.1%
		Subtotal	1	11.1%
	Between 30 and 50	Male	2	22.2%
		Female	5	55.6%
		Subtotal	7	77.8%
	50 and above	Male	0	0%
		Female	1	11.1%
		Subtotal	1	11.1%
Employee turnover	Under 30	Male	0	0%
		Female	1	16.7%
		Subtotal	1	16.7%
	Between 30 and 50	Male	2	33.3%
		Female	3	50.0%
		Subtotal	5	83.3%
	50 and above	Male	0	0%
		Female	0	0%
		Subtotal	0	0%

Remuneration and benefits

At Sweeten Real Estate Development, we deeply understand that our employees are the most important pillar of our Company's development. Their dedication and contributions are one of the key factors in our success. Therefore, we are committed to providing fair, reasonable and competitive compensation and benefits to encourage employees to continually develop and advance within the Company. It is also important to ensure that compensation is set and distributed in a manner that complies with legal and regulatory requirements while attracting, motivating and retaining top talent. Based on factors such as the employee's job responsibilities, performance, market standards, and the Company's overall performance, appropriate salary levels should be established, ensuring that remuneration and benefits are competitive within the industry. We also value pay equity. All individuals, regardless of race, gender, age or other identity characteristics, are treated equally. Our goal is to create a transparent, open, and flexible compensation system that motivates and promotes the well-being of our employees, thereby supporting the long-term, sustainable growth of the Company.

Additionally, our benefits package includes health insurance, retirement plans, and professional training, aimed at addressing employees' life and work needs, thereby enhancing job satisfaction and loyalty. We value the contributions and value of our employees and are committed to fostering a fair, equitable, and welcoming work environment where each employee can fully realize his or her potential, achieve individual career goals, and grow with the Company.

2023 Gender ratio of male and female employees to basic salary

Unit: NT\$

	Male	Women
Basic salary for frontline personnel	61,067	48,168
Statutory minimum salary of entry-level personnel	26,400	26,400
Exceeds the statutory minimum salary	2.31	1.82



Gender pay ratio—based on salaries as of December each year

Job rank	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
General employees	1	0.79	1	0.75	1	0.79
Entry-level managers	0	0	0	0	0	0
Mid-level managers	0	0	0	0	0	0
Senior executives	1	0.86	1	0.88	1	0.89

Average and median annual salary for non-managerial positions

Unit: NT\$ Thousands

Item	2021	2022	2023
Total salary for full-time employees not in managerial positions	33,391	61,362	71,569
Number of full-time employees not in managerial positions	44	46	49
Full-time employees not in managerial positions (Average salary)	759	1,334	1,461
Full-time employees not in supervisory positions (Median salary)	777	1,208	1,261

Annual total compensation ratio

Unit: NT\$ Thousands

Country/Region	Taiwan
The ratio of the annual total compensation of the highest-paid individual in the Company to the median annual total compensation of employees	7.80
The ratio of the percentage increase in the annual total compensation of the highest-paid individual in the Company to the percentage increase in the median annual total compensation of employees.	0.99

Note:

1. An individual's maximum annual total compensation refers to all remunerations paid by the Company during the year, including salary, bonuses, stock awards, option awards, non-equity incentive plan compensation, retirement plan contributions, changes in the value of vested and unvested deferred remuneration and all other compensation.
2. Other employees include senior executives, excluding the highest-paid individual. The median annual total compensation for all employees (excluding the highest-paid individual) should be calculated separately for each operational location.
3. When calculating the median annual total compensation for employees at each location over the past two years, the median does not necessarily correspond to the same employee.

Employee performance evaluation

Employee performance evaluation plays a crucial role in corporate management. It not only helps managers assess employee performance and achievements but also motivates employees to improve their work efficiency and performance levels. Sweeten Real Estate Development comprehensively evaluates employee performance, professional competence and contributions through objective and impartial evaluation standards and procedures. Regular performance evaluations and feedback allow for timely identification of employees' strengths and weaknesses, enabling them to adjust their work direction and improve both efficiency and quality. We expect this evaluation mechanism to motivate employees to continuously improve and work together to achieve the Company's development goals.

Item	Male			Women			Subtotal		
	Total number of employees	Numbers of individuals evaluated	Percentage	Total number of employees	Numbers of individuals evaluated	Percentage	Total number of employees	Numbers of individuals evaluated	Percentage
Managerial positions	8	8	100%	3	3	100%	11	11	100%
Non-managerial position	12	12	100%	34	31	91.2%	46	43	93.5%
Subtotal	20	20	100%	37	34	91.9%	57	54	94.7%

Note:

1. The number of individuals evaluated does not include 3 new employees who have been with the company for less than 3 months.
2. Individuals who have participated in one or more performance evaluations will be included in the count of those subject to assessment.

Employee benefits

The Company is committed to providing a positive work environment. We value the well-being and quality of life of our employees. We have established a comprehensive benefits system that includes group insurance, the Labor Retirement Reserve Supervisory Committee, the Employee Welfare Committee, bonuses for major holidays, vacation time, regular employee health examination, employee home purchase discount programs, and employee compensation. The Company is committed to providing comprehensive protections and benefits to ensure the physical and mental health and safety of its employees. We also comply with the principles of fairness and transparency, establishing equitable and reasonable remuneration policies based on operational performance and market standards. Additionally, we incentivize employee performance through performance-based bonuses. Sweeten Real Estate Development will continue to strive to improve and enrich employee benefits, create a better working and living environment for employees, and work together to achieve the common development goals of the company and its employees.

Employee overseas trip

| Five-day tour of Osaka and the Kansai region, Japan

Sweeten Real Estate Development planned a five-day trip for their employees to relax and rejuvenate after a busy work schedule. The itinerary includes attractions such as the secret spots of Ise, Kitano Tenmangū, the Nanki hot springs region, and a firsthand experience with Iga-ryū ninjas, as well as ancient castles in Wakayama and a Michelin dining experience at the hot springs. Nanki is famous for its seafood and hot springs. This trip allowed employees to deeply experience the local charm. Providing Sweeten and Jian-Gao employees with a relaxed and comfortable trip to Japan to enjoy seafood and hot springs will help colleagues relieve work-related stress and foster team bonding through group travel.



| The total investment amount from the Company is NT\$1.7 million.

Employee health examinations

| Annual employee health examinations

Sweeten Real Estate Development values the health of its employees and regularly organizes health examinations for them. We offer flexibility, allowing employees to choose nearby residences or healthcare facilities they trust for their check-ups. The health examinations typically takes about eight months to complete. Employees can schedule their exams at their convenience, taking into account their individual health conditions and work schedules. We also respect the wishes of employees and allow them to choose whether or not to participate in health screenings, enabling them to take care of their physical health while protecting their personal privacy.

| The total cost is NT\$259,820.

Employee group insurance

| Employee group insurance and accident insurance

In addition to the legally mandated Labor Insurance and National Health Insurance, the Company annually purchases group insurance from an insurance provider to safeguard employee well-being, enhance benefits, improve labor-management relations, and promote work efficiency. This insurance coverage includes compensation for work-related accidents as well as coverage for off-duty accidents occurring at home, aiming to provide comprehensive protection for employees at all times.

| The total cost of group insurance and accident insurance this year was NT\$58,094.

Retirement plan

Sweeten Real Estate Development is committed to the retirement security of its employees. We have established a comprehensive retirement plan to ensure that employees have adequate financial security after retirement. The Company has established an "Employee Retirement Plan" and formed a Labor Retirement Reserve Supervisory Committee, which is specifically responsible for overseeing and managing the implementation of the retirement system. In accordance with the Labor Standards Act, we calculate and provide appropriate retirement benefits to employees nearing retirement. We also periodically assess the balance of the retirement fund account to ensure that it is sufficient to meet the retirement needs of our employees.

For employees eligible for the new retirement system, the Company provides a 6% retirement contribution as mandated by law. Additionally, the Company respects employees' preferences by allowing them to make their own retirement contributions and offers corresponding support and consultation services. We are committed to providing a sound and reliable retirement plan to ensure our employees' quality of life in retirement and provide them with peace of mind as they approach retirement.

Parental leave

Sweeten Real Estate Development understands the needs of its employees in their family lives. Therefore, we offer maternity leave and other appropriate measures to support employees in caring for their families and children during their child-rearing years. Maternity leave is not only an employee's right, but also a company's commitment to the well-being of its employees. We strive to create a warm and supportive environment in which families and children can thrive, while protecting the employment rights and quality of life of our employees. In 2023, no employees requested parental leave and no employees returned to work from parental leave.

Human rights protection

Sweeten Real Estate Development is committed to upholding the fundamental human rights of employees. We are committed to providing a work environment that fully protects human rights. We adhere to internationally recognized human rights principles and standards, following the Universal Declaration of Human Rights, the United Nations Global Compact and relevant International Labour Organization declarations. At the same time, we strictly comply with all relevant domestic labor regulations and will not tolerate any violation or abuse of human rights. To ensure the fulfillment of this commitment, we established a "Human Rights Policy" document in 2023.

In addition, the Company fully complies with labor laws, has established an employee code of conduct for ethical business practices, and holds regular labor-management meetings. At the same time, we have established an Employee Welfare Committee responsible for overseeing and safeguarding employee rights and interests. We believe that every member of the Company deserves to be treated fairly and with dignity, and should enjoy the rights and protections to which they are entitled in the workplace.

4.2 Talent Development

Sweeten Real Estate Development firmly believes that human capital is the key to business development. We are committed to building a comprehensive talent development program that identifies, nurtures and inspires the potential of our people to meet the needs of business growth. Through ongoing training, employees enhance their professional skills, expand their knowledge, and focus on both skill and character development. This cultivates leadership skills, provides practical experience, and fosters opportunities for teamwork. We will optimize the plan based on market feedback and demand, providing continuous momentum for the company's sustainable development and growth.

Employee training hours

Unit: Hours

Job rank	Male	Female	Total hours	Average hours
Manager	20	30	50	7.1
Non-manager	68	118	186	8.5
Total hours	88	148	236	8.1
Average hours	8.8	7.8	8.1	

Statistics on employee training expenditures and hours

Unit: NT\$

Training metrics	2021	2022	2023
Total employee training costs	129,500	96,880	87,092
Total number of employee training participants	64	28	29
Average training investment per employee	2,023	3,460	3,003

Training hours and participant by category

Unit: Hours

Category/Hours	2021	2022	2023
New employee training	Number of participants	3	8
	Total hours	3	8
Sales case observation	Number of participants	44	39
	Total hours	66	58.5
Professional skills training	Number of participants	64	28
	Total hours	620	199

4.3 Employee Communication

Sweeten Real Estate Development values the partnership between employees and the company, as employees are the foundation of any business organization. We are committed to fostering a harmonious and stable labor-management relationship, thereby creating a friendly working environment, reducing labor risks, and achieving the goal of sustainable operations. By holding regular labor-management meetings, we have established a good communication mechanism to address potential issues and ensure that employee rights are fully respected and protected, while providing multiple channels for communication.

Regular labor-management meetings

Holding four labor-management meetings and Employee Welfare Committee meetings annually provides a vital platform for fostering positive interaction and communication between labor and management. These meetings help resolve potential problems, improve work efficiency, and ensure that employee rights are fully respected and protected. During the meeting, we discussed labor matters, welfare policies, and work environment issues, and listened to employees' feedback and suggestions. Through this close interaction, we are able to quickly understand the needs and concerns of our employees and work together to find solutions that promote the continued development of the company and the personal growth of our employees.

Employee feedback

To ensure that employee voices are fully heard and addressed, we provide multiple channels for complaints, including email and telephone communication with the Administration Department, so that employees can raise questions or concerns at any time. Additionally, regular meetings offer a platform for direct communication between employees and management, facilitating face-to-face discussions and collaborative problem-solving. We are committed to fostering an open and transparent corporate culture that encourages employee engagement and ensures their rights are fully respected and protected. These policies are designed to establish sound labor-management relations, promote teamwork and achieve common goals.

4.4 Occupational Safety

Sweeten Real Estate Development is aware of the frequent occurrence of safety incidents in the construction industry. Therefore, we place the utmost importance on promoting the Occupational Safety and Health Act. We comply with the applicable Occupational Safety and Health Act and other relevant regulations and strive to provide a quality, safe and healthy work environment. All employees and suppliers involved in business operations are strictly required to comply with occupational safety and health regulations. In a spirit of full participation, we have enhanced employee education and training in occupational safety and health awareness. We have also strengthened supervision and requirements for suppliers to ensure compliance, with the aim of reducing the occurrence of occupational safety and health incidents.

"Zero Accidents, Zero Incidents" has always been a core principle that the Company consistently implements to create a safe and healthy work environment. Over the past three years, Sweeten Real Estate Development has had no employee injuries, fatalities or serious workplace accidents, including those involving major construction suppliers. The headquarters has implemented a security management system with access control that requires visitors to register and exchange identification cards. This measure ensures the safety and security of the employees' working environment. The office is equipped with a total heat exchanger and an outdoor air purifier to bring in fresh air and filter PM2.5, improving the comfort of the environment. Regular cleaning and disinfection of the office area are also conducted.

During the COVID-19 pandemic, multiple meetings were held to discuss and develop preventive measures aimed at creating a safe and healthy work environment for employees. The company also distributed rapid antigen tests for home use and installed temperature scanners and automatic hand sanitizer dispensers at the main entrance of the headquarters to enhance pandemic control efforts.

Occupational injury statistics

Item	2021	2022	2023
Total annual work hours	92,106	94,735	98,608
Number of deaths caused by occupational injuries	0	0	0
Mortality rate caused by occupational injuries	0	0	0
Number of high consequence occupational related injuries	0	0	0
Rate of severe occupational injuries	0	0	0
Number of recordable occupational injuries	0	0	0
Rate of recordable occupational injuries	0	0	0
Disability injury frequency	0	0	0
Calculation of disability injury severity rate	0	0	0

Construction supplier management

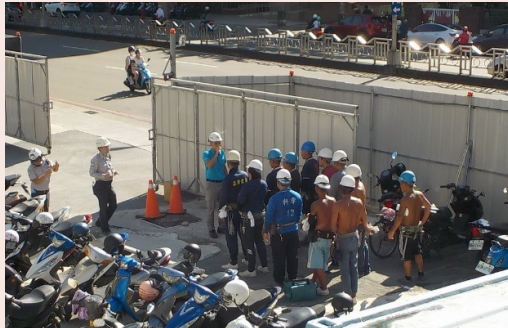
To ensure the implementation of occupational safety and health, the Company attaches great importance to the management of construction suppliers. Prior to the commencement of construction of any project, the Company not only submits construction plans to government agencies as required, but also files occupational safety and health work rules with the Occupational Safety and Health Administration of the Ministry of Labor. The Company strictly complies with all occupational safety and health laws and regulations and diligently implements all related occupational safety and health procedures.

The construction plan should clearly outline occupational safety and health requirements and measures that must be strictly enforced during actual construction on the site to ensure a safe working environment and the health of workers.

Upon the commencement of construction at the site, Sweeten Real Estate Development implemented the following measures:

1. All contractor personnel entering the construction site, along with site supervisors and engineers employed by the construction contractor, must possess a six-hour Occupational Safety and Health Training Certificate before being permitted to enter the site. In 2023, a total of 31 people met the requirements, accumulating 186 hours.
2. When signing engineering contracting agreements with suppliers, in addition to the specific requirements outlined in the contract clauses regarding diligent execution and compliance with all aspects of the Occupational Safety and Health Act, various hazard notification forms for different types of work should be established to remind the supplier's responsible person of the necessary precautions to take during construction.
3. Before commencing high-risk operations, a hazard notification must be implemented. Additionally, the qualifications and licenses of personnel entering the worksite, as well as the relevant documentation for equipment and machinery, must be verified. Strict adherence to on-site occupational safety and health management procedures is mandatory.
4. Before starting work each day, a brief toolbox meeting will be held to inform personnel entering the worksite about the day's tasks, safety precautions, and hazard identification.

Organizational agreement meeting



Hazard notification before site entry

Entry protection



5

Local Community Engagement and Youth Development

5.1 Community Outreach

5.2 Sweeten Cultural and Educational Foundation



Society

5.1 Community Outreach

Sweeten Real Estate Development has long been dedicated to creating beautiful living environments for homes and communities, while simultaneously recognizing its corporate responsibility to give back to society. We actively participate in various charitable activities in the hope of making a positive contribution to society. This initiative aims not only to improve the quality of life, but also to inspire more people to care about society and engage in philanthropic endeavors. We expect this spirit to have a broader impact on society. Let us work together to fulfill the corporate responsibility of taking from society and giving back to society. In 2023, the Company sponsored a total of 13 projects with an amount of NT\$3,099,000 and organized a site visit.

Number	Unit	Content	Amount New Taiwan Dollars: NT\$
1	Yuanli Binhai Arts and Culture Promotion Association	Expenses related to arts and cultural exhibition activities and resident art curation at the Yuanli Binhai Arts and Culture Center	100,000
2	The Alliance Cultural Foundation	"Invisible Muse" Charity	1,080,000
3	Fude Temple Xitun District Huilai Li Management Committee		2,000
4	National Chung Hsing University Alumni Center		300,000
5	Taichung Cultural Education Foundation for Architecture		300,000
6	Tunghai University	Department of Architecture Development Fund's Graduation Exhibition for the Class of 2018 (University Division)	100,000

Number	Unit	Content	Amount New Taiwan Dollars: NT\$
7	Ming-Dao High School (Certificate of Appreciation)	2022-2023 Academic Year Second Semester SIG Visit for High School Architecture and Economic Management Program	-
8	Tremolo harmonica/Artistic director Chang Chih-Sheng	Sponsor for "free reed" Harmonica unlimited tickets	100,000
9	National Chung Hsing University Alumni Center	Sponsor for the 2015 anniversary school celebration concert	100,000
10	Taichung City Government Sports Bureau, Taichung Real Estate Development Association	Sponsor for the 2023 Taichung City Half Marathon	120,000
11	Kid's Bookhouse Foundation	Charity run	100,000
12	Taichung City Cultural and Educational Foundation	Sponsorship of arts and culture events	250,000
13	Ministry of Education Sports Administration Profit-making Enterprise Donation 303 Account.	2023 World Baseball Classic	500,000
14	Rotary Club of North District, Taichung	Donations for 2023	47,000
Total			3,099,000

"Invisible Muse" Exhibition

Contribution to the Alliance Cultural Foundation, a nonprofit organization, in support of the "Invisible Muse" exhibition. This statement reflects our support and emphasis on cultural and artistic endeavors. We hope to promote the development of art and culture and bring more beauty and inspiration to society.



Mingdao High School 2022-2023 Academic Year Second Semester SIG Visit for High School Architecture and Economic Management Program

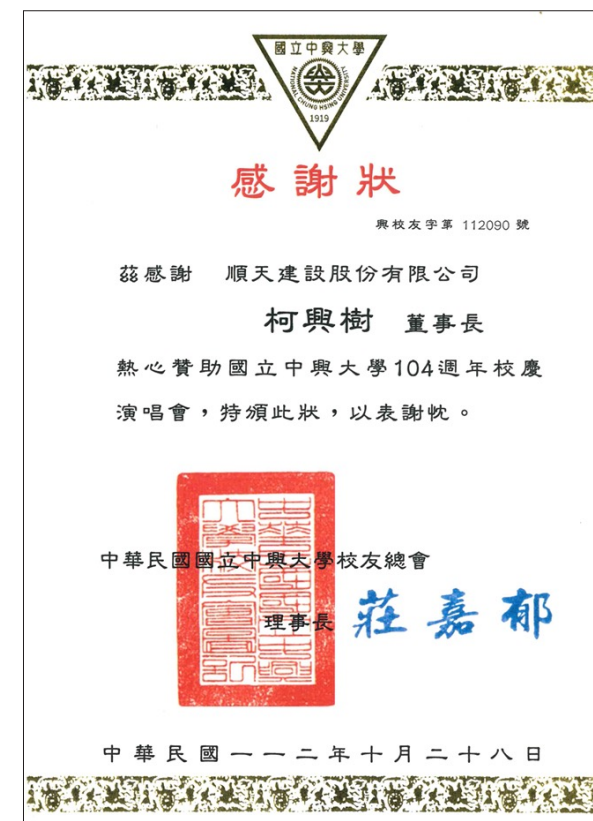
This gave students the opportunity to participate in field trips that allowed them to gain a deeper understanding of the fields of architecture and business. We hope that this event will stimulate students' interest and enthusiasm in related fields. We also look forward to working with the school to contribute to the future development of education.



National Chung Hsing University's 104th anniversary celebration concert

Sweeten Real Estate Development recognizes the importance of social responsibility and actively participates in supporting various educational activities. We hope that the school anniversary concert will provide a valuable opportunity to foster camaraderie among alumni and share precious moments together. We believe that music has the power to bring people together and allow students to experience the warmth and beauty of the campus in a joyful atmosphere.

By supporting this event, we hope to bring a memorable experience to National Chung Hsing University and allow students to enjoy an unforgettable anniversary celebration. At the same time, we aim to foster communication and collaboration among alumni through this event, collectively contributing to the school's development. We encourage our employees and their families to actively participate and work together to create a warm and joyful campus atmosphere to make the school's anniversary celebration even more vibrant and diverse.



2023 Taichung City Half Marathon

Sweeten Real Estate Development sponsored the 2023 Taichung City Half Marathon, an important event that promotes health and community cohesion. We invested NT\$120,000, which not only demonstrates our support for local residents, employees, and their families, but also encourages healthy lifestyles.

This marathon event provided a valuable opportunity for community members to come together and participate in a healthy activity. People of all ages and genders can participate in this activity and show their personal interest in sports while enjoying the happiness and sense of accomplishment that comes with physical activity. We believe this event will build community cohesion and strengthen relationships between individuals.

We hope this sponsorship will inspire more people to participate in sports, focus on healthy living and work together to create a healthier and more vibrant community environment. Therefore, we will continue to support similar events and make a positive contribution to the development and well-being of the community.



5.2 Sweeten Cultural and Educational Foundation

The Sweeten Cultural and Educational Foundation was established in 2014 by Sweeten Real Estate Development with the aim of promoting art and culture, as well as architectural aesthetics. The Foundation aims to integrate the built environment with urban aesthetics, hoping to inspire people through the arts and humanities, ultimately achieving a harmonious union of architecture, urban aesthetics, and the arts.

THE 201 ART Sweeten Architecture, Culture, and Art Center

THE 201 ART Sweeten Architecture, Culture, and Art Center is a creative fusion of architecture, art, and culture. It is also an extension of the Company's spirit and a manifestation of its brand value. The Center is dedicated to becoming a new and emerging art exhibition and performance venue with the goal of fostering creativity and cultural development. Through artistic practice, we aim to explore architectural spaces, environments and cultural structures, stimulating interdisciplinary dialog and impact. This will drive innovation in the fields of avant-garde art and architecture.

2023 curatorial events

Tectonic Narratives

"The exhibition "Tectonic Narratives 2023: Tectonic Architecture-Taichung Exhibition" was held at the Sweeten Architecture, Culture and Art Center. Curators Wang Tseng-Yung and Wu Yao-Ting view architecture as a form of artistic text, focusing not only on basic elements such as design, structure, and materials, but also exploring the "narrative" aspect of architecture. The exhibition features 15 works of Taiwanese residential and public architecture, including the Taiwan - Reyhanli Centre for World Citizens, designed by Taiwanese architects Huang Ming-Wei, Liao Chia-Shun, Grace Cheung, Peng Wen-Yuan, Wang Ming-Hsien, Lin Sheng-Feng, Tseng Pu-Ming, Su Fu-Yuan, Wang Che, and Lin Yu-Han. It will also showcase the architectural concepts conveyed by these architects through their works. Exhibitions not only showcase diverse architectural forms and inherent narrative qualities, but also allow for the classification and display of works through five distinct categories: geographic, temporal, cultural, internal, and typological contexts. However, because buildings must meet a variety of human needs, this exhibition also emphasizes the usability, aesthetics, and environmental integration of architecture.



PKN x TAICHUNG #Vol.9 Designer Networking Night in Taichung

The Designer's Night 2023, bringing together 10 creators and founders from different fields, invites everyone to embark on a study of the contemporary cultural atmosphere on Saturday evening, November 11, 2023. In this unique forum, we will dissect the vibe (atmosphere) of this era and delve into contemporary thought consciousness. We will explore the implications of consciousness, which encompasses the totality of psychological processes, including feelings about the world, thinking, and more. This means that our thoughts and emotions are inextricably linked to the world, influencing each other and collectively shaping our existence. As if resonating from a fundamental vibration, a ripple effect is created in our bodies, minds, and spirits, prompting us to reflect on the past, grasp the present, and anticipate the future, driving us relentlessly forward.

#Vol.9
2023
SAT.

PechaKucha Night
Presenters 特邀講者

- 林聖峰 / SHENG FENG LIN
嶼山工房 Atelier Or | 主持人 ● 建築設計 Architecture Design
- 陳普 / PU CHEN
HH 247 Visual art | 負責人 ● 視覺藝術 Visual Art
- 陳伯軒 / GARY CHEN
泊人 ANKR | 主理人 ● 音樂創作 Music Production
- 郭恩愷 / NK KUO
森林木人建築工作室 | 主持人 ● 木構設計 / 實作
Forest-Wood Architectural Design / Build
- 張家翎 / CHIA LING CHANG
messagingleaving 同步留信 | 創辦人 ● 裝置藝術 Installation Art
- 曾令理 / LING LI TSENG
偶然設計 | 共同發起人 ● 空間設計 Spatial Design
- 彭冠傑 / GUAN JIE PENG
POM (Project On Museum) / the MEDIAN | 負責人 / 主理人
● 文化教育 Culture & Education
- 溫佑君 / JUNE WEN
百蘭 | 創辦人 ● 芳香療法 Aromatherapy
- 楊偉成 / AARON YANG
500輯 | 專案主編 ● 品牌策略 Branding Strategy

11.11
19:00-22:30
at THE 201 ART

Organizer THE 201 ART 順天建築 · 文化 · 藝術中心
台中市西屯區文心路二段201號 B2 04-2254-6455 E-mail: the201art@gmail.com
http://www.facebook.com/THE201ART 停車資訊: 順天經貿大樓B3 (參加活動免費停車)

Sponsors
CANJUNE 尚美 ANKR Laleo

Column

The term "**PechaKucha**" originates from Japanese and means chit-chat

PechaKucha Night (PKN for short) was founded in 2003 in Tokyo, Japan by Astrid Klein and Mark Dytham, the two partners of Klein Dytham architecture.

Initially, the goal was simply to give young designers a chance to showcase their work. Today, the event is held in more than 1,000 cities worldwide, including New York, London, Tokyo, Shanghai, Amsterdam, Sydney, San Francisco, Berlin, Cape Town, and Hong Kong. The entity authorized to host the event in Taichung is THE 201 ART Sweeten Architecture, Culture, and Art Center.

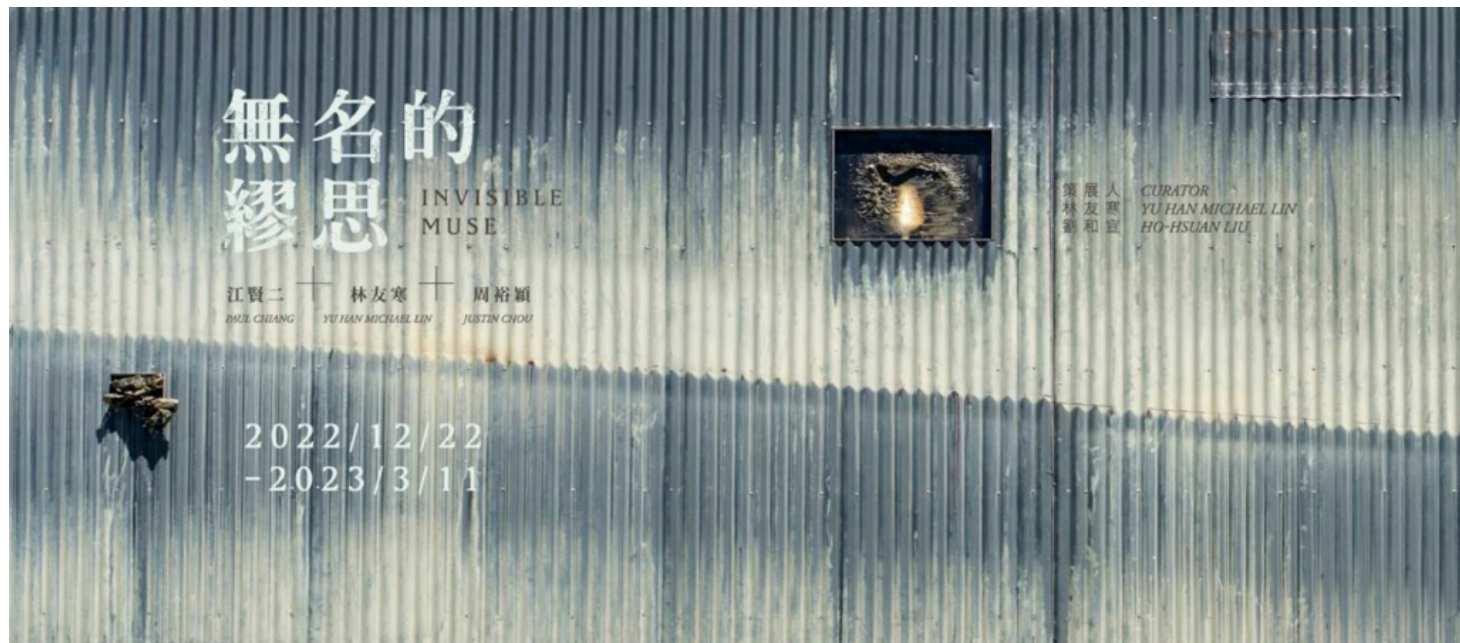
20 x 20 Creative Rules

Each speaker on stage shared 20 images with a time limit of 20 seconds per image, resulting in a total presentation time of "400 seconds" for each speaker. There are no dry and monotonous presentations, only inspiring exchanges that leave you wanting more, boundless creative inspiration, and an unforgettable night of unique and irreplaceable communication!

INVISIBLE MUSE

"Muse" is the goddess who rules art and science, and today represents the people and things that inspire artists. "Unnamed" refers to creative materials and techniques that are considered irrelevant to art outside the mainstream. They may be interdisciplinary, unfinished, flawed, or discarded materials. From another perspective, "unnamed" refers to undiscovered artistic potential. The beauty they create is unknown. These unnamed muses often come from the creator's own experiences and discoveries in their environment.

"This exhibition spans three fields: painting, architecture, and fashion. Through the interdisciplinary collaboration of artist Paul Chiang, architect Lin Yu-Gan, and fashion designer Justin Chou, it explores the journey from "picking up" to "discovering." By pursuing the unknown with unnamed muses, the exhibition creates art and redefines "beauty" from a new perspective.



Appendix - GRI Standards Index

Usage declaration	Sweeten Real Estate Development has reported its sustainability performance for the period from January 1, 2023 to December 31, 2023, in accordance with the GRI Standards 2021.
GRI 1 Usage Version	GRI 1: Foundation 2021
GRI Industry Standards	Not applicable (GRI has not yet published relevant industry standards)

General disclosure

GRI code	Disclosure items	Relevant chapter/Description	Page number	Description omitted
GRI 2-1	Organizational details	1.1 Organizational Overview	23	
GRI 2-2	Entities included in the organization's sustainability reporting	About This Report	2	
GRI 2-3	Reporting period, frequency and contact point	About This Report	2	
GRI 2-4	Restatements of information	This annual report contains no information that has been reorganized	-	
GRI 2-5	External assurance	This annual report is not subject to external assurance	-	
GRI 2-6	Activities, value chain and other business relationships	1.1 Organizational Overview	23	
GRI 2-7	Employee	4.1 Friendly Workplace	95	

GRI code	Disclosure items	Relevant chapter/Description	Page number	Description omitted
GRI 2-8	Workers who are not employees	4.1 Friendly Workplace	95	
GRI 2-9	Governance structure and composition	1.2 Corporate Governance	30	
GRI 2-10	Nomination and selection of the highest governance body	1.2 Corporate Governance	30	
GRI 2-11	Chair of the highest governance body	1.2 Corporate Governance	30	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Corporate Governance	30	
GRI 2-13	Delegation of responsibility for managing impacts	1.2 Corporate Governance	30	
GRI 2-14	Role of the highest governance body in sustainability reporting	1.2 Corporate Governance	30	
GRI 2-15	Conflict of interest	1.2 Corporate Governance	30	
GRI 2-16	Communication of critical concerns	1.2 Corporate Governance	30	
GRI 2-17	Collective knowledge of the highest governance body	1.2 Corporate Governance	30	
GRI 2-18	Evaluation of the performance of the highest governance body	1.2 Corporate Governance	30	
GRI 2-19	Remuneration policies	1.2 Corporate Governance	30	
GRI 2-20	Process to determine remuneration	1.2 Corporate Governance	30	
GRI 2-21	Annual total compensation ratio	4.1 Friendly Workplace	95	

GRI code	Disclosure items	Relevant chapter/Description	Page number	Description omitted
GRI 2-22	Statement on sustainable development strategy	Message from the Chairman	4	
GRI 2-23	Policy commitments	1.3 Integrity Management 4.1 Friendly Workplace	45 95	
GRI 2-24	Embedding policy commitments	1.3 Integrity Management 4.1 Friendly Workplace	45 95	
GRI 2-25	Processes to remediate negative impacts	1.3 Integrity Management 4.3 Employee Communication	45 104	
GRI 2-26	Mechanisms for seeking advice and raising concerns	1.3 Integrity Management 4.3 Employee Communication	45 104	
GRI 2-27	Legal Compliance	1.3 Integrity Management	45	
GRI 2-28	Membership associations	1.1 Organizational Overview	23	
GRI 2-29	Approach to stakeholder engagement	Stakeholder Identification and Communications	10	
GRI 2-30	Collective bargaining agreements	This Company does not have a collective bargaining agreement	-	

GRI 3: Material Topics 2021

Corresponding GRI and disclosure content	Relevant chapter/Description	Page number	Description omitted
3-1 Process to Determine Material Topics	Stakeholder Identification and Communications	10	
3-2 List of Material Topics	Management of material topics	13	
3-3 Management of Material Topics	Management Guidelines of Material Topics	17	

Personalize material topics

Material topics	Corresponding GRI and disclosure content	Relevant chapter/Description	Page number	Description omitted
Customer service	3-3 Management of Material Topics	2.3 Customer Value	65	
Construction quality	3-3 Management of Material Topics	2.1 Construction Quality Management	54	
Engineering environmental management	3-3 Management of Material Topics	3.2 Engineering Environmental Management	82	
Legal compliance	3-3 Management of Material Topics	1.3 Integrity Management	45	

Material topics GRI comparison

Material topics: Operating performance

	Corresponding GRI and disclosure content	Relevant chapter/ Description	Page number	Description omitted
GRI 3: Material Topics 2021	3-3 Management of Material topics	Management Guidelines of Material Topics	17	
201 Economic Performance 2016	201-1 Direct economic value generated and distributed	1.1 Organizational Overview	23	
	201-2 Financial implications and other risks and opportunities due to climate change	3.3 Climate Change Responses	88	
	201-3 Defined benefit plan obligations and other retirement plans	4.1 Friendly Workplace	95	
	201-4 Financial assistance received from government	1.1 Organizational Overview	23	

Material Topic: Information security

	Corresponding GRI and disclosure content	Relevant chapter/Description	Page number	Description omitted
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Management Guidelines of Material Topics	17	
418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Information Security	49	

Material topic: Remuneration and Benefits

	Corresponding GRI and disclosure content	Relevant chapter/Description	Page number	Description omitted
GRI 3: Material Topics 2021	3-3 Management of Material topics	Management Guidelines of Material Topics	17	
401 Labor relations 2016	401-2 Benefits provided to full-time employees that are (not provided to temporary or part-time employees)	4.1 Friendly Workplace	95	
405 Employee Diversity and Equal Opportunity 2016	405-2 Ratio of Basic Salary and Remuneration of Women to Men	4.1 Friendly Workplace	95	

Material Topic: Occupational safety

	Corresponding GRI and disclosure content	Relevant chapter/ Description	Page number	Description omitted
GRI 3: Material Topics 2021	3-3 Management of Material Topics	Management Guidelines of Material Topics	17	
403 Occupational health and safety 2018	403-1 Occupational health and safety management system	4.4 Occupational Safety	105	
	403-2 Hazard identification, risk assessment, and incident investigation	4.4 Workplace Safety	105	
	403-3 Occupational health services	4.4 Occupational Safety	105	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4 Occupational Safety	105	
	403-5 Worker training on occupational health and safety	4.4 Workplace Safety	105	
	403-6 Promotion of worker health	4.4 Workplace Safety	105	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Workplace Safety	105	
	403-9 Work-related injuries	4.4 Workplace Safety	105	

Appendix - TCFD Recommendations and Supporting Recommended Disclosures

Core aspects	TCFD recommended disclosures	Relevant chapter	Page number
Governance	Describe the Board' s oversight of climate-related risks and opportunities.	3.3 Climate Change Response	88
	Describe management' s role in assessing and managing climate-related risks and opportunities.	3.3 Climate Change Response	88
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	3.3 Climate Change Response	88
	Describe the impact of climate related risks and opportunities on the organization' s businesses, strategy, and financial planning.	3.3 Climate Change Response	88
	Describe the resilience of the organization' s strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	3.3 Climate Change Response	88
Risk Management	Describe the organization' s processes for identifying and assessing climate-related risks.	3.3 Climate Change Response	88
	Describe the organization's processes for managing climate-related risks.	3.3 Climate Change Response	88
	Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	3.3 Climate Change Response	88
Metric and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	3.3 Climate Change Response	88
	Disclose Scope 1, Scope 2, and Scope 3 (if applicable) greenhouse gas emissions and related risks.	3.3 Climate Change Response	88
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	3.3 Climate Change Response	88

Appendix - Status Report on the Implementation of Climate-related Information

Item		Implementation Status
1	This report provides an overview of how the Board of Directors and management supervise and manage climate-related risks and opportunities.	The Board of Directors and management team place significant importance on the matter of sustainable development, which includes identifying risks associated with operations, finance, environment, and climate change. The ESG Sustainability Report Preparation Task Force was established by our Company in 2022 to promote sustainability-related initiatives such as energy conservation, carbon reduction, greenhouse gas inventory, and climate change response.
2	This report outlines the potential impact of identified climate risks and opportunities on a company's operations, strategies, and finances (short-term, medium-term, long term).	Assess the risks and opportunities arising from climate change in terms of the value chain (organization, suppliers, clients), and evaluate their impact on business and operational aspects. Perform a financial impact assessment. Identify significant climate risks and opportunities by considering the occurrence timeline (short-term, medium-term, long-term), as well as the likelihood and impact of different climate issues. In terms of risks, the current policy and regulatory risks primarily consist of short-term factors. These include domestic and international greenhouse gas reduction requirements, carbon tax collection, increasingly strict environmental regulations, changes in customer demands, and the severity of extreme weather events. Medium to long-term risks are influenced by regulatory and policy uncertainties, renewable energy regulations, mandatory regulations for products and services, changes in rainfall patterns, drastic changes in weather patterns, and rising average temperatures. On the other hand, opportunities arise from changes in market demand, improvements in resource utilization efficiency, and the adoption of low-carbon technologies. These factors present promising business prospects for the future.

Item		Implementation Status
3	This report aims to elucidate the effects of extreme weather events and transition actions on the financial sector.	Physical risks can result in project delays, supply chain disruptions, increased raw material costs, affected employee transportation, or even direct injuries or fatalities. The risks mentioned above may lead to financial losses for the company, resulting in an increase in both direct and indirect costs, as well as higher frequency and cost of building maintenance. The risk of transformation may increase as regulations become more stringent. The Company's spending on environmental issues may also rise annually, as well as due to the implementation of adjustment and mitigation measures. However, successful response or mitigation strategies can also lead to long-term profits and sustainable development for the Company.
4	This report outlines the integration of the process of identifying, assessing, and managing climate risks into the overall risk management system.	The process of identifying, assessing, and managing climate risks is based on the company's existing process for identifying various operational risks. This includes regular procedures for risk identification, assessment, control, and monitoring.
5	When utilizing scenario analysis to evaluate resilience to climate change risks, it is crucial to provide a clear explanation of the scenario, parameters, assumptions, analysis factors, and significant financial impacts employed.	Currently, scenario analysis is not being utilized to evaluate the resilience of climate change risks.
6	If you have a transition plan in place to mitigate climate-related risks, please provide a detailed Main Description of the plan's content. Additionally, include the indicators and objectives that are utilized to identify and manage both physical and transitional risks.	Currently, there is no existing plan to address the risks associated with climate change.

Item		Implementation Status
7	If internal carbon pricing is used as a planning tool, it is important to provide an explanation for the basis of price determination.	Internal carbon pricing has not been implemented yet.
8	If climate-related goals are established, it is important to provide an explanation of the activities covered, the scope of greenhouse gas emissions, the planning schedule, and the annual progress. If carbon offsetting or renewable energy certificates (RECs) are utilized to meet these goals, it is necessary to specify the source and quantity of carbon offset or the quantity of RECs.	<p>Short-term goal: By 2024, reduce greenhouse gas emissions by 1% compared to 2022.</p> <p>Mid-term goal: Reduce greenhouse gas emissions by 3% compared to 2022 levels by 2025.</p> <p>Long-term goal: To achieve carbon neutrality by 2050.</p>
9	Greenhouse gas inventory and assurance status.	The results of the greenhouse gas inventory are shown in the Appendix. The Company will follow the guidelines of the "Sustainable Development Path for Listed Companies" and is expected to have its greenhouse gas emissions verified by a third party by 2028.

Greenhouse gas inventory and assurance status

Scope 1	Emissions (metric tons of CO ₂ e)	Intensity (tons CO ₂ e/NT\$ million)	Confidence Institution	Explanation of the Situation
Sweeten Real Estate Development	37.89047	0.00855	No Confidence Institution	Current data has not yet been assured; future audits and assurances will be conducted
Subsidiary	Inventory check not conducted	-		
Total	37.89047	0.00855		

Scope 2	Emissions (metric tons of CO ₂ e)	Intensity (tons CO ₂ e/NT\$ million)	Confidence Institution	Explanation of the Situation
Sweeten Real Estate Development	289.21266	0.06524	No Confidence Institution	Current data has not yet been assured; future audits and assurances will be conducted
Subsidiary	Inventory check not conducted	-		
Total	289.21266	0.06524		

Scope 3	Emissions (metric tons of CO ₂ e)	Intensity (tons CO ₂ e/NT\$ million)	Confidence Institution	Explanation of the Situation
Sweeten Real Estate Development (Voluntary disclosure)	24.11131	0.00544	No Confidence Institution	Current data has not yet been assured; future audits and assurances will be conducted

The intensity calculation standard is based on a 2023 revenue of NT\$4,433 million



順天建設股份有限公司
SWEETEN REAL ESTATE DEVELOPMENT CO., LTD.

SUSTAINABILITY REPORT

2023