

Stock Code: 9946

Sanfar Property Limited

Handbook for the 2024 Annual Report

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# One. Letter to Shareholders

Dear Shareholders, Ladies and Gentlemen:

I sincerely welcome all shareholders taking the time to attend the shareholders' meeting. On behalf of all my colleagues and the company, I would like to thank all shareholders for your long-term support and trust.

In 2024, Taiwan's semiconductor industry continues to expand its advanced manufacturing capabilities. With reshoring of the ICT supply chain and increased investments by global enterprises, private sector investment momentum has been further strengthened. However, the global economy remains influenced by numerous uncertainties. Anticipated effects from U.S. tariff policies have driven up product prices, inflation has not yet fully eased, and geopolitical tensions persist—contributing to fluctuations in global markets. In response, our Company remains cautious, closely monitoring political and economic developments. We adopt prudent measures to ensure stable operations and safeguard the long-term interests of our shareholders.

This year marks the 30th anniversary of the San Far Group. Since its founding, the Group has remained committed to selecting prime locations and delivering functional, high-quality spaces, striving to provide every customer with a secure and lasting home. From the areas surrounding science parks and high-speed rail stations to the Yongkang Daqiao Redevelopment Zone in Tainan and the XinZhuang Sub-Center, we have consistently invested in local development well ahead of market surges. San Far's vision—"Cultural Concert Hall, Sustainable and Secure Homes"—is exemplified through collaboration with our subsidiary, Jingo International Records, in integrating music and the arts into communities. We actively promote cultural development in partnership with the Weiwuying National Kaohsiung Center for the Arts, Tainan Art Museum, National Science and Technology Museum and the National Center for Traditional Arts. These efforts have earned us the Arts and Business Awards from the Ministry of Culture for two consecutive terms. Through architecture, we aspire to convey a sense of stability and well-being. We embrace the philosophy of "Love is Forever" as our guiding belief in every land development and building we undertake.

Looking ahead, while challenges such as tariff adjustments under the Trump administration, ongoing US-China trade and tech tensions, extreme climate events and geopolitical uncertainties continue to impact the global economy and financial markets, Taiwan's domestic economy remains supported by steady private consumption, exports, and investment momentum. The Company is committed to corporate governance and sustainable ESG practices. We embed these principles into our business strategies and strive to reduce construction waste and inefficiencies. We also plan to adopt the WELL for Residential international certification standard to promote healthy building design. We will continue to seek sound investment opportunities, expand our land inventory for development, and refine our operational strategies to maintain competitiveness. With integrity, mutual support, professionalism, and dedication as our core values, we are committed to delivering products that meet market needs with exceptional quality, while consistently improving operational efficiency to generate steady profits and returns for all shareholders.

Thank you again for your continued support and trust. I wish you all good health, success in all endeavors, and happiness and peace for your families.

## I. THE 2024 BUSINESS REPORT

### (I) Implementation results of 2024 business plan

Unit: NTS Thousand

Items	2024	2023	Increase or decrease
Operating income	2,030,854	963,121	1,067,733
Gross profit	715,075	266,698	448,377
Total comprehensive profit and loss	457,997	162,656	295,341

The Company's operating revenue for 2024 increased by 110.86% compared to 2023. This significant growth was primarily attributable to the completion and handover of new construction projects located at Land No. 181, Yongxing Section, and Land No. 528, Liujia-Ding, which were recognized as revenue upon delivery. In recent years, the real estate market has benefited from the government's Preferential Housing Loans for the Youth. However, on September 19, 2024, the Central Bank implemented the seventh round of selective credit control measures. As a result, homebuyers are now facing stricter mortgage loan assessments. Additionally, the Central Bank's policy to raise the reserve requirement ratio has prolonged the full-load status of mortgage lending, which is expected to exert pressure on the housing loan market. Despite these challenges, the domestic real estate market continues to be supported by strong end-user demand for home ownership. While the Central Bank's policies have raised the threshold for down payments, they are expected to steer the housing market toward more financially sound and stable long-term development. The Company remains committed to steadily launching new projects. Although the sales cycle may be extended, we continue to actively market and sell newly completed housing units. By closely monitoring market and regulatory trends, we pursue our vision of "sustainable operation" and "customer satisfaction," and will continue executing our strategic initiatives to drive performance growth and fulfill the expectations of our shareholders and investors.

### (II) Budget execution

It is not required to prepare the Company's 2024 financial forecasts based on the "Regulations Governing the Publication of Financial Forecasts of Public Companies."

### (III) Financial income and expenditure

Unit: NT\$ Thousand

Items	2024	2023
Net operating income	461,323	115,475
Non-operating income and expense	11,539	(21,361)
Net profit before tax from continuing operations	472,862	94,114
Net income	375,316	88,856
Total comprehensive profit and loss	457,997	162,656

### (IV) Profitability analysis

Items	2024	2023	
Return on assets (%)	3.33	1.56	
Ratio of Return on Shareholders' Equity (%)	5.69	1.37	
To Paid-in Capital Ratio (%)	Operating profit	14.13	3.54
	Net income before tax	14.48	2.88
Net profit rate (%)	18.48	9.23	
Basic earnings per share (NT\$)	1.15	0.27	

### (V) Research and Development

#### 1. Key projects development:

Projects at Cheng-Deh section, Urban subcenter Project Section 18, Shinzuan section, Shinbon section, Wukuaicuo section, Jincheng section, etc.

#### 2. Sustainable operation and customer satisfaction:

Rooted in the Company's core philosophy of sustainable development, ESG (Environmental, Social, and Governance) principles are actively integrated into construction practices. Efforts are focused on four key areas: energy conservation and carbon reduction, pollution mitigation, expansion of green coverage, and air purification. Through the application of innovative design and technology, the environmental impact during both construction and operational stages is minimized. Architectural aesthetics are blended with refined living to create residential spaces that align with customer expectations while promoting environmental sustainability. In addition, emphasis is placed on effective consumer engagement and communication. Continuous improvement in product quality and alignment of new project launches with market demands help

demonstrate both financial and non-financial performance. The vision of sustainable operation is realized through the guiding principles of “courage, water-consciousness, and waterproofing,” reflecting a long-term commitment to responsible business practices.

3. Market research and development:

Grasp accurate real-price registration and real estate related information, collect statistics on regional land market transaction prices, quantities, and the floorage and prices of housing projects in recent years in order to facilitate the analysis of the favorite products in each district and to grasp the changes in market demand and consumer mentality for reference in product positioning, product design, customer experience, and marketing strategies for increasing sales.

4. Studying construction methods and project management:

Through strict construction quality management, the use of green-certified building materials, and the careful selection of high-quality suppliers, combined with the implementation of the Alfa Safe construction method in new projects, the Company ensures both structural stability and safety while achieving goals related to carbon reduction and seismic resistance. In addition, a third-party verification mechanism continues to be implemented, incorporating services such as “Project Progress Portfolio-Building Structure Construction Quality Verification” and “Building Inspection of Public Area.” These measures aim to enhance overall construction quality and market value, thereby securing product advantages and maintaining site safety.

Chairperson: Ting-Cheng Chung    Manager: Ti-Chuan Yang    Accounting Officer: Wen-Ling Tsai

## II. SUMMARY OF 2025 OPERATIONS PLAN

According to the OECD (Organization for Economic Co-operation and Development), global GDP is projected to grow by 3.3% in 2025, a slight increase from 3.2% in 2024. This reflects easing inflation, improved labor market conditions supporting employment growth, strong demand driven by AI applications and interest rate cuts by central banks helping to offset the impact of fiscal tightening. Leading institutions to remain optimistic about a sustained recovery in global trade, forecasting trade volume growth between 3.1% and 3.2%. Amid continued development of AI-related technologies in the U.S. and China, Taiwan's exports of electronic and ICT products are expected to benefit. According to Taiwan's National Development Council, AI remains a growth driver. The Directorate-General of Budget, Accounting and Statistics (DGBAS) forecasts Taiwan's 2025 economic growth rate at 3.29%, a decrease from 4.3% the previous year. While geopolitical risks and U.S. tariff policies present uncertainties to global trade, Taiwan must remain vigilant against overreliance on exports to the U.S., which could trigger broader economic impact such as tariff increases. As major global economies begin monetary easing cycles and with a strong demand for emerging technologies like AI, the Taiwanese government continues to support high-tech industries to maintain competitiveness in global supply chains. This will further stimulate exports and production, sustaining Taiwan's economic momentum into 2025.

Globally, AI and semiconductor investments are expanding rapidly. Taiwan's technology sector remains a core pillar of the global economy, with ongoing advancements in semiconductors, AI, and automation. Despite uncertainties in international markets, Taiwan's key technology industries remain highly competitive. Taiwan's Ministry of Finance estimates that public infrastructure investment will exceed NT\$600 billion in 2025. Through the Private Participation in Infrastructure Projects Act, private capital is being introduced to ease fiscal pressures while offering diversified investment opportunities in the market. Domestically, the AI boom, continued semiconductor plant construction and green energy infrastructure demand are supporting steady growth in the technology sector. Ample market liquidity further supports positive private investment and participation in public projects—key drivers of demand for the construction industry.

SanFar remains focused on strengthening its core construction business, grounded in the principles of integrity, professionalism and ESG-driven sustainable development, while continuing to deepen its presence in Taiwan. Through internal management reforms and transformation efforts, the Group is enhancing personnel training, strictly managing cost and budget execution, investing in R&D of low-carbon materials, improving product quality and building brand value. These long-term strategies reflect our commitment to sound corporate governance and social responsibility. At the same time, San Far will actively leverage domestic and international demand to drive consumption and investment. The Group will pursue business

expansion and broaden its asset management portfolio by actively evaluating and investing in residential, commercial office buildings, leisure resorts, and hotel projects. San Far will continue to enhance operational efficiency, strengthen competitiveness, and ensure sustainable profitability, with the goal of delivering strong performance year after year.

Looking ahead, the Company will remain focused on its strategic development objectives, including business direction, sales volume expectations and underlying assumptions and key production and sales policies.

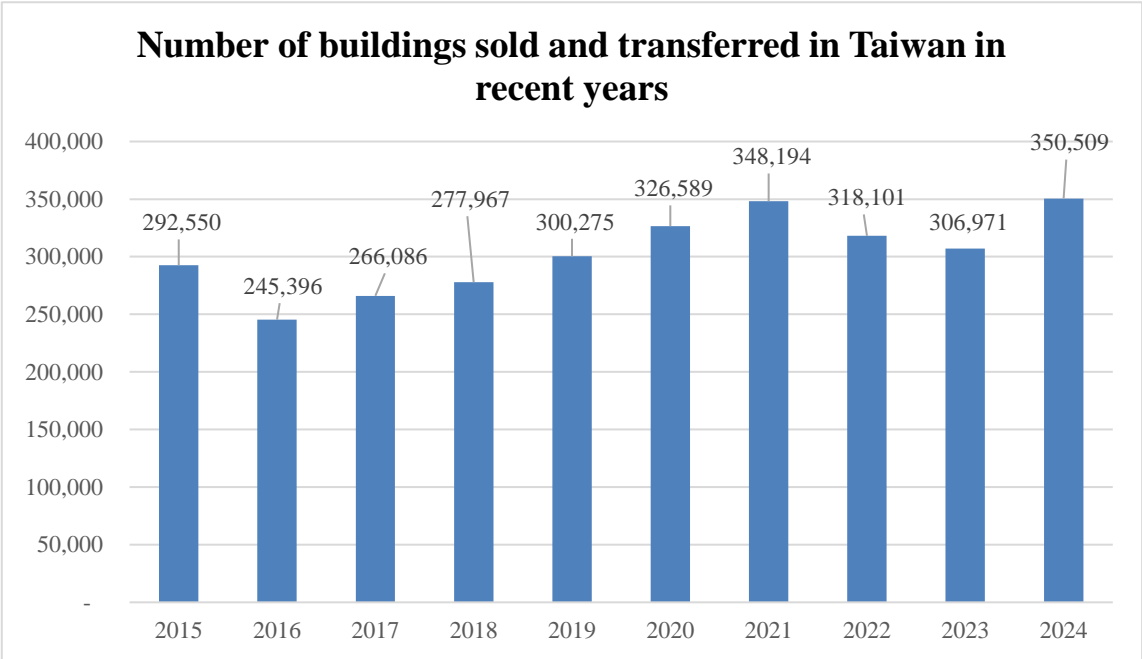
(I) Operational guidelines

1. Land acquisition policy:

In 2024, Taiwan’s commercial real estate transaction value reached NT\$182.1 billion, representing a year-over-year increase of 32.3%. This surge was driven by robust demand for AI applications and semiconductors, which boosted exports and economic growth, in turn spurring private investment and industrial expansion. The convergence of strong industrial demand and ample market liquidity has attracted global supply chain investments to Taiwan. However, in the second half of 2024, the Central Bank's credit control measures and the implementation of Article 72-2 of the Banking Act placed stricter lending caps on developers, prompting a more cautious approach to land acquisition. At the same time, global trade and tariff policies—alongside carbon reduction initiatives—have introduced new challenges. The construction sector, particularly the steel and cement industries, is likely to face the first wave of carbon taxation. Persistently high labor and material costs have further increased the pressure on developers, necessitating more rigorous pre-acquisition evaluations. It is projected that total land transaction value may decline to approximately NT\$180 billion in 2025, reflecting a more conservative purchasing strategy across the construction industry. As the Central Bank tightens monetary policy and raises the reserve requirement ratio, domestic interest rates have climbed, making credit less accessible for real estate investments. Meanwhile, Taiwan’s construction sector must prepare for the increasing emphasis on ESG compliance and carbon pricing. Current government housing market controls—such as lending restrictions, vacant home taxes and adjustments to integrated land and building tax policies—aim to curb speculation and stabilize housing prices. These policies are expected to shift market dynamics, attracting buyers with stronger capital bases or long-term asset strategies, leading the market toward a more stable and sustainable trajectory.

According to data from the Ministry of the Interior, the total number of property transactions in Taiwan reached 355,090 units in 2024, continuing the strong upward trend from 2023 and maintaining solid momentum over the past five years. Although a series

of government cooling measures has made some buyers more cautious, overall transaction activity has remained better than expected, supported by stable economic fundamentals. While high mortgage levels and tightened credit conditions may dampen short-term sales, housing prices are likely to remain firm due to persistent labor shortages, rising construction materials costs and the ongoing effects of “green inflation.” As a result, the market is expected to experience reduced volume but stable pricing in the near term.



Source: Statistics Department of the Ministry of the Interior

2. Launching products that meet market demand:

The Company exercises prudence in land acquisition and adapts its product planning and marketing strategies in response to evolving industry trends and market demand structures. For each project, product design and market positioning are tailored based on location characteristics and regional demand. Through customer segmentation aligned with local demographics, the Company diversifies its development approach to expand its operational scale and scope. This includes integrated considerations across land development, commercial real estate and a range of comprehensive services, with the aim of achieving both product diversification and refinement. Looking ahead, the Company will evaluate future product positioning with greater caution and rigor. Development strategies will focus on overall market trends, with a particular emphasis on urban redevelopment zones, areas targeted for major public infrastructure projects, and the growing demand for one- to three-bedroom units. The goal is to meet long-term regional potential and serve the needs of end-users and first-time homebuyers.

### 3. Diversified development strategy:

The Company has expanded its presence across multiple sectors, including construction, civil engineering, the music industry and commercial real estate, leveraging innovation to create value and driving steady operations through diversification. By integrating architecture with music, the Company differentiates its products from those of other developers, aiming to enhance operational synergy and strengthen brand value. Looking ahead, the Company's strategic development will focus on cross-industry collaborations involving integrated commercial complexes, hotel residences and tourism-related ventures. In addition, the Company plans to explore opportunities in the office building development and leasing market, while actively evaluating new business investments to further expand its operational scale.

### 4. Diversified fund sources:

In view of the government's loan restrictions and the ongoing tightening of bank financing, the financial sector may adopt a more conservative approach over the coming year, as it continues to face interest rate adjustments and investment market volatility. The Company remains committed to maintaining prudent financial operations to ensure smooth liquidity and flexible capital allocation. Its capital planning strategy is diversified, with key evaluation factors including funding scale, timing, and risk, as well as efforts to strengthen capital and financial structure and reduce financing costs. In addition to short-term working capital and construction financing, the Company secures long-term funding through capital markets to ensure financial stability. It emphasizes maintaining a dynamic balance between equity and debt financing, continuously enhancing its capital framework. Through this conservative and disciplined approach, the Company seeks to reinforce the stability of mid- to long-term funding to meet future capital requirements and support sustainable development within capital markets.

## (II) Expected sales volume and the basis of estimation

Items	Estimated total sales Amount (NTD)	Project location	Scheduled commencement date/completion date
Liujiading section 528	NT\$1.5 billion	Yongkang District, Tainan City	Construction to be completed in 2024 Q4 Finished goods that are sold continuously
Cheng-Deh section 26	About NT\$10 billion	Renwu District, Kaohsiung City	Construction to be completed in 2025 Q2 (projected) Sales of projects

Items	Estimated total sales Amount (NTD)	Project location	Scheduled commencement date/completion date
Urban subcenter section 18	About NT\$8 billion	Hsinchuang District, New Taipei City	Construction to be started in 2024 Q4
Shinzuan section 2420	About NT\$4 billion	Central West District, Tainan City	Construction to be started in 2024 Q4 Sales of projects
Jincheng section 49	About NT\$4 billion	Anping District, Tainan City	Construction to be started in 2025 Q4 (projected)

### (III) Important production and sales policies

1. The Company builds upon a strong foundation in land development expertise and actively seeks partnerships with landowners willing to co-develop properties. Land acquisition is pursued through diligent market research, planning, and careful evaluation and screening by professional consultants, enabling the Company to expand its reserve of high-quality land resources.
2. Product planning emphasizes human-centric and diversified design principles. The Company carefully evaluates local consumption trends to develop premium products that enhance brand recognition. In collaboration with Golden Records, it incorporates the concept of “musical housing” into architectural planning, creating a unique brand identity, elevating corporate image, and earning residents’ approval. This approach aims to offer residents a harmonious and high-value living experience while promoting a sustainable residential environment. Through multi-channel marketing and comprehensive after-sales service, the Company seeks to deepen customer trust in both its products and the San Far brand.
3. To ensure building safety and carbon reduction, the Company obtains third-party certification (e.g., SGS). Collaborating with renowned local and international design teams, the Company emphasizes efficient material selection and construction management to optimize cost control. The ISO 9001 quality management system has been adopted and is reviewed annually to ensure construction quality and efficiency.
4. Upholding the spirit of ESG and corporate social responsibility, the Company strives to earn the trust of customers, investors, and the general public. By delivering superior products and service quality, it builds a strong product reputation, showcases a distinctive brand identity, and enhances brand value and customer loyalty.

Looking ahead to 2025, global end-market demand is expected to recover alongside the expansion of emerging technologies and the normalization of supply chain inventories, driving stronger export momentum for Taiwan. Growth in AI technologies, semiconductors, and ESG-driven green energy investments is projected to continue expanding. However, in September 2024, Taiwan's Central Bank introduced its seventh wave of credit control measures, further tightening funding for real estate lending. On the other hand, major central banks worldwide have begun cutting interest rates, and global commodity prices—including crude oil—have declined, easing inflationary pressures and supporting global demand and trade growth. As a result, the global economy is projected to experience steady growth in 2025, with Taiwan's economy expected to see moderate expansion. The Company will continue to closely monitor global economic trends, domestic political and economic developments, trade dynamics, geopolitical factors, and real estate policy shifts. Timely adjustments to strategic responses will be made to seize stable growth opportunities.

Taiwan remains a critical hub in the global semiconductor supply chain, and its economic outlook is closely tied to worldwide technological demand—particularly in the areas of artificial intelligence, the Internet of Things (IoT) and electric vehicles. However, the global economy is expected to face several critical challenges, including policy shifts under the Trump administration in the United States, the monetary policy directions of central banks worldwide and the effectiveness of China's economic stimulus efforts. These factors will significantly impact both domestic and international investment momentum. In light of Taiwan's evolving economic and trade opportunities and challenges, it is essential to adopt proactive strategies. The Company will continue to monitor and assess global and domestic political and economic developments, interest rate trends and the overall business cycle. Land acquisition efforts will focus on areas offering three strategic advantages: robust transportation infrastructure, strong industrial development and favorable demographic growth. The Company will prioritize the development of mainstream residential properties, complemented by commercial office projects, and will establish optimized product offerings and financial strategies aimed at maximizing operational efficiency, maintaining stable profitability and enhancing overall competitiveness.

### III. FUTURE DEVELOPMENT STRATEGIES

#### (I) Product positioning strategies

1. The Company actively seeks land in regions with strong development potential and competitive advantages, maintaining high market sensitivity to ensure timely and accurate acquisition of land and related sales market data. This enables the formulation of competitive and strategic development plans. Exercise the design material selection and construction management functions, conduct detailed and accurate local market research and analysis, carefully select locations with development potential, and meet customer needs with diversified products; also, respond to the changes in the industry and market demand structure, timely adjust types of products and output to enter other types of real estate market.
2. In terms of planning, the Company collects and studies architectural design features from across Taiwan and internationally. It places strong emphasis on certifications related to fire safety in public areas, green building standards, building material certification, smart building technologies and earthquake resistance. Sustainability principles—such as energy and water conservation, ecological balance, carbon reduction and environmental protection—are integrated into the planning process. Building designs also incorporate clear corporate branding elements to enhance both construction quality and the overall brand image.

#### (II) Construction / cost control strategies

1. The Company selects appropriate construction software to ensure precise project planning and detailed scheduling. It adopts innovative construction methods and professional engineering techniques, implements comprehensive structural designs, and carefully selects building materials. Partner contractors are chosen through a rigorous evaluation process, ensuring high construction quality and operational precision. This approach reduces material waste, controls idle inventory, ensures proper maintenance of equipment, and effectively manages construction costs. Above all, workplace safety and hygiene are upheld as top priorities across all project sites.
2. In order to expand the business reach and disperse business risks, the focus is on developing business scope by upholding flexible and anti-risk thinking to have the major cities in northern, central, and southern Taiwan included in the development area and to form vertical management and mutual support of personnel in order to effectively control the construction progress, to reduce operating costs, and to ensure the company's profitability.
3. The Company promotes strategic, goal-oriented management. In addition to in-house training, it engages external consultants for regular professional

development sessions. Employees are also encouraged and subsidized to participate in external training programs, with the aim of continuously enhancing professional expertise, lowering costs, shortening project timelines, and improving overall operational quality.

### (III) Product marketing/price strategies

1. Although the world is in the cycle of interest rate cuts, the expected implementation of equal tariffs is increasing the uncertainty of global trade policies, adding to the downside risk of the global economy. This measure may hinder the global supply chain deployment and increase business uncertainties. The real estate market is still under the influence of price and volume contraction and consumers are sitting on the sidelines. The Company continues to stabilize its projects and actively go for new housing projects. Although the transaction time is expected to be longer, the Company still keeps abreast of the pulse of the management and housing market policies.
2. The relative schedule of self-construction projects is easier to grasp than that of urban renewal and unsafe and old buildings. The products that meet the needs of first-time buyers and home replacer groups are provided, providing products that are convenient, with advantages in the academic area, with good living functions and indoor space planning. The neighborhood experience event is held to let potential customers experience the future living atmosphere and improve their emotional connections. The Company reflects the product price at a reasonable cost and is close to the actual price registration and regional market price and sets the price that is agreed by consumers.
3. The Company will continue to pay attention to relevant law and regulations, taxation, government policies, and market developments, carefully evaluate the future development of the region, continue to operate steadily with good locations and product advantages, and reduce the risk of market impact.
4. Keep an eye on changes in the real estate market from time to time, grasp relevant market information, keep a sharp eye for market prices, adjust the current prices, while mastering the information on financing, laws, regulations and other information, respond to the continuous changes in the environment, accurately grasp the market pulse and the sales opportunity, and prepare for decision-making.

### (IV) Management system

Strengthen internal control, budget management, and corporate governance operations; also, strive to have all operations computerized, and improve management processes and refine internal control so that the company can still be able to improve work and operation efficiency through strengthening personnel job functions and

integrating internal and external resources while the company's sales are still growing. The Company has adopted the ISO9001 quality management system to establish relevant process operation specifications and regularly review and confirm, to ensure the quality of each project of the Company, in order to meet the expectations of consumers.

(V) Customer service strategies

1. Dedicated customer service department: The Company has established a dedicated customer service department with a focus on sustainable service. By delivering attentive and thoughtful service, the team strives to provide customers with a sense of dignity and warmth. This approach enhances the Company's service competitiveness and reinforces its brand image and consumer trust.
2. Dedicated legal department: The Company's legal department is committed to proactively mitigating potential disputes by strengthening research on relevant laws and case studies. It provides regular sales training and ensures that customers receive clear and thorough explanations of their rights and obligations during property transactions, thereby minimizing the likelihood of real estate-related conflicts.

#### IV. IMPACTS OF THE EXTERNAL COMPETITIVE ENVIRONMENT, REGULATORY ENVIRONMENT, AND THE OVERALL BUSINESS ENVIRONMENT

(1) External competitive environment:

According to the "2025 Macro Economic Situation" forecast of the Council for National Development, Executive Yuan, the economic fundamentals will continue to be stable this year, despite the risk of decline in the global economy. It is estimated that the economic growth rate will reach 3.29% in 2025. The growth momentum mainly comes from the acceleration of private investment, the continuation of consumption momentum, and the moderate expansion of export. Benefiting from the global trade momentum increasing and the completeness and advantages of the local industry supply chain in Taiwan, the export of related products in the fields of artificial intelligence and high-performance computing is expected to continue to grow. In addition, the semiconductor supply chain is actively expanding the advanced process and high-rank assembly capacity. International companies have successively established R&D or data centers and enterprises have continued to expand their investment in net-zero and digital dual transformation, which is the key to economic growth. With the steady domestic employment market, the growth of corporate

profits, the salary increase of military and public education and the minimum wage increase, it also helps to increase the salary and bonus distribution of employees, further drive consumption momentum and the overall economic performance is expected to continue to grow steadily.

The number of projects, housing prices and sales speeds in the six cities (Taipei City, New Taipei City, Taoyuan City, Taichung City, Tainan City, Kaohsiung City) have all shown a pattern of "stable prices and shrinking volumes." Due to the impact of policy control and weakened market confidence, the overall transaction volume has declined significantly, which shows the market's sensitivity to central administrative policies, particularly the weakening of the expectation for housing price increases. The government has implemented the 7th wave of selective credit control since September 2024, in order to suppress the over-heated housing market and reduce financial risks. The government has adopted measures such as extension of the loan cancellation period, reduction of the loan ratio, increase of the bank's loan loss provision, control of the total loan level in accordance with Article 72-2 and increase of the mortgage interest rate, etc., to increase the burden of home buyers, which caused the housing market to cool down significantly and also significantly reduce the market's speculative transactions and high housing prices. In the face of numerous unfavorable factors, the Company not only strengthens the professional capabilities of its team, but also builds products that meet consumer needs in response to the diverse and changing environment. The Company will continue to strengthen quality control, establish the Company's brand and provide good after-sales services to improve product competitiveness.

(II) Regulatory environment:

The Company's dedicated department will keep a close eye on changes in laws and policies related to construction laws, consumer protection regulations, taxation and government policies, in addition to analyzing and planning construction-related laws and regulations to be followed in construction operations and responding to changes in taxation in advance to ensure the Company and its shareholders' interests.

(III) Macroeconomy environment:

The global supply chain has eased up and inflation in various countries has also declined. However, due to the policy direction of "de-globalization" and the intensification of geopolitical risks, such as the US-China tech war and Russo-

Ukrainian War, Taiwan's export momentum has slowed down and enterprises tend to be more conservative in their investment, which further suppress the growth momentum of the real estate and commercial office markets. The U.S. and Europe are slowing down the interest rate cuts, so the global fund cost remains high. This also affects the Central Bank of Taiwan's monetary policy, causing the interest rate of mortgage loans to remain high and the public burden on home buyers increases.

In Taiwan's overall economic situation, the AI, semiconductor and green energy technology related industries continue to expand and increase the demand for industrial land and surrounding real estate, especially in the technology hubs such as Taoyuan, Zhongde, and Nankong, commercial real estate, factory office and logistics warehouses, etc., are popular and the development trend is divided with the housing market. In addition, the government's net-zero carbon emissions and urban renewal policies continue to inject new topics into the market and encourage the development and fund activation in some regions.

Looking back on the real estate market in Taiwan in 2024, the government launched the "Preferential Housing Loans for the Youth" to stimulate the first-time buyers to enter the market. However, the policy bonuses have gradually disappeared and the number of construction licenses issued has reached a record high, resulting in a wave of new construction projects that have been delivered in 2025 and the supply has increased significantly, causing an imbalance between supply and demand in the market. The wait-and-see atmosphere among buyers is strong. Particularly, in the high-priced and high-air space areas in central and southern Taiwan, the price loosening trend is shown and the pattern of "deflation in volume and price" is presented. The construction cost is continuously high due to the global raw material price fluctuations, carbon fee policies and the impact of the local manpower shortage, which has also affected the profit of the construction companies and the future new project price is also difficult to reduce.

Looking ahead to 2024, the outlook is "diversification of regions and transformation of structure," the main residential market is expected to be revised downward, but specific types of assets such as factories and commercial land still have growth potential. The future of the housing market depends on the Central Bank's interest rate policy, the implementation of the government's housing justice policy and the development momentum of the international economy and technology industry.

However, the real estate market will be able to grow steadily and develop in the long run by evaluating buyers' financial ability in a stable and transparent manner, which will lead to positive benefits in the four aspects of the real estate market, namely industry, supply, demand and price. Currently, there are many self-occupiers, and long-term home buyers. The Company is monitoring the direction of the policy, interest rates and economy at all times. The planning for land purchasing lean towards areas possessing these three major advantages in “transportation infrastructure, industrial development, population bonus.” Making appropriate expansions of investments in prime locations to achieve long term steady profit growth.

## Two. Corporate Governance Report

### I. PROFILE OF THE DIRECTORS, PRESIDENT, VICE PRESIDENTS, ASSOCIATES, AND HEADS OF VARIOUS DEPARTMENTS AND BRANCHES

#### (1) Information of the Board Directors

March, 29, 2025 Unit: Share; %

Job title	Nationality or Place of Registration	Name	Gender/age	Date of Election (Service)	Term of Office	First Date Election (Service)	Number of Shares Owned When Elected		Existing Number of Shares Owned		Existing Number of Shares Owned by Spouse or Minor Children		Shares Owned in Other's Name		Experience and (Educational) Background	existing Job Title Held in the Company and Other Company	Another executive, director or supervisor who is the spouse or second immediate family of a director			Note
							Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
Director	The Republic of China (ROC)	Good Ease Investment Limited	-	2024.5	3 Years	2024.5	1,301,250	0.40	1,301,250	0.40	-	-	-	-	Not applicable	Not applicable	None	None	None	Newly elected in 2024.05 (Note 1)
Director	The Republic of China (ROC)	Good Ease Investment Limited Representative: Ting-Cheng Chung	Male 31~40 years old	2024.5	3 Years	2021.7	-	-	5,922,671	1.81	-	-	1,301,250	0.4	Duke University, USA/Bachelor in Electrical and Computer Engineering, and Bachelor in Computer Science Sanfar Property Limited/ General Manager Jingo International Records Co., Ltd./ Director Jing Fu Xiang Construction/	Sanfar Property Limited/ Chairman concurrently serves as the Chief Strategy Officer Jingo International Records Co., Ltd./ Chairman Shangshan Industrial Co., Ltd./ Director Jingo Asset Development Co., Ltd.	Director	Chun-Jung Chung, Ting-Hsiung Chu	Father Brothers	Re-elected in 2024.05 (Note 1)

Job title	Nationality or Place of Registration	Name	Gender/age	Date of Election (Service)	Term of Office	First Date Election (Service)	Number of Shares Owned When Elected		Existing Number of Shares Owned		Existing Number of Shares Owned by Spouse or Minor Children		Shares Owned in Other's Name		Experience and (Educational) Background	existing Job Title Held in the Company and Other Company	Another executive, director or supervisor who is the spouse or second immediate family of a director			Note
							Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
														Manager	Director Allmind Holdings Corporation Director			ng		
Director	The Republic of China (ROC)	Shangshan Industrial Co., Ltd.	-	2024.5	3 Years	2021.7	13,183,004	4.04	13,183,004	4.04	-	-	-	-	Not applicable	Not applicable	None	None	None	Re-elected in 2024.05 (Note 1)
Director	The Republic of China (ROC)	Shangshan Industrial Co., Ltd. Representative: Ming-Hsien Kao	Male 61~70 years old	2021.7	3 Years	2021.7	-	-	-	-	-	-	-	-	Tamkang University / Department of Banking Bank of Panshin/President Land Bank of Taiwan/President Land Bank of Taiwan/Managing Director Small & Medium Enterprise Credit Guarantee Fund of Taiwan /Director	China Real Estate Management Co., Ltd. Supervisor	None	None	None	Discharged on 2024.05 (Note 1)
Director	The Republic of China (ROC)	Shangshan Industrial Co., Ltd. Representative: Chun-Jung Chung	Male 51~60 years old	2024.5	3 Years	2008.5	-	-	19,628,464	6.01	6,606,127	2.02	-	-	Wenzao Ursuline University of Languages Sanfar Property Limited/ Chairman and General Manager Jingo International Records Co., Ltd./ Chairman Pleasant Hotels International Inc. Corporate Director	Cheng Xin Investment Corporation/ Chairman Sanfar Property Limited/ Director	Director	Ting-Cheng Chung, Ting-Hsing	Father and the children	Newly elected in 2024.05 (Note 1)

Job title	Nationality or Place of Registration	Name	Gender/age	Date of Election (Service)	Term of Office	First Date Election (Service)	Number of Shares Owned When Elected		Existing Number of Shares Owned		Existing Number of Shares Owned by Spouse or Minor Children		Shares Owned in Other's Name		Experience and (Educational) Background	existing Job Title Held in the Company and Other Company	Another executive, director or supervisor who is the spouse or second immediate family of a director			Note
							Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
														Representative				Chung		
Director	The Republic of China (ROC)	Shangshan Industrial Co., Ltd. Representative: Dingshin Zhong	Male 21~30 years old	2024.5	3 Years	2021.7	-	-	5,199,862	1.59	-	-	1,426,100	0.44	Tamkang University / Department of Architecture Michaelidin Creativity Marketing Company /Chairman	Sanfar Property Limited/ Vice Chairman Jingo International Records Co., Ltd./ Director Minfar Real Estate Development Co., Ltd./ Chairman Allmind Holdings Corporation Director	Director	Chun-Jun Chung, Ting-Cheng Chung	Father Brothers	Re-elected in 2024.05 (Note 1)
Director	The Republic of China (ROC)	Cheng-nan Huang	Male 51~60 years old	2021.7	3 Years	2008.5	-	-	-	-	-	-	-	National Sun Yat-sen University, On-the-job Master's Degree of Advanced Business Administration National Kaohsiung First University of Science and Technology / Institute of Financial Operations Ding He Lawyer & Law Firm	Ding He Lawyer & Law Firm THINKING Electronic Industrial Corporation /Independent Director, Member of Audit Committee, Member of Remuneration Committee	None	None	None	Discharged on 2024.05 (Note 1)	
Director	The Republic of China (ROC)	Kang-Chi Lu	Female 61~70 years old	2024.5	3 Years	2015.6	69,336	0.02	69,336	0.02	-	-	-	BA of English Department of Soochow University Jingo International Records Co., Ltd./ Chairman Herbalife Taiwan/ General Manager	Sanfar Property Limited/ Director	None	None	None	Newly elected in 2024.05 (Note 1)	

Job title	Nationality or Place of Registration	Name	Gender/age	Date of Election (Service)	Term of Office	First Date Election (Service)	Number of Shares Owned When Elected		Existing Number of Shares Owned		Existing Number of Shares Owned by Spouse or Minor Children		Shares Owned in Other's Name		Experience and (Educational) Background	existing Job Title Held in the Company and Other Company	Another executive, director or supervisor who is the spouse or second immediate family of a director			Note
							Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
Independent Director	The Republic of China (ROC)	Chin-Chang Wu	Male 51~60 years old	2021.7	3 Years	2013.7	-	-	-	-	-	-	-	-	EMBA, National Chaio Tung University Sanfar Computer Corporation/Chairman	Sanfar Computer Corporation/Corporate Director Representative Yi Hung Investment Corporation/Chairman Sheng Hung Investment Corporation/Chairman Yi Sun Far Corporation/Chairman Jiahong Investment Co., Ltd., / Director Ling Dong Digital Co., Ltd. / Chairman & President National Kaohsiung University of Science and Technology – Angels Investment / Managing Director NGUSCHOOL / Director	None	None	None	Discharged on 2024.05 (Note 1)
Independent Director	The Republic of China (ROC)	Hsu-hui Hsu	Male 51~60 years old	2021.7	3 Years	2018.5	-	-	-	-	-	-	-	-	National Chengchi University / Entrepreneur Management Seminar Tulane University of Louisiana/Executive Master of Business Administration The 25th of Young Entrepreneur Model President of the ROC National Innovation and Entrepreneurship Association Taiwan Chamber of	Taiwan Express (Logistics) Co., Ltd./ Chairman T3EX Global Holding/ Board of Director CAR QUALITY AUTOMOTIVE CO., LTD. / Director Central Taiwan Science Park Logistics Co., Ltd. / Supervisor Eastern Civil Aviation Agency Co., Ltd. /	None	None	None	Re-elected in 2024.05 (Note 2)

Job title	Nationality or Place of Registration	Name	Gender/age	Date of Election (Service)	Term of Office	First Date Election (Service)	Number of Shares Owned When Elected		Existing Number of Shares Owned		Existing Number of Shares Owned by Spouse or Minor Children		Shares Owned in Other's Name		Experience and (Educational) Background	existing Job Title Held in the Company and Other Company	Another executive, director or supervisor who is the spouse or second immediate family of a director			Note
							Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
														Commerce & Industry/ Supervisor of the 4th term Taiwan International Logistics & Supply Chain Association/member of council Taipei Chung Hsiao/President Lifeline Association, Taipei/member of council CICD, 17th North District Fellowship/ Chairman Association of Taiwan Listed Companies/ Supervisor of the 1st term FocalTech Systems Co., Ltd./ Independent Director	Supervisor					
Independent Director	The Republic of China (ROC)	Yan-Feng Wu	Male 41~50 years old	2024.5	3 Years	2021.7	-	-	-	-	-	-	-	Tunghai University / Bachelor of Law T.Y.T. Law Offices / Attorney TAIWAN TEA CORPORATION / Director Shengshan Finance Co., Ltd. / Director	T.Y.T. Law Offices / Attorney San Far Property Limited / Remuneration Committee member, Nomination Committee member, and Audit Committee member	None	None	None	Re-elected in 2024.05 (Note 1)	
Independent Director	The Republic of China (ROC)	Ling-Ling Chang	Female 61~70 years old	2024.5	3 Years	2024.5	-	-	-	-	-	-	-	Tunghai University/ Department of Accounting JC L. L. Chang & Co., CPAs/ CPA and Director Sanfar Computer Corporation/ Independent Director	JC L. L. Chang & Co., CPAs/ CPA and Director Taiwan Fu Hsing Industrial Co., Ltd./ Independent Director JONG SHYN	None	None	None	Newly elected in 2024.05 (Note 1)	

Job title	Nationality or Place of Registration	Name	Gender/age	Date of Election (Service)	Term of Office	First Date Election (Service)	Number of Shares Owned When Elected		Existing Number of Shares Owned		Existing Number of Shares Owned by Spouse or Minor Children		Shares Owned in Other's Name		Experience and (Educational) Background	existing Job Title Held in the Company and Other Company	Another executive, director or supervisor who is the spouse or second immediate family of a director			Note
							Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
														Jazz Hipster Inc./ Independent Director Public Welfare Lottery Surplus Fund Committee, Kaohsiung City Government/ Member Invigilator and marker for the skill test of technician for accounting Financial evaluation of the Kaohsiung City Nursing Institution/ Committee member Zonta Club of Kaohsiung/ President	SHIPBUILDING CO., LTD./ Independent Director Sanfar Computer Corporation/ Director					

Note 1: The term of office of the directors of the Company expired on May 29, 2024 and directors were fully re-elected. According to Article 14--4 of the Securities and Exchange Act, the Company set up the Audit Committee to replace supervisors.

Note 2: Director Hsu-Hui Hsu resigned on December 31, 2024 due to personal factors.

1. The Board of Directors that are the major shareholders of institutional shareholders:

March 29, 2025

Name of Insitutional Shareholders	Major shareholders of insitutional shareholders	
	Name	Percentage of Shareholding
Zhuo Cheng Investment Co., Ltd.	Ting-Cheng Chung	80%
	Hsien-Ling Yang	20%
Shangshan Industrial Co., Ltd.	Mingqi Industrial Co., Ltd.	96%
	Ting-Cheng Chung	2%
	Ding-shin Zhong	2%

2. If a major shareholder is a legal person, its major shareholders are as follows

March 29, 2025

Name of legal person	Major shareholders of legal persons	
	Name	Percentage of Shareholding
Mingqi Industrial Co., Ltd.	Hsien-Ling Yang	63%
	Ting-Cheng Chung	18%
	Ding-shin Zhong	19%

3. Disclosure of professional qualifications of directors and independence of independent directors

Job title	Name	Professional qualifications and experiences	Independent Director's status of independence	Number of public listed company that he/she serves as an Independent Director
Director	Good Ease Investment Limited Representative: Ting-Cheng Chung	<ol style="list-style-type: none"> <li>Commercial, management, and real estate sales experience.</li> <li>Chairperson and President San Far Property Limited and Manager of Jing Fu Xiang Construction</li> <li>Does not violate requirements stated in Article 30 of the Company Act.</li> </ol>	NA	0
Director	Representative of Shangshan Industrial Co., Ltd.: Ting-Cheng Chung	<ol style="list-style-type: none"> <li>Commercial, management, and real estate sales experience.</li> <li>Previously the San Far Property Limited/</li> </ol>	NA	0

Job title	Name	Professional qualifications and experiences	Independent Director's status of independence	Number of public listed company that he/she serves as an Independent Director
		<p>Chairman &amp; General Manager.</p> <p>3. Does not violate requirements stated in Article 30 of the Company Act.</p>		
Director	Representative of Shangshan Industrial Co., Ltd.: Ting-Cheng Chung	<p>1. Experience in commercial and real estate sales.</p> <p>2. Chairman of Michaeldin Creativity Marketing Company and Chairperson of Minfar Real Estate Development Co., Ltd.</p> <p>3. Does not violate requirements stated in Article 30 of the Company Act.</p>	NA	0
Director	Kang-Chi Lu	<p>1. Commercial and management experience.</p> <p>2. Previously the Chairman of Jingo International Records Co., Ltd. and General Manager of Herbalife Taiwan.</p> <p>3. Does not violate requirements stated in Article 30 of the Company Act.</p>	NA	0
Independent Director	Yan-Feng Wu	<p>1. Commercial and legal work experience.</p> <p>2. Attorney at T.Y.T. Law Offices</p> <p>3. Does not violate requirements stated in Article 30 of the Company Act.</p>	<p>1. I, my spouse or a lineal relative within the second-degree kinship am/is not a director, supervisor or employee of the Company or its affiliates.</p> <p>2. I, my spouse or a lineal relative within the second-degree kinship holds no shares in the</p>	0

Job title	Name	Professional qualifications and experiences	Independent Director's status of independence	Number of public listed company that he/she serves as an Independent Director
			<p>Company.</p> <p>3. Not a director, supervisor or employee of a company with which the Company has a specific relationship.</p> <p>4. The Company or its affiliates have not provided commercial, legal, financial, accounting and other services in the past two years.</p>	
Independent Director	Hsu-hui Hsu	<ol style="list-style-type: none"> <li>1. Commercial, management, business and sales experience.</li> <li>2. Chairman of Taiwan Express (Logistics) Co., Ltd.</li> <li>3. Does not violate requirements stated in Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>1. I, my spouse or a lineal relative within the second-degree kinship am/is not a director, supervisor or employee of the Company or its affiliates.</li> <li>2. I, my spouse or a lineal relative within the second-degree kinship holds no shares in the Company.</li> <li>3. Not a director, supervisor or employee of a company with which the Company has a specific relationship.</li> <li>4. The Company or its affiliates have not provided commercial, legal, financial, accounting and other services in the past two years.</li> </ol>	2
Independent Director	Ling-Ling Chang	<ol style="list-style-type: none"> <li>1. Commercial, financial and accounting work</li> </ol>	<ol style="list-style-type: none"> <li>1. I, my spouse or a lineal relative within</li> </ol>	2

Job title	Name	Professional qualifications and experiences	Independent Director's status of independence	Number of public listed company that he/she serves as an Independent Director
		experience. 2. CPA and Director of JC L. L. Chang & Co., CPAs 3. Does not violate requirements stated in Article 30 of the Company Act.	the second-degree kinship am/is not a director, supervisor or employee of the Company or its affiliates. 2. I, my spouse or a lineal relative within the second-degree kinship holds no shares in the Company. 3. Not a director, supervisor or employee of a company with which the Company has a specific relationship. 4. The Company or its affiliates have not provided commercial, legal, financial, accounting and other services in the past two years.	

#### 4. Diversity and Independence of the Board of Directors

##### (1) Diversity of the Board of Directors

The Rules Governing Elections of Board Directors have been formulated by the Company in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for fair, just and open election of directors; appropriate diversified operation policies have been formulated by the members of the Board of Directors based on their operations, business types and development needs, therefore, the composition of the Board of Directors includes but is not limited to the following two major criteria:

I. Basic requirements and values: Gender, age, nationality, etc.

II. Professional knowledge and skills: professional background (such as electrical machinery and computer science, logistics, construction, accounting, law, real estate, management) and industry experience.

(2) The specific management objectives and achievement of the policies for diversity of the Board of Directors

Director	Independent Director	Identity of employees	Nationality	Gender	Age			Number of years for term of office of Independent Director			Industry experience					Professional background					
					Below 50 years old	51 to 60 years old	61 to 70 years old	Below 3 years	3 to 9 years	Over 9 years	Electronics & Retail	Air & Transportation	Finance	Professional sales	Real estate	Computer Science	Electrical Machinery and	Logistics	Architecture	Accounting	Law
Ting-Cheng Chung	V	V	The Republic of China (ROC)	Male	V										V	V	V				V
Chun-Jung Chung			The Republic of China (ROC)	Male		V										V	V		V		V
Dingshin Zhong			The Republic of China (ROC)	Male	V											V	V		V		V
Kang-Chi Lu			The Republic of China (ROC)	Female			V					V				V					
Yan-Feng Wu	V		The Republic of China (ROC)	Male	V			V												V	
Hsu-hui Hsu	V		The Republic of China (ROC)	Male		V		V				V					V				
Ling-Ling Chang	V		The Republic of China (ROC)	Female			V	V					V						V		
Structure percentage	43%	14%	100%	100%	43%	29%	29%	29%	14%	0%	14%	14%	14%	57%	43%	14%	14%	29%	14%	14%	43%

The professional fields of members of the Board include electronics & retail, air & transportation, finance, law, management, and finance with diverse professional, academic, and filed knowledge. They provide the Company with diverse professional opinions to greatly benefit the operational and managerial performance of the Company. Independent Director Yan-Feng Wu is a professional lawyer of T.Y.T. Law Offices, who has the legal expertise to lead the team. Independent Director Hsu-Hui Hsu is the Chairperson of Taiwan Express (Logistics) Co., Ltd., who has the expertise to lead the team in terms of aviation and transportation, logistics, operational judgment and business management. Independent Director Ling-Ling Chang is an accountant and the head of the team of JC L. L. Chang & Co., CPAs, who has the expertise to lead the team in terms of accounting, auditing, taxation, financial management and system planning, and who serves as a service object for the government, non-profit organizations, schools, medical institutions and diverse industries such as construction, catering, agriculture and fishery, transportation, trade, chemistry, steelmaking, machinery, food and electronics manufacturing.

The Company's 14th-term Board of Directors comprises seven members and demonstrates strong diversity. All seven directors (100%) possess professional expertise in industry operations and management; three directors (43%) specialize in real estate; and two directors (29%) have backgrounds in law, finance and taxation. The Board collectively holds the knowledge, skills, and competencies required to effectively fulfill their responsibilities. Additionally, two seats (29%) are held by female directors. This composition not only complies with Article 20 of the "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies," but the Company also aims to further increase female representation to exceed one-third of board seats in the future. Such efforts are intended to strengthen the corporate governance framework, enhance internal controls and risk management and thereby reduce legal and operational risks. Moving forward, the Company will continue to review and adjust the Board's diversity in alignment with its business operations, board functionality and strategic development needs.

### (3) Independence of the Board of Directors

The Company currently has a total of 7 members of the board, including 4 directors and 3 independent directors, the directors employed by the company account for 14% and independent directors account for 43%. As of the end of 2024, all independent directors of the Company complied with the relevant regulations set forth by the competent authority. In addition, none of the directors or independent directors were involved in any of the circumstances stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Details regarding the academic background, gender, work history, and industry experience of the independent directors are provided in the "Board of Directors" section of this annual report. The Company completed the 2024 Board performance self-evaluation and submitted the evaluation results to the Board of Directors on February 25, 2025. The results have also been disclosed on the Company's website and in this annual report.

**(2) INFORMATION OF GENERAL MANAGER, DEPUTY GENERAL MANAGER, ASSOCIATE, OR DEPARTMENT OR BRANCH HEADS**

March, 29, 2025 Unit: shares; %

Job title	Nationality	Name	Gender	Date of Election (Service)	Number of Shares Owned		Number of Shares Owned by Spouse and Minor Child		Number of Shares Owned in the Name of Others		Experience and (Educational) Background	Post of Other Company Jointly Taken at Present	Manager Who is a Spouse or has the Second-degree Kinship			Note
					Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
Strategy Manager	The Republic of China (ROC)	Ting-Cheng Chung	Male	2021.08	5,922,671	1.81	-	-	1,301,250	0.40	Duke University, USA/Bachelor in Electrical and Computer Engineering, and Bachelor in Computer Science Sanfar Property Limited/Chairman and General Manager San Far Property Limited/Aide to President Jingo International Records Co., Ltd./Director Jinfuxing Construction Co., Ltd./Manager Shangshan Industrial Co., Ltd./ Director Ho Chien Architecture Limited/Chairman	Sanfar Property Limited/Chairman; Jingo International Records Co., Ltd./ Chairman Shangshan Industrial Co., Ltd./ Director	None	None	None	
General Manager	The Republic of China (ROC)	Ti-Chuan Yang	Male	113.03	90,146	0.03	2,768	0.00	-	-	Cheng Shiu University/ Department of Civil Engineering Allmind Holdings Corporation (formerly Pleasant Hotels International Inc.)/ General Manager Rui En Industrial Co., Ltd./ Chairman He Yi Architecture Co., Ltd./ Chairman	Jingo Asset Development Co., Ltd./ Chairman	None	None	None	
Acting General Manager	The Republic of China (ROC)	Liu Shu-Hung	Male	2018.11	146,221	0.04	-	-	-	-	Sanfar Property Limited Co., Ltd./Deputy General Manager of Planning Department Cathay Construction Co., Ltd./Senior Specialist of Planning Department	None	None	None	None	Note
Executive Deputy General	The Republic of China	Tsai Wen-Ling	Female	111.10	24,063	0.01	31,865	0.01	-	-	National Taiwan University/Master of Business Administration TAIWAN SHAN YIN INTERNATIONAL CO.,	Jinfuxing Construction Co., Ltd./	None	None	None	

Job title	Nationality	Name	Gender	Date of Election (Service)	Number of Shares Owned		Number of Shares Owned by Spouse and Minor Child		Number of Shares Owned in the Name of Others		Experience and (Educational) Background	Post of Other Company Jointly Taken at Present	Manager Who is a Spouse or has the Second-degree Kinship			Note
					Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
Manager/Corporate Governance Officer and Head of Accounting of the Financial Governance Division	(ROC)										LTD./CHANG YIH CONSTRUCTION CO., LTD./Group Executive Vice President and Vice President of Finance	Supervisor				
Sales Department Vice General Manager	The Republic of China (ROC)	Li-Chen Huang	Female	2022.03	-	-	-	-	-	-	Shih Chien University/ Master of Business Research Institute Shih Chien University/ North Alumni Association and Director of Cultural and Educational Foundation RUN LONG CONSTRUCTION CO., LTD./ Business Supervisor Highwealth Construction/ Secretary to the President, Director Dong-Teng Construction Group/ Associate SOTAI REAL ESTATE CO., LTD./ Special Assistant to Business Manager, General Manager KEE TAI PROPERTIES/ Assistant Manager	None	None	None	None	
Planning and Development	The Republic of China (ROC)	Hu Ding Hua	Male	111.10	354	0.00	-	-	-	-	Chinese Culture University/ Bachelor of Architecture and Urban Design, School of Engineering Highwealth Construction/ Assistant Manager of	Jinfuxing Construction Co., Ltd./Director;	None	None	None	

Job title	Nationality	Name	Gender	Date of Election (Service)	Number of Shares Owned		Number of Shares Owned by Spouse and Minor Child		Number of Shares Owned in the Name of Others		Experience and (Educational) Background	Post of Other Company Jointly Taken at Present	Manager Who is a Spouse or has the Second-degree Kinship			Note
					Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relations	
Department Deputy General Manager											Planning Department Ruentex Material Co., Ltd./ Senior Planner Dayuan United Architects/ Project Engineer Li Ta Chuang and Hung Ying Che Architects/ Project Manager Yang Hsi Hsiang and Chen Wen Lung Architects/ Project Designer	Jingo Asset Development Co., Ltd./ Supervisor				

Note: Acting General Manager Shu-Hung Liu came onboard on August 10, 2023 and resigned on February 29, 2024.

## II. REMUNERATION FOR DIRECTORS, PRESIDENT, AND VICE PRESIDENTS IN THE MOST RECENT YEARS

### (I) Remuneration for General Board Directors and Independent Directors

December 31, 2024; Unit: NT\$ thousand; %

Job Title	Name (Note 1)	Remuneration of Board Director						Percentage of the sum of four items, A, B, C, and D, in Net Profit after Tax (Note 10)		Relevant remuneration paid to those who also work as employees						Percentage of the sum of seven items, A, B, C, D, E, F, and G in Net Profit after Tax (Note 10)		Remuneration payment made due to re-investment businesses, not by subsidiary or parent company (Note 11)					
		Remuneration (A) (Note 2)		Retirement Pension (B)		Remuneration to directors (C) (Note 3)				Operating expense (D) (Note 4)		Salary, Bonus, and Special Allowance (E) (Note 5)		Retirement Pension (F)					Employee's Remuneration (G) (Note 6)				
		The Company	All Companies in the Financial Statements (Note 7)	The Company	All Companies in the Financial Statements (Note 7)	The Company	All Companies in the Financial Statements (Note 7)	The Company	All Companies in the Financial Statements (Note 7)	The Company	All Companies in the Financial Statements (Note 7)	The Company	All Companies in the Financial Statements (Note 7)	The Company		All Companies in the Financial Statements (Note 7)			The Company	All Companies in the Financial Statements (Note 7)			
Chairman	Zhuo Cheng Investment Co., Ltd. Representative: Ting-Cheng Chung																						
Director	Shangshan Industrial Co., Ltd. Representative: Chun-Jung Chung	-	-	-	-	2,906	2,906	1,214	1,214	4,120 1.10%	4,120 1.10%	9,957	9,957	-	-	446	-	446	-	14,523 3.87%	14,523 3.87%	None	
Director	Shangshan Industrial Co., Ltd. Representative: Dingshin Zhong																						
Director	Kang-Chi Lu																						



### Class Interval Table of Remuneration

Class Interval Table of Remuneration Payments Paid to Each Board Director of the Company	Name of Board Director			
	Total amount of the first four remunerations (A + B + C + D)		Total amount of the first seven remunerations (A + B + C + D + E + F + G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9) H	The Company (Note 8)	All companies included in the financial statements (Note 9) I
Less than NT\$ 1,000,000	Zhuo Cheng Investment Co., Ltd. Representative: Ting-Cheng Chung Shangshan Industrial Co., Ltd. Representative: Chun-Jung Chung, Ming-Hsien Kao, Ting-Hsing Chung; Kang-Chi Lu, Cheng-Nan Huang, Yan-Feng Wu, Chin-Chang Wu and Hsu-Hui Hsu	Same as left	Shangshan Industrial Co., Ltd. Representative: Chun-Jung Chung Kang-Chi Lu, Cheng-Nan Huang, Yan-Feng Wu, Chin-Chang Wu and Hsu-Hui Hsu	Same as left
NT\$ 1,000,000 (including) ~2,000,000 (excluding)			Shangshan Industrial Co., Ltd. Representative: Ming-Hsien Kao	
NT\$ 2,000,000 (including) ~3,500,000 (excluding)			Shangshan Industrial Co., Ltd. Representative: Ding-shin Zhong	
NT\$ 3,500,000 (including) ~5,000,000 (excluding)			Zhuo Cheng Investment Co., Ltd. Representative: Ting-Cheng Chung	Same as left
NT\$ 5,000,000 (including) ~10,000,000 (excluding)				
NT\$ 10,000,000 (including) ~ 15,000,000 (excluding)				
NT\$ 15,000,000 (including) ~ 30,000,000 (excluding)				
NT\$ 30,000,000 (including) ~ 50,000,000 (excluding)				
NT\$ 50,000,000 (including) ~ 100,000,000 (excluding)				
NT\$ 100,000,000 and up				
Sum	9 People	9 People	9 People	9 People

Note 1: The name of the directors of the Company are listed as the names of the corporate shareholders and their representatives, as well as General Board Directors and Independent Directors and use the consolidated method to disclose each amount of payment.

Note 2: Here refers to remuneration paid to the Board Directors in the recent year (including salary, duty allowance, severance payment, bonuses, and rewards.)

Note 3: Please fill in the amount of remuneration approved by the Meeting of the Board Directors and distributed to the Board Directors in the recent year.

- Note 4: Here refers to relevant operating expenses of the Board Directors in the recent year (including transportation allowance, special allowance, various types of allowance, and the provision of housing and cars). If housing, car, and other transportation mean or designated personal expense is provided, characteristic and cost, rent calculated according to actual or market fair price, and payment made for filling up and others shall be disclosed. If there is a driver assigned, please describe payment paid to the driver by the Company and this shall not be included in the remuneration.
- Note 5: Here refers to payments paid to the Board Directors who work as employees (including taking the post of General Manager, Vice General Manager, Manager, and employees) including salaries, duty allowance, severance payment, bonus, rewards, transportation allowance, special allowance, various types of allowance, and the provision of housing and cars. If housing, car, and other transportation mean or designated personal expense is provided, characteristic and cost, rent calculated according to actual or market fair price, and payment made for filling up and others shall be disclosed. If there is a driver assigned, please describe payment paid to the driver by the Company and this shall not be included in the remuneration. Salary payment made according to IFRS 2, “Share-based Basic Payment” including the acquisition of employee stock options, restricted stock awards, and seasoned equity offerings, shall be listed as remuneration.
- Note 6: Here refers to that the Board Directors who work as employees of the Company (including taking the post as General Manager, Deputy General Manager, Manager, or other posts) and obtain employee remuneration (including stocks and cash) shall disclose the amount of employee remuneration approved by the Meeting of the Board Directors and distributed. If there is a difficulty to estimate the amount, last year’s actual percentage of amount distributed shall be used to calculate this year’s distribution amount. Additionally, please fill in the names of the managers who are paid employee compensation and payment terms.
- Note 7: The total amount of each remuneration paid to the Board Directors of the Company in the consolidated statement of all companies (including the company) shall be disclosed.
- Note 8: The total amount of each remuneration item paid by the Company to each Board Director shall disclose names of the Board Directors in their belonging interval class.
- Note 9: The total amount of each remuneration item paid by all companies in the statement (including the Company) to each Board Director shall disclose names of the Board Directors in their belonging interval class.
- Note 10: Net Profit after Tax refers to that of individuals or individual financial statements in the recent year. Net profits after tax in 2024 were NT\$375,316 thousand.
- Note 11: a. For the relevant amount of remuneration paid to the Board of Directors coming from reinvestment rather than from a subsidiary or from the parent company, details shall be filled in this column (if there is no such remuneration, please fill in “none.”)
- b. If a Board Director of the Company received relevant remuneration from reinvestment rather than from a subsidiary or from the parent company, that amount shall be included in Column I of the remuneration class interval table, and the name of the column shall be changed into “Parent Company and All Reinvested Businesses.”
- c. Remuneration here refers to relevant remuneration payments and salaries paid to a Board Director of the Company who works as a Board Director, Supervisor, or Manager (including salaries paid to an employee, Director, or a Supervisor) as well as operating expenses.
- Note 12: No remuneration paid to the directors of the Company from reinvestment rather than from a subsidiary or from the parent company.
- \* Contents disclosed in this table are different from income concepts of the Income Tax Act and thus, the purpose of this table is used for information disclosure, not for taxation.

(II) Remuneration of General Manager and Deputy General Manager (Consolidated to incorporate with name disclosure)

December 31, 2024 Unit: NTD thousand; %

Job title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonus and special charges, etc. (C) (Note 3)		Amount of Employee Remuneration (D) (Note 4)				Percentage of the Sum of A, B, C, and D in Net and Profit after Tax (%) (Note 8)		Payment Received from Reinvested Business of Subsidiary or Remunerat ion of Parent Company (Note 9)
		The Company	All Companies in the Financial Statements (Note 7)	The Company	All Companies in the Financial Statements (Note 7)	The Compa ny	All Companies in the Financial Statements (Note 7)	The Company		All Companies in the Financial Statements (Note 5)		The Company	All Companies in the Financial Statements (Note 7)	
								Amount of Cash	Amou nt of Stocks	Amount of Cash	Amou nt of Stocks			
Strategy Manager	Ting- Cheng Chung	9,109	9,109	404	404	3,852	3,852	1,480	0	1,480	0	14,848 3.956%	14,848 3.956%	None
General Manager	Ti-Chuan Yang (Note 12)													
Financial Governance Division Executive Deputy General Manager Corporate Governance Officer and Head of Accounting	Tsai Wen- Ling													

Executive Deputy General Manager, Planning Department Acting General Manager	Liu Shu-Hung (Note 10)													
Sales Department Deputy General Manager	Li-Chen Huang													
Planning Department Deputy General Manager	Hu Ding Hua													
Engineering Department Deputy General Manager	Chiang Fu-Yuan (Note 11)													

Class Interval Table of Remuneration

Remuneration Class intervals Paid to General Manager and Each Vice General Manager of the Company	Names of General Manager and Vice General Manager	
	The Company (Note 6)	All companies included in the financial statements (Note 7)
Less than NT\$ 1,000,000	Fu-Yuan Chiang (Note 11), Liu Shu-Hung (Note 10)	Same as left
NT\$ 1,000,000 (including) ~2,000,000 (excluding)		
NT\$ 2,000,000 (including) ~3,500,000 (excluding)	Ting-Cheng Chung, Wen-Ling Tsai, Ding-Hua Hu, Li-Chen Huang, Ti-Chuan Yang (Note 12)	Same as left
NT\$ 3,500,000 (including) ~5,000,000 (excluding)		
NT\$ 5,000,000 (including) ~10,000,000 (excluding)		
NT\$ 10,000,000 (including) ~15,000,000 (excluding)		
NT\$ 15,000,000 (including) ~30,000,000 (excluding)		
NT\$ 30,000,000 (including) ~50,000,000 (excluding)		
NT\$ 50,000,000 (including) ~100,000,000 (excluding)		
NT\$ 100,000,000 and up		
Sum	7 People	7 People

\* Contents disclosed in this table are different from income concepts of the Income Tax Act and thus, the purpose of this table is used for information disclosure, not for taxation.

- Note 1: The chairman of the Board of Directors of the Company is also the general manager, fill in 1. Remuneration table and remuneration class interval table of the general manager and deputy general manager 2. Information on directors and the remuneration table of general directors and independent directors 3. Remuneration table of general directors and independent directors.
- Note 2: Include salaries, duty allowances, and severance payments paid to General Manager and Vice General Manager in the recent year.
- Note 3: Include the remuneration amount of bonuses, rewards, transportation allowance, special allowance, various types of allowance, and the provision of housing and cars to the General Manager and Vice General Manager in the recent year. If housing, car, and other transportation mean or designated personal expense is provided, characteristic and cost, rent calculated according to actual or market fair price, and payment made for filling up and others shall be disclosed. If there is a driver assigned, please describe payment paid to the driver by the Company and this shall not be included in the remuneration. Salary payment made according to IFRS 2, "Share-based Basic Payment" including the acquisition of employee stock options, restricted stock awards, and seasoned equity offerings, shall be listed as remuneration.
- Note 4: Please fill in the amount of employee remuneration (including stocks and cash) paid to General Manager and Vice General Manager approved by the Meeting of the Board Directors and distributed. If there is a difficulty to estimate the amount, last year's actual percentage of the amount distributed shall be used to calculate this year's distribution amount. Additionally, please fill in attached table - Names of the managers who are paid employee compensation and payment terms.
- Note 5: The sum of each remuneration paid to General Manager and Vice General Manager of the Company stated in all companies in the financial statements shall be disclosed.
- Note 6: The sum of each remuneration paid to each General Manager and Vice General Manager shall be disclosed at their belonging class intervals with their names.
- Note 7: The sum of each remuneration paid to General Manager and Vice General Manager of the Company stated in all companies in the financial statements shall be disclosed with their belonging class intervals and names.
- Note 8: Net Profit after Tax refers to that of individuals in the recent year. Net profits after tax in 2024 were NT\$375,316 thousand.
- Note 9:
- a. Here shall fill with the name of General Manager or Vice General Manager who received relevant remuneration from reinvestment from a company rather than a subsidiary or the parent company.
  - b. If the General Manager or Deputy General Manager of the Company receives any remuneration from reinvestment entities other than subsidiaries or from the parent company, such remuneration shall be included in Column E (Salary, Bonus, and Special Expenses) of the remuneration classification table. The column title shall be revised to "Parent Company and All Reinvested Entities."
  - c. Remuneration refers to payments and rewards paid to General Manager and Vice General Manager of the Company who takes a post as Board Director, Supervisor, or Manager in a company rather than a subsidiary or the parent company (including those paid to employees, the Board Directors and Supervisors) as well as relevant operating expenses.
- Note 10: Resignation on 2024/02/29. Note 11: Resignation on 2024/02/09. Note 12: New appointment on 2024/03/01.

(III) Names of the managers who are paid employee compensation and payment terms:

December 31, 2024; Unit: NTD thousand

Job title	Name	Amount of Stocks	Amount of Cash	Sum	Percentage of the Sum in Net Profit after Tax (%)	
Ma nag er	General Manager	Ting-Cheng Chung	-	1,480	1,480	0.39%
	Executive Deputy General Manager, Finance and Governance Department	Tsai Wen-Ling				
	Executive Deputy General Manager, Planning Department	Liu Shu-Hung (Note 4)				
	Acting General Manager					
	Sales Department Vice General Manager	Li-Chen Huang				
	Planning Department Deputy General Manager	Hu Ding Hua				
	Vice General Manager of Engineering Department	Fu-Yuan Chiang (Note 5)				
	General Manager	Ti-Chuan Yang (Note 6)				

Note 1: Please fill in the amount of employee remuneration (including stocks and cashes) distributed to managers with the approval of the Meeting of the Board Directors in recent years; if it is difficult to estimate, calculate this year's distribution amount planned according to last year's distribution percentage. Net Profit after Tax refers to that in the recent year; for those who adopt the International Financial Reporting Standards (IFRS), this refers to that of individuals or individual financial statements in the recent year. Net profits after tax in 2024 were NT\$375,316 thousand.

Note 2: The scope of application of managers is defined as in Letter Tai-Cai-Zheng-San-Zi No. 0920001301 Announced by the Commission on March 27, 2003 below:

- (1) General Manager and Those at Equivalent Level
- (2) Vice General Manager and Those at Equivalent Level
- (3) Assistant Manager and Those at Equivalent Level
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Those who are authorized to manage company operations and to sign

Note 3: If a Director, General Manager, or Vice General Manager received employee remuneration (including stocks and cash), please fill in the remuneration table of general directors and independent directors, Class Interval Table of Remuneration and this Table.

Note 4: Resignation on 2024/02/29.

Note 5: Resignation on 2024/02/09.

Note 6: New appointment on 2024/03/01.

(IV) Please compare and describe the percentage of the sum of remuneration paid to Board Director, General Manager, and Vice General Manager in Net Profit after Tax as well as policies, standards and combination, and relevance of remuneration procedure enactment, operational performance, and future risks in the recent two years:

1. The percentage of the sum of remuneration paid to Board Director, General Manager, and Vice General Manager of the Company and all companies in the consolidated financial statement in Net Profit after Tax

Year	2024						2023					
	Sum of Remuneration		Net profit after tax		Total Remuneration as a Percentage of Net Profit After Tax (%)		Sum of Remuneration		Net profit after tax		Total Remuneration as a Percentage of Net Profit After Tax (%)	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
Director	7,468	7,468			1.99%	1.99%	2,455	2,455			2.76%	2.76%
General Manager and Vice General Manager	14,443	14,443	375,316	375,316	3.85%	3.85%	11,722	11,722	88,856	88,856	13.19%	13.19%

2. Relevance of Remuneration Policy, Standards and Combination, Remuneration Enactment Procedure, Operational Effectiveness, and Future Risks:

- (1) Standards or structure system of the Company for remuneration paid to the Directors and Managers with reference to the industry level is adjusted according to individual performance, contribution and future risk factors, and the Board Directors and Managers shall not be encouraged to engage in risk behaviors of the Company due to remunerations to avoid losses of the Company after paying remunerations.
- (2) The remuneration for directors and managers are determined by the Compensation Committee by exercising due care of a good administrator to faithfully perform their duties, with suggestions proposed to the Board of Directors for discussions at irregular intervals. The Remuneration Committee annually reviews major proposals such as A. Policies, systems, standards and structures of remuneration for directors and managers, and B. evaluation and determination of remuneration for directors and managers.

A. The remuneration paid by the Company to directors includes remuneration, rewards, operating expenses and transportation expenses.

Remuneration is a fixed monthly payment; In accordance with Article 23 of the Articles of Association, the remuneration shall be distributed based on the extent and contribution of individual directors to the Company's business performance by taking the overall performance of the Board of Directors, the Company's operating performance, the Company's future operations and risk appetite into consideration, after passing the resolution of the Remuneration Committee and the Board of Directors If remunerations of the Board Directors are not included in employee and Board Director remuneration in the current year, if after losses are compensated and if there is a residual amount, less than 5% shall be allocated as Board Director Remuneration and thus, the determination of Board Director Remuneration has a high level of relevance with net profit before tax and operational performance of the Company in the current year. Business execution expenses and transportation expenses are mainly attendance expenses and transportation expenses incurred for attending the

Board of Directors or shareholders' meetings.

- B. Remuneration paid to managers by the Company includes salaries, bonuses, and employee remuneration.

Salaries and bonuses are distributed in accordance with Article 23 of the Company's Articles of Association, the “Rules Governing Salary System Management” and the “Rules Governing Employee Bonus System” of the Company, with reference to internal positions and market conditions; Performance and year-end bonus are evaluated semi-annually in accordance with the Company's performance appraisal system, and are included in significant assessment items in line with the Company's annual operation policy. Based on the profits before tax of the current fiscal year not included in the remuneration for employees and directors. If there is a balance after covering the losses, the Company shall set aside no less than 1% of its annual profits to employees as remuneration, which may be distributed in cash or stock bonus to the employees of subsidiaries of the Company. Qualification requirements of the employees who are entitled to receive the employees' remuneration may be specified by the Board of Directors. If distributed in stock capital or cash, the payment of remuneration for employees shall be subject to a resolution adopted by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the directors, and reported to shareholders at a general meeting.

- C. Compared with peers, the remuneration paid by the Company to managers is not different and highly correlated with the Company's business performance.

### III. COMPANY GOVERNANCE

#### (1) Operations of Board of Directors Meeting

Attendance of 8 (A) Board of Director Meetings in recent year (2024) is described below:

Job title	Name	Actual Number of Board Directors Attended	Proxies for Attendance Times	Actual Attendance (including Proxies) Rate (%) 【B/A】	Note
Chairman	Shangshan Industrial Co., Ltd. Representative: Ting-Cheng Chung	3	0	100%	The term of office for institutional director Shangshan Industrial Co., Ltd. ended no May 29, 2024 and was dismissed after the re-election of all directors.
Chairman	Good Ease Investment Limited Representative: Ting-Cheng Chung	5	0	100%	The institutional director Shangshan Industrial Co., Ltd. was announced on May 29, 2024 and was newly elected after the re-election of all directors and Ting-Cheng Chung was appointed as its representative.
Director	Shangshan Industrial Co., Ltd. Representative: Mingshen Gao	3	0	100%	The corporate director, Shang Shan Industrial Co., Ltd., replaced its representative on May 29, 2024. The original representative, Mingshen Gao, was discharged on the same day.
Director	Shangshan Industrial Co., Ltd. Representative: Chun-Jung Chung	5	0	100%	After the re-election of all directors on May 29, 2024, Shang Shan Industrial Co., Ltd. reappointed as a corporate director and designated Chun-Jung Chung as its representative.
Director	Shangshan Industrial Co., Ltd. Representative: Dingshin Zhong	8	0	100%	After the re-election of all directors on May 29, 2024, Shang Shan Industrial Co., Ltd. was reappointed as a corporate director and designated Dingshin Zhong as its representative.
Director	Cheng-nan Huang	3	0	100%	Director Cheng-nan Huang was discharged following the re-election of all directors on May 29, 2024.

Director	Kang-Chi Lu	5	0	100%	Director Kang-Chi Lu was newly elected following the re-election of all directors on May 29, 2024.
Independent Director	Chin-Chang Wu	3	0	100%	Independent Director Chin-Chang Wu was discharged following the re-election of all directors on May 29, 2024.
Independent Director	Yan-Feng Wu	8	0	100%	Independent Director Yan-Feng Wu was reappointed following the re-election of all directors on May 29, 2024.
Independent Director	Hsu-hui Hsu	7	1	87.5%	Independent Director Hsu-hui Hsu was reappointed following the re-election of all directors on May 29, 2024.
Independent Director	Ling-Ling Chang	5	0	100%	Independent Director Ling-Ling Chang was newly elected following the re-election of all directors on May 29, 2024.

Other Mandatory Provisions: :

1. If the operation of the Board of Directors falls into one of the circumstances, the date and duration of the meeting, details of proposals, the opinions of all independent directors and how the Company deals with such opinions

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

Board of Directors	Resolution Contents	Resolution Result
13th Term 25th Meeting on 2024/2/20	<ol style="list-style-type: none"> <li>1. Assessment of the independence and suitability of the Company's CPAs in 2023.</li> <li>2. Proposal for the issuance of secured corporate bonds for the first time in 2024.</li> </ol>	<ul style="list-style-type: none"> <li>• All Board Directors who attended the meeting approved the resolution unanimously.</li> <li>• All Independent Directors did not hold any objection or reserve their opinions.</li> </ul>
13th Term 27th Meeting on 2024/5/8	<ol style="list-style-type: none"> <li>1. Resolution on the appointment of the CPAs.</li> <li>2. Acquisition of land by the Company.</li> </ol>	<ul style="list-style-type: none"> <li>• All Board Directors who attended the meeting approved the resolution unanimously.</li> <li>• All Independent Directors did not hold any objection or reserve their opinions.</li> </ul>
14th Term 2nd Meeting on	<ol style="list-style-type: none"> <li>1. Plan to apply for the purchase of land for relocation.</li> </ol>	<ul style="list-style-type: none"> <li>• All Board Directors who attended the meeting approved the resolution unanimously.</li> </ul>

2024/8/8	2. Proposal to participate in the bidding with related parties.	<ul style="list-style-type: none"> <li>All Independent Directors did not hold any objection or reserve their opinions.</li> </ul>
14th Term 3rd Meeting on 2024/11/7	<ol style="list-style-type: none"> <li>The Company's plan to purchase land from the related party.</li> <li>Proposal for the issuance of secured corporate bonds.</li> </ol>	<ul style="list-style-type: none"> <li>All Board Directors who attended the meeting approved the resolution unanimously.</li> <li>All Independent Directors did not hold any objection or reserve their opinions.</li> </ul>
14th Term 4th Meeting on 2024/12/17	<ol style="list-style-type: none"> <li>Resolution on the appointment of Head of Audit</li> <li>Proposal for the investment and establishment of a subsidiary</li> <li>Resolution on the Purchase of Land and Construction Permit in Land No. 49, Jincheng Section, Anping District, Tainan City</li> </ol>	<ul style="list-style-type: none"> <li>All Board Directors who attended the meeting approved the resolution unanimously.</li> <li>All Independent Directors did not hold any objection or reserve their opinions.</li> </ul>

(2) In addition to the said item, is there any resolution adopted at the Meeting of the Board Directors being objected by an Independent Director or did any Independent Director reserve their opinions are either recorded or put in writing: None.

2. For avoidance of conflict of interest by directors, the name of directors, details of proposals, reasons for avoidance and voting results shall be stated

Board of Directors	Resolution Contents	Directors avoiding conflict of interest	Reasons for avoiding conflict of interest	Participation in voting
13th Term 25th meeting 2024/2/20	Proposals regarding the qualification of the Company's directors, the convener and the members of the functional committees.	All directors	Self-interest is involved	The proposal was unanimously approved by all directors attending the meeting without objections, except for the absence of Director Ming-Hsien Kao, who was the acting Chairman of the meeting.
14th Term 1st meeting	1. The appointment for the Company's 6th	Independent Directors	Self-interest is involved	Independent Directors Hsu-hui Hsu and Yan-Feng Wu, Chairman

2024/8/8	<p>Remuneration Committee members</p> <p>2. The appointment for the Company's 4th Nomination Committee members</p>	<p>Hsu-hui Hsu and Yan-Feng Wu, Chairman Ting-Cheng Chung</p>		<p>Ting-Cheng Chung recused themselves from the discussion and exercise of voting rights. The motion was passed as proposed without objections from other directors present at the meeting.</p>
2nd meeting of the 14th term 2024/8/8	<p>Review of the 2023 Board Director and Employee Remuneration Distribution of the Company</p>	<p>All directors</p>	<p>Self-interest is involved</p>	<p>The proposal was unanimously approved by all directors attending the meeting without objections, except for the absence of Director Dingshin Zhong, who was the acting Chairman of the meeting.</p>
	<p>Review of the remuneration to the Chairperson of the Board of Directors</p>	<p>Chairman of the Board: Ting-Cheng Chung</p>	<p>Self-interest is involved</p>	<p>Chairperson Ting-Cheng Chung recused himself from the discussion and voting, and the motion was passed as proposed without objections from other directors present at the meeting.</p>
	<p>Review of the remuneration to the Vice-Chairperson of the Board of Directors</p>	<p>Vice-Chairman Dingshin Zhong</p>	<p>Self-interest is involved</p>	<p>Vice-Chairperson, Dingshin Zhong, who was the acting Chairman of the Board of Directors, withdrew from the discussion and voting of this motion for the avoidance of conflicting interests. The motion was passed as proposed without objections from other Directors present at the meeting.</p>

		Proposal to lift the non-compete restriction for the Company's Chief Strategy Officer	Chairman of the Board: Ting-Cheng Chung	Self-interest is involved	Chairperson Ting-Cheng Chung recused himself from the discussion and voting, and the motion was passed as proposed without objection from other directors present at the meeting.
	3rd meeting of the 14th term 2024/11/7	The Company's plan to purchase land from the related party.	Chairman Ting-Cheng Chung, Vice Chairman Dingshin Zhong, Director Chun-Jung Chung	Self-interest is involved	Chairman Ting-Cheng Chung, Vice Chairman Dingshin Zhong and Director Chun-Jung Chung recused themselves from the discussion and voting of this motion for the avoidance of conflicting interests. The motion was passed as proposed unanimously by other directors present at the meeting without objections.
	14th Term 4th 2024/12/17	Resolution on the Purchase of Land and Construction Permit from Related Party in Land No. 49, Jincheng Section, Anping District, Tainan City	Chairman Ting-Cheng Chung, Vice Chairman Dingshin Zhong, Director Chun-Jung Chung	Self-interest is involved	Chairman Ting-Cheng Chung, Vice Chairman Dingshin Zhong and Director Chun-Jung Chung recused themselves from the discussion and voting of this motion for the avoidance of conflicting interests. The motion was passed as proposed unanimously by other directors present at the meeting without objections.
		Proposal for the performance	Chairman of the	Self-interest is	Chairman Ting-Cheng Chung recused himself

	evaluation of the managers of the Company in 2024	Board: Ting-Cheng Chung	involved	from the discussion and voting, and the motion was passed as proposed without objection from other directors present at the meeting, after being inquired by the acting chairperson, Hsu-Hui Hsu.
	Proposal of the 2024 managerial officers end-of-year bonus distribution of the Company.	Chairman of the Board: Ting-Cheng Chung	Self-interest is involved	Chairman Ting-Cheng Chung recused himself from the discussion and voting, and the motion was passed as proposed without objection from other directors present at the meeting, after being inquired by the acting chairperson, Hsu-Hui Hsu.

3. TWSE/TPEX listed companies shall disclose the evaluation cycle and period, the scope and method of the evaluation and the content of self (or peer) evaluation, and fill in the implementation of the Board of Directors' evaluation.

The Company has completed the self-evaluation on the Board of Directors and Functional Committees for 2024, submitted the evaluation results to the Board of Directors on February 25, 2025, rated as "Excellent", indicating that the operation of the Board of Directors of the Company is in good condition.

4. Assessment of objectives and implementation status in respect of strengthening the powers of the Board of Directors for the current and immediately past years will be carried out.

In June 2015, the Company set up the Audit Committee to replace supervisors; Composed of 3 independent directors, the Audit Committee has met 6 times in 2024, and the head of corporate governance has approved Executive Vice President Wen-Ling Tsai as the new head of corporate governance on October 19, 2022 at the meeting of the Board of Directors, and will continue to perform the following duties in the future to achieve corporate information transparency.

- (1) Establish and main company image and fulfill social responsibilities.
- (2) Supervise and handle risks faced by the Company and ensure compliance of the Company with relevant laws.
- (3) Enact and modify effective and appropriate internal control system.
- (4) Update the website of the Company to provide real-time operational and financial information to keep shareholders being informed timely.

Execution of evaluation of the Meetings of the Board of Directors and the Functional Committee

Evaluation Period	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Contents	Evaluation Results
Evaluation is conducted once a year.	2024/1/1 to 2024/12/31	Board of Directors	Self-evaluation within the Board of Directors	<ol style="list-style-type: none"> <li>1. The degree of involvement in the Company's operations</li> <li>2. Improve the quality of Board of Directors decision-making</li> <li>3. Composition and structure of the Board of Directors</li> <li>4. Selection and continuing education of Directors</li> <li>5. Internal control</li> </ol>	The performance appraisal results are in line with the evaluation standards, showing that the overall operation is good and to be improved.
		Individual member of the Board of Directors	Self-evaluation of the members of the Board of Directors	<ol style="list-style-type: none"> <li>1. Command of the Company's objectives and tasks</li> <li>2. Understanding of duties of the Board of Directors</li> <li>3. The degree of involvement in the Company's operations</li> <li>4. Management and communication of internal relations</li> <li>5. Professionalism and continuous study</li> <li>6. Internal control</li> </ol>	The performance appraisal results are in line with the evaluation standards, showing that the overall operation is to be improved.
		Functional Committees	Self-evaluation of the members of the Committees	<ol style="list-style-type: none"> <li>1. The degree of involvement in the Company's operations</li> <li>2. Awareness of the responsibilities of the Functional Committees</li> <li>3. Improve the decision-making quality of Functional Committees</li> <li>4. Composition and selection of members of the Functional Committees</li> <li>5. Internal control</li> </ol>	The performance appraisal results are in line with the evaluation standards, showing that the overall operation is good and to be improved.

## (II) Information on Members and operation of the Audit Committee

The Company has set up an Audit Committee to strengthen corporate governance and the functional management of the Board of Directors. The Audit Committee of the Company consists of all independent Directors and the term of office of the Committee shall be three years and members may be re-elected.

The Company's Audit Committee has 3 members, all of which are independent directors of the Company. Members of this term shall serve from May 29, 2024 to May 28, 2027.

1. Internal control systems adopted or revised in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control systems.
3. Establishment of or amendment to the procedures for acquisition or disposal of assets, derivative product transactions, lending funds to others, endorsements & guarantees for others and other significant financial business pursuant to Article 36-1 of the Securities and Exchange Act.
4. Matters in which directors are interested.
5. Major assets or derivatives transactions.
6. Significant fund lending and endorsement & guarantee.
7. Offering, issuance or private placement of the securities of equity nature.
8. Appointment, dismissal of or remuneration for CPAs.
9. Appointment and dismissal of the heads of finance, accounting or internal audit.
10. Annual financial report and semi-annual financial report.
11. Other major matters stipulated by the Company or competent authority.

### Operations of Audit Committee

In the recent 2024 accounting year, there were 6 (A) meetings of Audit Committee held, attendance of Independent Directors is described below:

Job title	Name	Number of Actual Attendance (B)	Number of Proxies for Attendance	Actual Attendance Rate (%) (B/A)(Note)	Note
Independent Director	Chin-Chang Wu	3	0	100%	
Independent Director	Hsu-hui Hsu	5	1	83%	
Independent Director	Yan-Feng Wu	6	0	100%	
Independent Director	Ling-Ling Chang	3	0	100%	
Other Mandatory Provisions: 1. If the operation of the Audit Committee falls into one of the circumstances, the date and duration of the meeting of the Board, details of proposals, resolutions of the Audit Committee, and how the Company deals with the opinions of the Audit Committee shall be stated.					

2.

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

The Audit Committee	Resolution Contents	Resolution Result
3rd term 24th meeting 2024/2/20	<ol style="list-style-type: none"> <li>1. Assessment of the independence and suitability of the Company's CPAs in 2023.</li> <li>2. Resolution on the Operational Report and Financial Report of the Company for 2023.</li> <li>3. Proposal for the Statement of Internal Control Systems for 2023.</li> <li>4. Proposal for the issuance of secured corporate bonds for the first time in 2024.</li> </ol>	All Independent Directors did not hold any objection or reserve their opinions.
3rd term 26th meeting 2024/5/8	<ol style="list-style-type: none"> <li>1. The Company's financial statements for Q1 2024.</li> <li>2. Resolution on the appointment of the CPAs.</li> <li>3. Acquisition of land by the Company.</li> </ol>	All Independent Directors did not hold any objection or reserve their opinions.
4th Term 1st meeting 2024/8/8	<ol style="list-style-type: none"> <li>1. Consolidated Financial Statements for Q2 2024.</li> <li>2. Plan to apply for the purchase of land for relocation.</li> <li>3. Proposal to participate in the bidding with related parties.</li> </ol>	All Independent Directors did not hold any objection or reserve their opinions.
4th Term 2nd 2024/11/7	<ol style="list-style-type: none"> <li>1. Consolidated Financial Statements for Q3 2024.</li> <li>2. The Company's plan to purchase land from the related party.</li> <li>3. Proposal for the issuance of secured corporate bonds.</li> </ol>	All Independent Directors did not hold any objection or reserve their opinions.
4th Term 3rd 2024/12/17	<ol style="list-style-type: none"> <li>1. Appointment of the Company's Chief Auditor.</li> <li>2. Proposal for the investment and establishment of a subsidiary.</li> <li>3. Resolution on the Purchase of Land and Construction Permit from Related Party in Land No. 49, Jincheng Section, Anping District, Tainan City.</li> </ol>	All Independent Directors did not hold any objection or reserve their opinions.

(2) In addition to the said resolution, any resolution that is not approved by the Audit Committee but approved by more than two-thirds of all Board Directors: None.

3. For avoidance of conflict of interest by independent directors, the name of independent directors, details of proposals, reasons for avoidance and voting results

shall be stated: None.

4. Communication among Independent Directors, Head of Internal Audit, and CPAs

(1) Communication Policy between Independent Directors and Head of Internal Audit and information about execution:

A.Communication Policy between Independent Directors and Head of Internal Audit

The Company's internal audit head sends an audit report to the independent directors every month, and if the independent directors have any questions, they will immediately communicate and discuss about such questions; The meeting of the Audit Committee shall be convened at least once a quarter, members at meetings of Audit Committee listen to annual audit plan and implementation reported by the internal audit head and give opinion or suggestion. Usually, communication between two sides is via telephone or email to effectively supervise the internal control of the Company.

Date	Communication method	Communication focus	Communication Results
2024/02/20	Meeting Communication	Discussion on the Internal Control Statement.	The declaration of the independent directors is effectively executed.
2024/05/08	Meeting Communication	Implementation status of audit.	The independent directors have no opinions on the implementation report.
2024/08/08	Meeting Communication	Implementation status of audit.	The independent directors have no opinions on the implementation report.
2024/11/07	Meeting Communication	Implementation status of audit.	The independent directors have no opinions on the implementation report.
2024/12/17	Meeting Communication	Communications for the Company's 2025 audit plan.	The independent directors have no opinions on the implementation report.
2025/02/25	Meeting Communication	Implementation status of audit.	The independent directors have no opinions on the implementation report.

B. Communication between Independent Directors and Head of Internal Audit

On December 17, 2024, the Head of Internal Audit held a communication meeting with the independent directors to present and explain the proposed 2025 annual audit plan. The 2025 audit plan is formulated in accordance with the “Risk-Oriented Internal Audit Planning Procedures,” whereby the audit frequency is determined based on the assessed scores of various risk factors. Units scoring between 5 and 9 are scheduled for audit once per year, while those scoring between 10 and 14 are scheduled for audit twice per year. The risk factors are assessed as follows: (1) Key supervisory focus areas identified by the competent authorities (2) Changes in applicable laws and regulations (3) Material operational areas of the Company (4) Deficiencies in current internal control systems or management practices (5) Significant changes in operations, business plans, systems, or procedures (6) Inadequate computerization resulting in potential for human error (7) Specific requests or areas of concern raised by management. The audit unit submits the annual audit plan to the Audit Committee for review and the Board of Directors for resolution.

(2) Communication police and execution of such policy for Independent Directors and CPAs:

A. Communication Police of Independent Directors and CPAs

Independent Directors and CPAs at least convene one communication meeting every quarter. On February 20, 2024, they discuss issues on the consolidated financial statement and overall operations, internal audit, the newest IFRS announcement, tax laws, securities laws, audit the newest announcement of the Company, and recent legal amendments. CPAs report and communicate with Independent Directors and discussions are recorded for reference purposes.

B. Communication between Independent Directors and CPAs

The company has established an Audit Committee, which is composed of all independent directors. The accountant will provide sufficient explanation and communications on the major adjustments to entries discovered during audit or the accounts handling due to impacts of revised laws and regulations.

There were no special circumstances in the Company's 2024 communication results. The communication meetings between independent directors and external auditors are as follows:

1. Auditors' Review Report on the Financial Statements of the Year

- (1) Analysis of major changes in financial position
- (2) Audit planning, scope, and results
- (3) Audit procedures for internal control systems

2. Updates and Guidance on Key Securities Regulations

- (1) Amendments to the Regulations Governing the Exercise of Powers by the

Audit Committee

- (2) Amendments to the Rules of Procedure for Board of Directors Meetings
- (3) Reporting of material information and disclosures by TWSE-listed companies
- (4) Amendments to certain provisions of the Regulations Governing the Audit of Business Income Tax
- (5) Amendments to the recognition rules for interest expenses related to the purchase or construction of buildings and land
- (6) Amendments to certain provisions of the Regulations Governing the Audit of Business Income Tax

(III) Difference between corporate governance operations and the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
I. Does the Company comply with corporate governance practice of public listed and OTC companies and disclose practices of the Company?	V		The Company has established the “Corporate Governance Best Practice Principles,” which were approved by the Board of Directors. In alignment with these principles, the Company has also formulated the Rules of Procedure for Shareholders’ Meetings, the Rules of Procedure for Board Meetings, and the Internal Control System to promote the effective implementation of corporate governance. These guidelines are reviewed and amended from time to time as appropriate, and all related operations are carried out in accordance with the corporate governance spirit applicable to listed and OTC companies.	No significant difference
II. Shareholding Structure of the Company and Shareholders’ equity (I) Did the Company enact internal operational procedures to handle suggestions, doubts, disputes, or litigation with shareholders and were procedures followed?	V		(I) The Company, according to rules and regulations, set up the spokesman system to handle relevant matters. Shareholders can inquire about the information about the Company through the E-mail address <a href="mailto:supervisor@sanfar.com.tw">supervisor@sanfar.com.tw</a> mailbox; If there is a dispute with a shareholder, it will be transferred to the legal department.	No significant difference

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
(II) Did the Company command major shareholders that actually control the Company and did it have the list of major shareholders that control the Company?	V		(II) The Company set up relevant authority and responsibility unit to monitor shareholding of the Board Directors, managers, and those who own more than 10% of the Company's total shares, and a monthly report on changes in the shareholding of insiders and major shareholders is submitted to the designated market observation post station announced by the unit in charge of meeting rules.	No significant difference
(III) Did the Company establish and execute risk management and firewall mechanism with its affiliates?	V		(III) The Company has developed the Regulations and Procedures for Financial Transactions between Related Parties. All subsidiaries carry out their day-to-day operations in accordance with internal control systems and procedures, and are regularly audited by auditors, accounting firms, and CPAs to control risks. Use of the internal networks and systems on personal computers shall be managed and controlled in accordance with internal control systems.	No significant difference
(IV) Did the Company set up internal regulations that forbid insiders of the company to make use of information not open to the market to trade valuable securities?	V		(IV) The Company enacted the “Operational Procedures to Prevent Insider Trading” and “Code of Ethical Conduct” to prevent insider trading. Monthly, insiders are informed of relevant rules and regulations to prevent insider trading to protect the rights of investors and the Company.	No significant difference

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
<p>III. Composition of the Board of Directors and Responsibilities</p> <p>(I) Has the members of the Board of Directors enact diverse guidelines, specific management objectives and put them into practice?</p> <p>(II) In addition to the Remuneration Committee and Audit Committee as requested by laws, did the Company voluntarily set up other functional committees?</p>	V		<p>(I) Given the mode of operation and development needs, the professional backgrounds of the 7 members of the Board of Directors include business, finance, law, management, and finance with diverse professional, academic, and filed knowledge. They provide the Company with diverse professional opinions to greatly benefit the operational and managerial performance of the Company. Please refer to the Board of Directors-Diversity and Independence of the Board of Directors in this annual report.</p> <p>(II) In accordance with relevant regulations, the Company has established the Remuneration Committee and the Audit Committee. Additionally, on April 7, 2015, the Board of Directors voluntarily resolved to establish the Nomination Committee. The duties and responsibilities of the Nomination Committee are defined in its organizational regulations. The committee shall consist of at least three directors appointed by the Board, with more than half of the members being independent directors. On December 17,</p>	<p>No significant difference</p> <p>No significant difference</p>

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
(III) Has the Company determined the measures for appraisal of performance of the Board of Directors, and assessment methods, and conduct performance appraisal on an annual basis? Whether the results of performance appraisal are reported to the Board of Directors and used as a reference for individual director's compensation and nomination for reappointment.	V		<p>2024, the committee was officially renamed the Sustainable Development and Nomination Committee, and its charter was revised accordingly to include oversight of sustainable development execution and risk management strategies. The current members of the Sustainable Development and Nomination Committee are Independent Director Yan-Feng Wu, Independent Director Ling-Ling Chang, and Director Ting-Cheng Chung. The Company may establish other functional committees in the future based on operational needs.</p> <p>(III) The Company enacted "Performance Evaluation Methods for the Board of Directors and Functional Committees," and performance evaluation is periodically conducted, including self-evaluation and peer evaluation. The 2024 annual performance evaluation results were passed by the Sustainable Development and Nomination Committee and sent for the approval of the Board of Directors on February 25, 2025.</p> <p>The connection between performance evaluation result and remuneration: such as consideration of attendance to</p>	No significant difference

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
(IV) Did the Company periodically evaluate independence of CPAs?	V		<p>meetings of the Board Directors, continuous studies, involvement level in accounting and financial status, and audit report, and management of the Company</p> <p>Relevant performance audit and remuneration rationality are reviewed and approved by the Remuneration Committee and the Board of Directors and the remuneration system will be appropriately reviewed according to actual operations and relevant laws to maintain the balance of sustainable management and risk control of the Company.</p> <p>(IV) The Company each year evaluates the independence of CPAs according to Article 29 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” stating that when hiring CPAs, TWSE/TPEX Listed Companies shall select some one who is professional, responsible, and independent and periodically evaluate the independence and suitability of the hired CPAs (at least once a year) with reference to the Audit Quality Indicators (AQIs). Evaluation result shall be submitted to the Board of Directors. The Company has evaluated the independence and suitability of CPAs in accordance with Measures for</p>	No significant difference

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			<p>Assessing the Independence of CPAs and Audit Quality Indicators for 2024 provided by KPMG. The result was submitted and approved by the Audit Committee and the Board of the Directors on February 25, 2025. The Accounting Department of the Company evaluated CPAs Hung Shiau Fang and Xinting Huang from KPMG, Taiwan and determined both met independence standards of the Company towards CPAs. Independence indicators in the evaluation items include: 1. Is there a significant relation of financial interest between CPAs and the entrusted party; 2. Is there an inappropriate interest relation between CPAs and the entrusted party; 3. Do CPAs and their assistant regularly participate in evaluations conducted by the Industrial Associations or other relevant evaluation organizations and ensure their honesty, justice, and independence, 4. Did they make any violation when certifying financial statements for any entrusted organizations within the two year period before this certification service and are they forbidden to provide certification services; 5. Names of CPAs shall not be used by others, 6. CPAs shall not hold any shares of the entrusted</p>	

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			party, 7. There shall be no loans between CPAs and the entrusted party and this excludes normal transactions with financial institutions, 8. CPAs shall not take any work paid with fixed salaries by the entrusted party, 9. CPAs shall not receive any relevant commission with business operation, and 10. CPAs shall not serve the entrusted party continuously for seven years in a row, has not been sanctioned or his independence has not been impaired.	
IV. Did TWSE/TPEX Listed Companies assign capable and suitable number of corporate governance personnel and request the corporate governance head to set up a full-time (part-time) department or personnel to take charge of relevant affairs of corporate governance (including but not limited to the provision of information needed by the Board Directors, Supervisors, legal assistance compliance of the Board Directors, Supervisors ) and did TWSE/TPEX Listed Companies according to laws proceed matters	V		On October 19, 2022, the Board of Directors approved the appointment of Ms. Tsai Wen-Ling as the Company's governance officer, who has more than 10 years of experience in finance, accounting, equity interest, and corporate governance in the publicly traded companies, and is expected to continue her education. The Company's governance officer and meeting personnel are responsible for corporate governance-related matters, including the annual corporate governance evaluation, planning of the meetings of the Board of Directors, functional committees, and shareholder meetings, as well as preparation and distribution of related announcements and meeting minutes. Additionally, they plan and arrange training courses for directors on an annual basis.	No significant difference

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
related to shareholders' meetings and prepare minutes of meetings of the Board Directors and shareholder)?				
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a special column for stakeholders on the Company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	V		The Company assigned a spokesperson and an acting spokesperson; Internal and external communication channels can be established with stakeholders through E-mail, phone call and by other means, and monthly supervisor coordination meetings and monthly meetings are held within the Company to strengthen the communication among colleagues. ill the publishing date of this annual report, there have no issues on corporate governance raised by any stakeholder.	No significant difference
VI. Did the Company entrust any professional agency for stock affairs to take charge of shareholders' affairs?	V		The Company entrusted the Stock Affairs Department of Yuanda Securities to take care of shareholders' affairs.	No significant difference
VII. Information Openness: (I) Did the Company construct its website to disclose information related to financial affairs and corporate governance?	V		(I) The Company has set up a website "Stakeholder - Investor Section and Affiliated Enterprises" to disclose the Company's overview, basic information and financial information and has designated a person to be responsible for data maintenance and update. Company's website: <a href="https://www.sanfar.com.tw">https://www.sanfar.com.tw</a>	No significant difference

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
(II) Did the Company use other methods for information disclosure (such as constructing an English website, designate personnel to take charge of collection and disclosure of company information, implementation of spokesperson system, and placing the process of Meetings of Institutional Investors on the company website?)	V		(II) There is a spokesperson and an acting spokesperson of the Company. An English website is also made available. The Company's announcement and declaration of material information and disclosure of financial and business information, are handled by the relevant units. The relevant information is uploaded to the MOPS for investors to review.	
(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?	V		(III)The Company at present completed its announcement and declaration of annual financial report within the required time and within the required time, financial statements for Q1, Q2, and Q3 as well as monthly operational reports were announced and declared.	No significant difference
VIII. Did the company provide important information that helps to understand operations of corporate governance (including but not limited to employee rights,	V		(I) Employee rights: The Company, according to rules and regulations, insures its laborers under the National Health Insurance plan and group insurance program and according to laws, labor pensions are allocated monthly. In order to	No significant difference

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
employee caring, investor relations, supplier relations, stakeholder relations, and continuous studies of Board Directors and Supervisors, implementation of risk management polices and measurement standards, execution of customer policy, and liability coverage for Board Directors and Supervisors purchased by the Company)?			<p>improve the professionalism of employees, the Company provides employees with sufficient education and training.</p> <p>(II) Employee Care: The Company has established an Employee Welfare Committee in accordance with the Employee Welfare Act, which is responsible for employee welfare related matters, protecting employee rights, and organizing employee travel and health checkups to provide comfortable working conditions for employees.</p> <p>(III) Investor Relations: The Company has established a spokesperson and a website as communication channels for investors, and holds shareholder meetings every year to provide shareholders with opportunities to ask questions.</p> <p>(IV) Supplier Relations: The Company has established comprehensive internal control systems or related regulations to regulate the relationship with and rights of suppliers. We compare and negotiate on the prices quoted by the procurement units in accordance with regulations to control and manage the consistent quality, delivery, and service levels, and select the most suitable suppliers for the Company. The Company shares good relationship and maintains good</p>	

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies												
	Yes	No	Summary Description													
			<p>communication with its major suppliers, and establishes partnerships following the principles of honesty, credit, and mutual benefit.</p> <p>(V) Stakeholder Rights: The Company's communication channels with and information about stakeholders have been disclosed on the Company's website, and the Company values stakeholders and responds promptly to their concerns.</p> <p>(VI) Further Education for Directors: All directors of the Company have professional backgrounds, and meeting personnel regularly inform them of updates to relevant laws and regulations. In 2024, all directors have received six hours of training courses and reported further education in accordance with regulations. The directors' continuing education courses are as follows:</p> <table border="1"> <thead> <tr> <th>Job title</th> <th>Name</th> <th>Date</th> <th>Sponsor</th> <th>Name of Course</th> <th>Number of Hour</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Ting-Cheng Chung</td> <td>2024/07/03</td> <td>Taiwan Stock Exchange</td> <td>2024 Cathay Sustainable Finance and Climate Change Summit</td> <td>6.0</td> </tr> </tbody> </table>	Job title	Name	Date	Sponsor	Name of Course	Number of Hour	Chairman	Ting-Cheng Chung	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6.0	
Job title	Name	Date	Sponsor	Name of Course	Number of Hour											
Chairman	Ting-Cheng Chung	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6.0											

Evaluation Item	Operations						Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies		
	Yes	No	Summary Description						
			Director	Dingsh in Zhong	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6.0	
			Director	Chun-Jung Chung	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6.0	
			Director	Kang-Chi Lu	2024/11/21	Taiwan Institute for Sustainable Energy	7th GCSF Global Corporate Sustainability Forum	3.0	
					2024/11/29	Taiwan Securities and Future Institute	2024 Promotion Seminar on the Insider Equity Transaction in Compliance With Laws	3.0	
			Independent Director	Yan-Feng Wu	2024/08/15	Accounting Research and Development Foundation	Enhancing Internal Control Mechanisms and Board Functionality with Fraud Case Studies	6.0	
			Independent Director	Hsu-hui Hsu	2024/10/18	Taiwan Securities and Future Institute	Advocacy of prevention of insider trading in 2024	3.0	
					2024/10/30	Association for Corporate Management and Sustainable Development in the Republic of China	Practical Analysis of Equity Investment Planning in Mergers and Acquisitions and Joint Venture Agreements	3.0	

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies										
	Yes	No	Summary Description											
			<table border="1"> <tr> <td rowspan="2">Independent Director</td> <td rowspan="2">Ling-Ling Chang</td> <td>2024/04/12</td> <td>Taiwan Investor Relations Association</td> <td>Steering Corporate Intelligence: How Corporate Governance Leads Business Forward</td> <td>3.0</td> </tr> <tr> <td>2024/09/06</td> <td>Taiwan Securities and Future Institute</td> <td>Advocacy of prevention of insider trading in 2024</td> <td>3.0</td> </tr> </table> <p>(VII) Risk Management Execution: On November 9, 2021, the Company established the “Policy and Procedures for Risk Management” which was approved by the Board of Directors. Each head of department evaluates potential risks that may be encountered in each fiscal year and proposes response measures. After summary on the self-assessment of risk management, the scope and execution of risk management were reported at the meeting of the Board of Directors on November 7, 2024. The Board of Directors has learned about the information about risk management without objections to the execution status.</p> <p>(VIII) Customer Policy: The Company highly values customer relations and satisfaction, and sets up the brand strategy unit and customer service in charge of valuable customer</p>	Independent Director	Ling-Ling Chang	2024/04/12	Taiwan Investor Relations Association	Steering Corporate Intelligence: How Corporate Governance Leads Business Forward	3.0	2024/09/06	Taiwan Securities and Future Institute	Advocacy of prevention of insider trading in 2024	3.0	
Independent Director	Ling-Ling Chang	2024/04/12	Taiwan Investor Relations Association			Steering Corporate Intelligence: How Corporate Governance Leads Business Forward	3.0							
		2024/09/06	Taiwan Securities and Future Institute	Advocacy of prevention of insider trading in 2024	3.0									

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies												
	Yes	No	Summary Description													
			<p>opinions and providing perfect and timely after-sales service to meet customer needs.</p> <p>(IX) Director's Liability Insurance: The Company purchases liability insurance for directors every year. For the fiscal year 2024, the director's liability insurance was underwritten by Cathay Century Insurance Co., Ltd. with the coverage period from July 31, 2024, to July 31, 2025.</p>													
<p>IX. Describe improvement made as well as priorities and measures for items not being improved according to recent corporate governance evaluation result released by the Corporate Governance Center of TWSE.</p> <p>The following is a description of the top priorities that have been improved and those that need to be strengthened for the fiscal year 2022:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Evaluation Indicators</th> <th>Improved or not</th> </tr> </thead> <tbody> <tr> <td>2.4</td> <td>Are there any relationships among the Company's directors that are a spouse or a relative within the second degree of kinship?</td> <td>The Company intends to plan and assess.</td> </tr> <tr> <td>2.8</td> <td>Are there any independent directors whose consecutive terms of office do not exceed three terms?</td> <td>The Company has made improvements.</td> </tr> <tr> <td>2.14</td> <td>Has the Company established functional committees other than those required by law (e.g., Nomination, Risk Management, or Sustainable Development Committees), with at least three members, more than half being independent directors, and at least one possessing the required expertise, and has disclosed the composition, duties, and operations of these committees?</td> <td>The Company has changed the name of the Nomination Committee to the Sustainable Development and Nomination Committee and the majority of the members are independent directors.</td> </tr> </tbody> </table>					No.	Evaluation Indicators	Improved or not	2.4	Are there any relationships among the Company's directors that are a spouse or a relative within the second degree of kinship?	The Company intends to plan and assess.	2.8	Are there any independent directors whose consecutive terms of office do not exceed three terms?	The Company has made improvements.	2.14	Has the Company established functional committees other than those required by law (e.g., Nomination, Risk Management, or Sustainable Development Committees), with at least three members, more than half being independent directors, and at least one possessing the required expertise, and has disclosed the composition, duties, and operations of these committees?	The Company has changed the name of the Nomination Committee to the Sustainable Development and Nomination Committee and the majority of the members are independent directors.
No.	Evaluation Indicators	Improved or not														
2.4	Are there any relationships among the Company's directors that are a spouse or a relative within the second degree of kinship?	The Company intends to plan and assess.														
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2.14	Has the Company established functional committees other than those required by law (e.g., Nomination, Risk Management, or Sustainable Development Committees), with at least three members, more than half being independent directors, and at least one possessing the required expertise, and has disclosed the composition, duties, and operations of these committees?	The Company has changed the name of the Nomination Committee to the Sustainable Development and Nomination Committee and the majority of the members are independent directors.														

Evaluation Item	Operations			Difference and Reason of Corporate Governance Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
4.7			Has the Company uploaded an English version of the Sustainability Report to the Market Observation Post System (MOPS) and the Company's website?	The Company plans to make improvements in 2025.
4.19			Does the Company invest in energy-saving or green energy-related equipment or invest in Taiwan's green energy industries (e.g., renewable energy power plants), or allocate funds to green or socially beneficial projects with measurable outcomes, and disclose the investment status and outcomes?	The Company plans to assess and improve in 2024.
4.23			Does the Company disclose the policies that link the remuneration of senior managers and ESG performance assessment?	The Company has disclosed its policies.
4.24			Are the sustainability reports prepared by the Company submitted to the Board of Directors for approval?	only the report was submitted in 2024. The Company intended to improve it in 2025.
4.21			Does the Company assess the risks or opportunities to the community and take corresponding measures and disclose the specific measures and implementation results on the Company's website, annual report or sustainable report?	The Company has disclosed the implementation results of the community on the Company's website and the sustainable development report.

(IV) If there is the Remuneration Committee or Nomination Committee set up by the Company, please disclose its composition, duties, and operations:

1. Remuneration Committee

(1) Information on Members of the Remuneration Committee

March 29, 2025

Status	Name	Professional qualifications and experiences	Status of independence	Number of public listed company that he/she serves as an Independent Director
Convener Independent Director	Yan-Feng Wu	<ol style="list-style-type: none"> <li>1. Has more than five years of experience in business and legal affairs, a professional with lawyer's license, currently serves as a Practicing Attorney of T.Y.T. Law Offices.</li> <li>2. Does not violate requirements stated in Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>1. I, my spouse or a lineal relative within the second-degree kinship am/is not a director, supervisor or employee of the Company or its affiliates.</li> <li>2. I, my spouse or a lineal relative within the second-degree kinship holds no shares in the Company</li> <li>3. Not a director, supervisor or employee of a company with which the Company has a specific relationship.</li> <li>4. The Company or its affiliates have not provided commercial, legal, financial, accounting and other services in the past two years.</li> </ol>	0

Status	Name	Professional qualifications and experiences	Status of independence	Number of public listed company that he/she serves as an Independent Director
Independent Director	Ling-Ling Chang	<ol style="list-style-type: none"> <li>1. Has more than five years of experience in business and accounting, and is a professional accountant licensed by the CPA. He is currently the CPA and Director of JC L. L. Chang &amp; Co., CPAs</li> <li>2. Does not violate requirements stated in Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>1. I, my spouse or a lineal relative within the second-degree kinship am/is not a director, supervisor or employee of the Company or its affiliates.</li> <li>2. I, my spouse or a lineal relative within the second-degree kinship holds no shares in the Company</li> <li>3. Not a director, supervisor or employee of a company with which the Company has a specific relationship.</li> <li>4. The Company or its affiliates have not provided commercial, legal, financial, accounting and other services in the past two years.</li> </ol>	2
Director	Ting-Cheng Chung	<ol style="list-style-type: none"> <li>1. Has more than 5 years of experience in business and management, and experience in real estate marketing and management.</li> <li>2. Does not violate requirements stated in Article 30 of the Company Act.</li> </ol>	-	0

(2) Remuneration Committee duties:

The evaluation is conducted in a professional and objective manner and the Board of Directors is proposed to make recommendations based on the evaluation of the remuneration policies and systems of the Company's directors, supervisors and managers. The Committee shall exercise the due care of a prudent manager to faithfully perform the following duties and submit recommendations to the Board of Directors for discussion. However, the remuneration to the supervisors shall be proposed to the Board of Directors for discussion and shall be limited to the remuneration to the supervisors which is specified in the Articles of Incorporation or authorized to the Board of Directors by the shareholders' meeting. 1. Regular review of the Articles of Incorporation and recommendation for amendment. 2. Establish and periodically review the Company's annual and long-term performance goals for directors, supervisors, and managers, as well as the policies, systems, standards, and structures related to their remuneration. 3. Regularly evaluate the achievement of performance goals by the Company's directors, supervisors, and managers, and determine the content and amount of their individual remuneration.

(3) Operations of the Remuneration Committee

A. The Company's Remuneration Committee has 3 members, all of which are independent directors of the Company.

B. Members of this term shall serve from August 8, 2024 to August 8, 2027.

C. Duties of the Remuneration Committee are performed according to the “Organizational Charter of the Remuneration Committee of the Company”.

D. There are 5 (A) meetings held by the Remuneration Committee in 2024; attendance are described below:

Status	Name	Actual Attendance Number of Actual Attendance (B)	Proxies for Attendance, Number of Times	Actual Attendance Rate (%) (B/A)	Note
Convener Independent Director	Chin-Chang Wu	2	0	100%	None
Convener Independent Director	Yan-Feng Wu	5	0	100%	
Independent Director	Hsu-hui Hsu	4	1	80%	
Director	Ting-Cheng Chung	3	0	100%	

Other Mandatory Provisions: :

I. If the Board of Directors did not adopt or modified the suggestion of the Remuneration Committee, date of a Meeting of the Board Directors, term, resolution contents, resolution result of Audit Committee, and handling of the Company in response to the opinion of Audit Committee shall be described: None.

II. If there is a member holding objection or reserve their opinion and put it in record or in writing for a resolution adopted by the Remuneration Committee, the date of the meeting, term, resolution contents, opinion of all members, and handling shall be described:

The Remuneration Committee	Contents of Resolutions	Resolution Result	Response of the Company towards members' opinion
5th Term 14th 2024/2/20	1. Resolution on the 2023 Board Director and Employee Remuneration Distribution of the Company 2. Resolution on the Appointment and Remuneration of the General Manager	This resolution was adopted by all members with unanimous consent.	Not applicable.
5th Term 15th 2024/5/8	Formulation of the Company's “Regulations Governing the Remuneration of Directors,		

		Functional Committee Members and Managers”			
	6th Term 1st meeting 2024/8/8	<ol style="list-style-type: none"> <li>1. Review of the 2023 Board Director and Employee Remuneration Distribution of the Company.</li> <li>2. Review of the remuneration to the Chairperson of the Board of Directors.</li> <li>3. Review of the remuneration to the Vice Chairperson of the Board of Directors.</li> </ol>			
	6th Term 2nd meeting 2024/11/7	Approve the proposal of the policy, system, standard and structure of the remuneration for the Company’s directors and managerial officers in 2024.			
	6th Term 3rd meeting 2024/12/17	<ol style="list-style-type: none"> <li>1. The 2025 work plan of the Company’s Remuneration Committee.</li> <li>2. Proposal of the 2024 managerial officers end-of-year bonus distribution of the Company.</li> </ol>			

2. Sustainable Development and Nomination Committee (formerly the Nomination Committee)

(1) Qualification requirements and experience, responsibilities and operation of the Nomination Committee

A. The Company has 3 members of the Nomination Committee and more than half of whom are independent directors. The professional qualifications of the members are detailed on page 14 of this annual report.

B. Members of this term shall serve from August 8, 2024 to August 8, 2027.

C. Sustainable development and the duties of the Nomination Committee:

The Company shall comply with the "Sustainable Development and Nomination Committee Charter" for the establishment of the committee.

The Nomination Committee of the Company shall perform the following duties with the care of a good administrator and shall submit the recommendations to the Board of Directors for discussion:

- I. To establish the professional knowledge, technology, experience and diversity of backgrounds and independence standards required by the Board members and senior managers, and to seek, review and nominate candidates for directors and senior managers based on the above standards.
- II. Establish and develop the organizational structure of the Board of Directors

and various committees, conduct performance evaluation of the Board of Directors, various committees, directors and senior managers and evaluate the independence of independent directors.

- III. Formulate and regularly review the directors' continuing education plan and succession plan for directors and senior managers.
- IV. Establishing the Company's Corporate Governance Best Practice Principles.
- V. Review, track and revise the implementation of sustainable development.
- VI. Supervision of disclosure of sustainable information and review of the sustainability report.
- VII. Supervision of the Company and its subsidiaries in the fulfillment of corporate social responsibility and corporate sustainability strategies, including planning and implementation of environmental, social, corporate governance and risk management aspects.
- VIII. Execution and assistance in risk management related matters.

D. There are 4 (A) meetings held by the Sustainable development and Nomination Committee in 2024; attendance are described below:

Job title	Name	Actual Number of Attendance (B)	Number of Proxies for Attendance	Actual Attendance Rate (%) (B/A)	Note
Convener Independent Director	Chin-Chang Wu	2	0	100%	None
Convener Independent Director	Yan-Feng Wu	4	0	100%	
Independent Director	Hsu-hui Hsu	4	0	100%	
Director	Ting-Cheng Chung	2	0	100%	
Other Mandatory Provisions:					
Date, session, content, recommendation or objections of the Nomination Committee, resolution of the Nomination Committee, and the Company's handling of the Nomination Committee's opinions:					
Sustainable Development and Nomination Committee (formerly known as Nomination Committee)	Contents of Resolutions		Resolution Result	Response of the Company towards members' opinion	
10th meeting of the 3rd term 2024/2/20	1. Proposal of the 2023 performance evaluation of the board of directors and the functional committees.		This resolution was adopted by all	Not applicable.	

	<ol style="list-style-type: none"> <li>2. Proposals regarding the qualification of the Company's directors, the convener and the members of the functional committees.</li> <li>3. Proposal of the Company's appointment of the managerial officer.</li> </ol>	members with unanimous consent.	
11th meeting of the 3rd term 2024/4/10	Nomination of the 14th Board of Directors (including independent directors) candidates.		
1st meeting of the 4th term 2024/11/7	<ol style="list-style-type: none"> <li>1. Proposal of reviewing the organizational regulations of the committees under the Company's board of directors.</li> <li>2. Review the further education for directors of the Company in 2024 and the further education plan for the year 2025.</li> </ol>		
2nd meeting of the 4th term 2024/12/17	Proposal for the performance evaluation of the managers of the Company in 2024.		

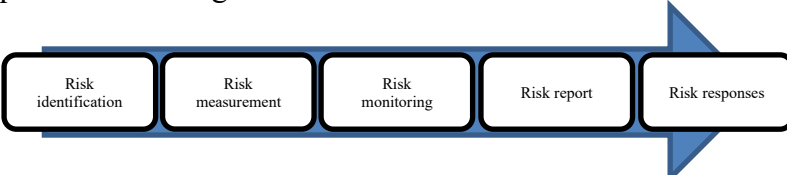
(V) Promoting sustainable development, differences from the Code of Practice under the Best Practice Principles for Sustainable Development of TWSE/TPEX Listed Companies and reasons

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies																				
	Yes	No	Summary Description																					
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		<p>1. The Company promotes a governance framework for sustainable development.</p> <pre> graph TD     A[委員長] --- B[專案召集人]     B --- C[外部顧問]     C --- D1[公司治理小組]     C --- D2[員工照護小組]     C --- D3[社會關懷小組]     C --- D4[環境永續小組]     C --- D5[客戶關懷小組]     </pre> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="5" style="text-align: center;">Chairman</td> </tr> <tr> <td colspan="5" style="text-align: center;">Project Convenor</td> </tr> <tr> <td colspan="5" style="text-align: center;">External Consultant</td> </tr> <tr> <td style="text-align: center;">Corporate Governance Team</td> <td style="text-align: center;">Employee Care Team</td> <td style="text-align: center;">Social Care Team</td> <td style="text-align: center;">Environmenta l Sustainabilit Team</td> <td style="text-align: center;">Customer Care Team</td> </tr> </table> <p>2. Following the Board of Directors' resolution on December 30, 2014, to adopt the "Corporate Social Responsibility Best Practice Principles," the</p>	Chairman					Project Convenor					External Consultant					Corporate Governance Team	Employee Care Team	Social Care Team	Environmenta l Sustainabilit Team	Customer Care Team	No significant difference
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Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			<p>General Manager convened a Sustainable Development Task Force, comprising the Finance, Accounting, Planning, Procurement, Engineering, Administration, and Sustainability Services departments. This team is responsible for implementing corporate governance practices, participating in social welfare initiatives, and formulating and executing the Company's environmental protection and energy conservation measures. The task force continues to promote related initiatives and reports on implementation outcomes to the Board of Directors at least once per year. The Company's implementation of sustainable development in 2024 was reported to the Board of Directors on November 7, 2024.</p> <p>3. On December 17, 2024, the Company renamed the Nomination Committee to the Sustainable Development and Nomination Committee. Under this structure, the Chairperson of the Committee serves as the primary person responsible for overseeing sustainable development, with the Committee regularly supervising the performance and implementation of initiatives carried out by the Sustainable Development Task Force.</p> <p>4. The Company is committed to corporate governance and corporate social responsibility, incorporating the ESG concept as the DNA of corporate culture, and integrating it into business strategies as a driving force for sustainable development. Adhering to the business philosophy of integrity, mutual assistance, professionalism, and responsibility, the Company assesses and discloses environmental, social, and corporate governance risks related to its operations in the "Corporate Sustainability Report." The Board of Directors puts forward opinions or instructions on the implementation results as a basis for future improvement.</p>	

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
II. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management?	V		<p>1. Risk management policy: To strengthen corporate governance and effectively implement a sound risk management mechanism to mitigate potential business risks, the Company formulated the “Policy and Procedures for Risk Management” on November 9, 2021, with approval of the Board of Directors to achieve sustainable and stable operations. Each department discloses risk exposure information about environment (E), society (S), and governance (G), proposes risk self-assessment and response strategies, while the core team sorts out risk assessment data from various departments and submits a risk management report to the convener/vice convener for presentation to the Board of Directors at least once a year.</p> <p>2. Risk Management Organization Framework: The Company’s risk management organizational structure is led by the Board of Directors which acts as the most authoritative unit for risk management in accordance with laws and regulations; Aimed at promoting and implementing overall risk management, the Company clearly understands the risks involved in operations, ensures the effectiveness of risk management, and bears the ultimate responsibility for risk management. The Company has established a risk management team since December 17, 2024. The Company has changed the name of the original Nomination Committee to the Sustainable Development and Nomination Committee and the structure of risk management is based on the committee chief as the main person in charge. The committee regularly supervises the implementation effectiveness and implementation of risk management and</p>	No significant difference

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies								
	Yes	No	Summary Description									
			<p>the heads of each department are the main members and the core team is responsible for executing and summarizing the risk self-assessment of each unit and regularly reports the risk management results to the Board of Directors.</p> <pre> graph TD     A[董事會] --&gt; B[委員長]     B --&gt; C[專案召集人]     C --&gt; D[副召集人]     C --&gt; E[核心團隊/作業組] </pre> <p><b>副召集人</b> 1. 將各單位風險評估資料及核心團隊(作業組)資料評估審核，呈報召集人。 2. 針對風險評估資料有疑義時，協助召集人召開會議予以協調。</p> <p><b>核心團隊/作業組</b> 向各單位主管解說、蒐集及彙整各部門風險評估資料，呈報副召集人。</p> <table border="1"> <tr> <td>Board of Directors</td> <td></td> </tr> <tr> <td>Chairperson of the committee</td> <td></td> </tr> <tr> <td>Project convener</td> <td></td> </tr> <tr> <td>Deputy convener 1. Present the risk assessment data of each unit and the core team (operation group) data assessment and review to the convener. 2. When there are doubts about the risk assessment data, the convener will assist in the meeting to coordinate.</td> <td>Core team/task force Explain to the unit heads, collect and compile the risk assessment data of each department and report to the deputy convener.</td> </tr> </table>	Board of Directors		Chairperson of the committee		Project convener		Deputy convener 1. Present the risk assessment data of each unit and the core team (operation group) data assessment and review to the convener. 2. When there are doubts about the risk assessment data, the convener will assist in the meeting to coordinate.	Core team/task force Explain to the unit heads, collect and compile the risk assessment data of each department and report to the deputy convener.	
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Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			<p>3. Risk management: In the operation process of the construction industry, there are uncertain factors that may threaten the operation. In order to prevent losses as a result of risks, the Company has developed risk control policies and procedures for economic, environmental, social, and climate change risks. Firstly, varying from different crisis levels, we follow the risk management process and hold emergency response meetings to formulate relevant strategies and response plans, handle and propose improvement suggestion, and avoid repeating mistakes. Functional units at different levels have responsibilities for risks. Once a problem occurs, it should be reported to the upper level promptly to seek solutions and mitigate the possible impact on the Company as soon as possible. We ensure that the risk control mechanism and procedures can be effectively put into practice and regularly report the information about risk management to the Board of Directors.</p> <p>4. Scope of Risk Management:</p>  <pre> graph LR     A[Risk identification] --&gt; B[Risk measurement]     B --&gt; C[Risk monitoring]     C --&gt; D[Risk report]     D --&gt; E[Risk responses]   </pre> <p>Following the 5-step risk management process, in response to 12 major sources of risks which are of concern both domestically and internationally in the year 2024, including natural disasters, forecasts of economic conditions, government policies, work environment, product</p>	

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies											
	Yes	No	Summary Description												
			<p>development, design and planning, suppliers, human resources, business execution, finance, accounting, environmental sustainability, etc., we ask each department to assess the risk levels based on the frequency and severity of losses of risk source in the form of a questionnaire. Based on this, we identified the possible risk sources for the year 2024 and made them an important issue to be addressed.</p> <p>5. The risk management items and response actions for the year 2024 are as follows:</p> <p><b>2024 Main Risk Identification and Response Strategies for San Far Property</b></p> <table border="1"> <thead> <tr> <th>Dimension of risk</th> <th>Types of risks</th> <th>2024 Impact and countermeasures</th> <th>Departments</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Environmental (E)</td> <td>Climate Change Risks</td> <td> <ul style="list-style-type: none"> <li>In case of natural or man-made disasters, the Company closely monitors legal updates and follows the response measures required by competent authorities to ensure compliance and avoid penalties from construction delays. For extreme summer heat, workplace needs are regularly reviewed and engineering self-inspections are strengthened to reduce safety concerns and financial burdens.</li> </ul> </td> <td>Engineering Department</td> </tr> <tr> <td>Environmental Impact Risks</td> <td> <ul style="list-style-type: none"> <li>Enhance understanding and integration of green building standards during early planning and design to secure necessary certifications.</li> <li>Implement multiple energy-saving and carbon reduction measures at offices and construction sites to mitigate environmental impact and explore opportunities for reuse of construction waste through partnerships.</li> </ul> </td> <td>           Planning Department            Engineering Department         </td> </tr> </tbody> </table>	Dimension of risk	Types of risks	2024 Impact and countermeasures	Departments	Environmental (E)	Climate Change Risks	<ul style="list-style-type: none"> <li>In case of natural or man-made disasters, the Company closely monitors legal updates and follows the response measures required by competent authorities to ensure compliance and avoid penalties from construction delays. For extreme summer heat, workplace needs are regularly reviewed and engineering self-inspections are strengthened to reduce safety concerns and financial burdens.</li> </ul>	Engineering Department	Environmental Impact Risks	<ul style="list-style-type: none"> <li>Enhance understanding and integration of green building standards during early planning and design to secure necessary certifications.</li> <li>Implement multiple energy-saving and carbon reduction measures at offices and construction sites to mitigate environmental impact and explore opportunities for reuse of construction waste through partnerships.</li> </ul>	Planning Department Engineering Department	
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Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			<ul style="list-style-type: none"> <li>• Conduct customer satisfaction surveys on a regular basis to collect customers' opinions on service quality and progress and to identify potential problems and make adjustments accordingly, thereby reducing the risk of customer complaints.</li> <li>• Establish a clear process for solving disputes and understand customer needs and problems, in order to seek a solution. The communication with the customers should be maintained with complete records and files. In addition to the future review and prevention of future recurrence, it can also be used as evidence to support the dispute, reducing legal risks.</li> </ul>	Customer Services Department
			<ul style="list-style-type: none"> <li>• Keep track of the status of customers' collections in a timely manner to ensure that the contracts are executed and no default occurs. In case of potential default risk, appropriate countermeasures shall be taken based on the risk assessment.</li> <li>• Establish good customer communication channels to properly handle customer complaints and needs and reduce sales losses or reputation risks due to customer satisfaction.</li> </ul>	Sales Department
			<ul style="list-style-type: none"> <li>• The construction process may be subject to unexpected technology or event that causes cost increase or project delay. The manufacturer is required to hold a weekly case study meeting or to take appropriate incentives measures to achieve the planned completion progress. The occupational hazard prevention plan and emergency response plan are defined. The on-site education and training for the site workers are provided from time to time to maintain the construction quality and to prevent occupational hazards caused by occupational safety incidents.</li> <li>• Strictly enforces the quality control of the</li> </ul>	Engineering Department

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			Government Policy (P)	Policy Change Risk	<ul style="list-style-type: none"> <li>Monitor policy directions from banks related to loan restrictions, increases in reserve requirements, or capital tightening due to market contraction. Regularly review the impact of interest rate fluctuations on interest expenses to mitigate the effects of rate volatility on profitability.</li> <li>Proactively track trends in the market and developments in real estate, finance, taxation and accounting regulations to reduce the operational risks posed by macroeconomic changes.</li> <li>Ensure timely disclosure in accordance with government regulations in response to International Financial Reporting Standards S1, S2 and IFRS 18.</li> </ul>	Finance Department  Accounting Department	
<b>III.Environmental Issues</b> (I) Did the Company build a proper environmental management system according to its industrial features?	V		<p>The Company responds to the concept of environmental sustainability with practical actions, and in the face of residential needs, it will treat the ecological environment friendly in four aspects: energy conservation and carbon reduction, pollution reduction, increase in green coverage, and air purification. Take multi-faceted management measures, including waste, water resources, greenhouse gases, noise, soil and groundwater pollution, air quality, etc., to reduce the impact on the environment during operation, reduce carbon emissions and increase clean energy and ecological restoration, develop circular economy, and build a green living circle.</p> <p>The Company entrusts professional and legal environmental protection companies with recycling and disposal of waste at all construction site; According to Article 30 of the Construction Industry Act, a field director is assigned at the job site during construction and according to Rules Governing Occupational Health and Safety Management, one periodical check for a</p>		No significant difference		

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			<p>partial breathing device, air cleaning device, and vacuum and blow air change device:</p> <p>I. Wear and tear, erosion, unevenness, and other damage condition and level of exhaust hoods, ducts and ventilators.</p> <p>II. Dust on ducts or ventilators.</p> <p>III. Lubrication of ventilators.</p> <p>IV. Contact parts of ducts.</p> <p>V. Tightness between the belt connection of electrical machinery and ventilators.</p> <p>VI. Intake and exhaust capabilities.</p> <p>VII. Fixing, rustiness, damage, collapse, or other obstacles to the operational safety of sampled facilities placed on intake and exhaust ducts.</p> <p>VIII. Other items necessary to maintain functions.</p>	
(II) Is the Company devoted to improving energy and does it use biomaterials with low environmental loading impact?	V		<p>1. Office Use LED energy-saving bulbs and install circulating fans to help cool the indoor temperature, reduce the use of air conditioning, and reduce energy consumption and carbon emissions.</p> <p>2. Product Design Environmental protection and lessening the burden of Earth are always the priorities of the Company. We insist on the planning and use of environmentally friendly, green, and energy-saving construction materials and actively participate in events of green consumption and environmental protection. For example, from construction and landscape design, interior design, use of environmentally friendly construction materials, indoor air conditioning</p>	No significant difference

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			<p>planning and construction, communication and anti-theft security monitoring system, we all adopt recycling and low-carbon service processes to manage waste and to support environmental friendly groups.</p> <p>3. Energy Conservation and Carbon Reduction</p> <p>Electricity saving measures are taken at the construction site during non-construction hours at night, and lighting power will be turned off in all areas except for the guarded area at the construction site to reduce unnecessary electricity consumption.</p> <p>Sprinklers are used for cooling to effectively reduce the electricity consumption of air-conditioning: During construction operations, temporary combination houses are built as public works offices at the construction site to facilitate relevant personnel to manage on-site operations and control activities on site. Most of the combination houses above are made of simple materials (iron sheets). In the face of high summer temperatures, in order to save energy and achieve effective cooling, the water spray system is used to cool the external temperature of the combined houses with cool water confluence and sprinkle, and to reduce the demand for air-conditioning.</p>							
(III) Did the Company evaluate potential risk and opportunities brought by climate change at present and in the future to businesses and adopt	V		<table border="1"> <thead> <tr> <th></th> <th>Items</th> <th>Execution</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Describe the oversight and governance of climate-related risks and opportunities by the Board and management.</td> <td>In alignment with the United Nations Sustainable Development Goals, Sanfar Properties is actively formulating climate governance strategies to address the risks and opportunities posed by climate change. The Company is identifying climate-related risks and opportunities relevant to</td> </tr> </tbody> </table>		Items	Execution	1	Describe the oversight and governance of climate-related risks and opportunities by the Board and management.	In alignment with the United Nations Sustainable Development Goals, Sanfar Properties is actively formulating climate governance strategies to address the risks and opportunities posed by climate change. The Company is identifying climate-related risks and opportunities relevant to	No significant difference
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responsive measures of related issues of climate?				its operations and assessing their potential impact on business strategies and financial performance. Going forward, Sanfar plans to integrate climate risk and opportunity management into its existing risk management framework. Each department will be responsible for identifying climate-related risks and opportunities within their scope of operations and proposing appropriate response measures. These will be reviewed by the General Manager and submitted to the Sustainability Committee, serving as a foundation for developing the Company's climate governance strategy.
			2	Describe how the identified climate risks and opportunities affect the corporate business, strategy and finance (short, medium and long term).

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				<p>Adopting low-carbon technologies will increase construction expenses, complicate sales efforts, and require longer periods for research and planning, all of which raise the cost burden over time.</p> <p><b>【Opportunity】</b>  Long-term: Adoption of low-carbon construction materials  The marketing plan to increase the construction cost by 10% due to the increase in low-carbon construction materials, in response to the net-zero trend, and promote green building.</p>
			<p>3 Describe the financial impact of extreme climate events and transformational actions.</p>	<p>1. Short-term: Impact of climate change  (1) Regular reviews of labor workplace conditions and enhanced on-site self-inspections are required. Occupational hazard prevention and emergency response plans must be formulated, and regular staff training is to be conducted. These measures are estimated to increase time-related labor costs by approximately 10%.  (2) In the event of natural disasters or emergencies, regulatory updates must be closely monitored and construction activities adjusted accordingly to maintain legal compliance and prevent delays.  (3) Typhoons or earthquakes may compromise construction quality, necessitating enhanced occupational safety protocols and stricter quality control inspections.</p> <p>2. Mid-term: Rising cost of raw materials</p>

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			<p>Use low-carbon construction materials, introduce BIM and estimate that construction costs will increase by 10%.</p> <p>3. Long-term: Cost of low-carbon technology transformation</p> <p>The use of low-carbon construction materials is expected to increase construction costs by 10-20%.</p>	
		4	<p>Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system.</p> <p>The impact of climate change on enterprises is not only stricter controls over greenhouse gas emission, the development of low-carbon technologies and the rise of diversified services, consumers' product preferences and consumption patterns, but also increases construction safety concerns, such as long-term heat exposure of workers, or damage to the quality of construction projects caused by strong earthquakes.</p> <p>The Company timely reflects consumers' preference for green products by dint of green technology research and development and innovation, in case of natural and man-made disasters and other emergencies, it takes response measures as required by the competent authority, so as to achieve legality, and regularly review the needs of labor and strengthen project self-inspection.</p>	
		5	<p>If scenario analysis is adopted to assess resilience to risks of climate change, the scenarios,</p> <p>The Company has not adopted scenario analysis to assess resilience to risks of climate change.</p>	

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(IV) Does the Company make statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulate policies for greenhouse gas reduction, water reduction, or other waste management?	V		<p>The Company has been collecting statistics on greenhouse gas emissions and waste disposal since 2021. Please refer to the Company's "Corporate Sustainability Report" for relevant policies and implementation status. According to the "Sustainable Development Roadmap of the Listed Companies", the Company has paid-in capital of less than NTD 5 billion and should be subject to greenhouse gas inventory and verification in the third stage (2026); and the consolidated subsidiaries of the Company (including the subsidiaries reported in the consolidated statements) should be subject to the greenhouse gas inventory and verification in the fourth stage (2027); In accordance with the reference guidelines and relevant regulations of the competent authority, we will continue to complete the plans such as setting up full-time (part-time) units, detailed promotion schedules for each planned project, formulating complete inventory procedures and the phased targets for supervision and control by the Board of Directors, and report the progress to the Board of Directors on a quarterly basis, continue to control greenhouse gas inventory and verification, and disclose schedule for completion; the timeline for greenhouse gas inventory and verification of the Company and all subsidiaries is planned as follows:</p> <table border="1"> <thead> <tr> <th>Tasks</th> <th>Estimated time of completion</th> <th>Time of completion</th> </tr> </thead> <tbody> <tr> <td>Establish a full-time (part-time) unit to evaluate the number of full-time (part-time) personnel and their scope of responsibilities.</td> <td>Q3 in 2024</td> <td>Q4 in 2021</td> </tr> <tr> <td>Formulate talent training plans</td> <td>Q3 in 2024</td> <td>Q2 in 2023</td> </tr> </tbody> </table>	Tasks	Estimated time of completion	Time of completion	Establish a full-time (part-time) unit to evaluate the number of full-time (part-time) personnel and their scope of responsibilities.	Q3 in 2024	Q4 in 2021	Formulate talent training plans	Q3 in 2024	Q2 in 2023	No significant difference
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Greenhouse gas inventory (the Company and all subsidiaries)	Q3 in 2027	Completed in Q2, 2024 Annual inventory will continue going forward.																							
External verification (the Company)	Q2 in 2028	KPMG was commissioned in June 2023 to perform external assurance of 2021–2022 emissions																							
External verification (the Company and all subsidiaries)	Q2 in 2029	KPMG was commissioned in June 2024 to verify 2023 emissions for the company and all subsidiaries. Annual assurance will continue.																							
IV. Social Issues (I) Did the Company comply with relevant laws and the International Bill of Human Rights to enact relevant management polices and procedures?	V		The Company fulfills its corporate social responsibility, protects the basic human rights and related rights and interests of all employees, customers and stakeholders, recognizes and supports the spirit and basic principles of human rights protection revealed in international human rights conventions such as the UN Universal Declaration of Human Rights, UN Global Compact and the ILO Conventions, and formulates relevant management policies such as work rules, absence management measures, measures for prevention and	No significant difference																					

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			<p>punishment of sexual harassment, and channels for opinions and appeals based on the spirit of human rights, so as to protect and respect the basic labor rights of employees and offer equal opportunities. The policies are as follows:</p> <ol style="list-style-type: none"> <li>1. Support and respect international human rights within the scope of the business influence.</li> <li>2. The recruitment, selection, employment, distribution, job experience, remuneration and benefits, promotion, education and training and retirement plans of employees shall not differ on the basis of race, class, language, ideology, religion, political party, place of origin, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities and trade union status.</li> <li>3. Employees are employed on a non-discriminatory basis, offered fair opportunities in hiring, remuneration and benefits, training, evaluation and promotion, and provided with an effective and appropriate grievance mechanism to avoid and respond to situations that endanger the rights and interests of employees.</li> <li>4. Child labor under the age of 16 is prohibited and forced labor is not permitted.</li> <li>5. Create a gender-equal workplace, implement systems for leaving without pay for childcare, and provide family care leave, physiological leave, pregnancy check-up leave, leave for accompanying wife to do pregnancy check-ups and paternity leave.</li> <li>6. Anti-discrimination, bullying and harassment.</li> </ol>	

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			<p>7. Respect the rights of employees, employees can freely associate in accordance with the law, set up diverse associations, and actively persuade colleagues to join associations.</p> <p>Implementation of the Company's Human Rights Policy: The Company adheres to a non-discriminatory employment policy and ensures equal treatment in hiring practices. No incidents of child labor, bullying, or harassment complaints have been reported. The Company is committed to fostering a safe and pregnancy-friendly work environment and complies with the Act of Gender Equality in Employment. In 2024, three employees applied for 168 days of maternity leave, and two employees applied for parental leave without pay.</p>	
(II) Did the Company enact and implement reasonable employee welfare measures (including remuneration, holidays, and other welfare) and reflect management performance or result in employee remuneration?	V		<p>The Company has taken reasonable measures for employee welfare, and conducts questionnaires before and after the event, questionnaires are designed tailored to the needs of employees, and taken as an indicator of improvement. The Company provides a competitive salary system in diverse combinations, including basic salary, allowance, bonuses, and welfare fund plus allowances for marriage, birth, and tours to build a complete remuneration structure. The remuneration for employees shall be determined in accordance with Article 23 of the Articles of Association of the Company: The profit before tax of the current fiscal year does not include the remuneration for the board of directors and employee compensation. If there is a balance after covering the losses, the Company shall set aside no less than 1% of its annual profits to employees as remuneration. In addition, the variable remuneration is paid based on the work objectives of the management, departments and the personal KPIs, combined with the operation management policy, while</p>	No significant difference

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			<p>rewarding systems are designed taking ISO9001, ESG related indicators and achievement of substantive operating results into consideration to reward colleagues.</p> <p>The Company executes the remuneration system that considers both operational performance and risk management, values employee contribution and values, encourages employees to work together with the Company for innovative management performance and achieving sustainable development.</p>	
(III) Did the Company provide employees a safe and healthy work environment and periodically conduct safety and health education for employees?	V		<p>The Company regularly reviews employee health and safety risks and improvement plans to avoid potential health and safety risks arising from work patterns. The Company adopts the approach of fulfilling corporate environmental responsibility, building a friendly environment and saving energy and waste. It complies with government regulations related to environmental safety, health, and labor, protects the legal rights of employees, and does not have any incidents that endanger the basic rights and interests of workers. It protects the safety of employees at work and maintains employee health. It invests effective resources, and through the occupational safety and health education and training (including internal and external training), and formulates relevant management measures to train employees in the handling methods in emergency response, promote the physical and mental health of employees, provide a safe and healthy working environment.</p> <p>1. The Company's health examination is implemented once every two years. The last health examination was conducted in 2023. As of the date of publication of the annual report, the number of applicants for health examination in 2025 was 30.</p> <p>2. There were 0 employees who have gone through occupational disasters in</p>	No significant difference

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies												
	Yes	No	Summary Description													
			<p>2024.</p> <p>3. The number of persons who have received safety and health education and training and hours of education and training in 2024</p> <table border="1"> <thead> <tr> <th>Training targets</th> <th>Number of persons who have received training</th> <th>Total training hours</th> </tr> </thead> <tbody> <tr> <td>Number of new hires</td> <td>14</td> <td>84</td> </tr> <tr> <td>Occupational safety and health personnel</td> <td>7</td> <td>14</td> </tr> <tr> <td>Accumulated number of persons and hours</td> <td>21</td> <td>98</td> </tr> </tbody> </table> <p>4. The number of fire cases, number of fatalities and number of fatalities in 2024 and the ratio of total employees and the related improvement measures for fire: None.</p>	Training targets	Number of persons who have received training	Total training hours	Number of new hires	14	84	Occupational safety and health personnel	7	14	Accumulated number of persons and hours	21	98	
Training targets	Number of persons who have received training	Total training hours														
Number of new hires	14	84														
Occupational safety and health personnel	7	14														
Accumulated number of persons and hours	21	98														
(IV) Did the company build effective career competence development plan for employees?	V		<p>The Company reviews and improves related systems every year, respects the equal rights of the workplace, ensures equal work opportunities, and promotes a positive labor-capital relationship. Regular performance reviews are conducted on employees, and their opinions are evaluated and recovered. The purpose is to improve the overall performance of individuals and the organization, and to conduct a fair and reasonable performance evaluation procedure as the basis for promotion, salary adjustment and employee career development.</p> <p>The Company holds at least one supervisor training session each year. In 2024,</p>	No significant difference												

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			a goal alignment camp for supervisors (including the General Manager) was held from October 28 to 29. The event featured themed sessions and discussions focused on future strategic planning. Topics included sharing insights on corporate culture, business management, leadership practices for setting annual goals, and recent trending issues such as ESG. The inclusion of interactive discussions led by external speakers encouraged brainstorming among attending supervisors and helped them stay informed about the latest management concepts.	
(V) Did the Company comply with relevant laws and international principles for products and services regarding customer health and safety, customer privacy, marketing and labelling and other issues, and enact relevant protection rights policies for consumers or customers and complaint procedures?	V		The Company clearly specifies all construction materials used in its sales products in the sales contracts. All labeling and disclosures are made in compliance with legal requirements. The Company has also established mechanisms to protect consumer rights and communication channels, and has set up a dedicated unit responsible for after-sales service to safeguard consumer interests.	No significant difference
(VI) Did the Company enact supplier management policies to request suppliers to comply with relevant rules and	V		The Company has set the "Key Points of Manufacturers in Assessment and Evaluation", under which it will conduct evaluation on suppliers, and the evaluation criteria are divided into five aspects of assessments, such as progress, quality, cost control, safety and health, and cooperation; The Company's supplier audits include internal audits; the Company's high-level	No significant difference

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
regulations for issues of environmental protection, occupational safety and health, or labors' human rights and how is the implementation?			<p>joint audit team conducts inspections on progress, quality and occupational safety.</p> <p>1. Environmentally friendly: Take multi-faceted management measures, including waste, water resources, greenhouse gases, noise, soil and groundwater pollution, air quality, etc., to reduce the impact on the environment during operation, and increase clean energy and ecological restoration.</p> <p>2. Occupational safety, health and labor rights: Comply with laws and regulations such as the Occupational Safety &amp; Health Act, the Labor Standards Act and other industry-related laws and regulations, rules for facilities of occupational safety and health, etc., and ensure that the internal systems can continue to comply with relevant laws and regulations. Arrange drills and trainings at workplace, including "occupational safety and health" and "fire management", etc., so as to inject the concept of safety and health into the working habits of all employees and enhance their awareness of safety and health.</p> <p>In addition, in order to ensure that the systems and management measures for occupational safety and health implemented internally can keep pace with the times, the Company plans to introduce ISO 9001 architecture planning, coupled with internal audits, management review, automatic inspection, safety and health inspection and other mechanisms to check whether the above systems are put into practice, and will take immediate actions when there are security vulnerabilities or opportunities for improvement.</p>	
V. Does the Company refer to	V		The Company's sustainable report is prepared in accordance with the	No significant

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Did the said report acquire the certification and guarantee opinion from the third-party certification agency?			internationally accepted preparation standards or guidelines, and the information is disclosed in non-financial information. In the future, the Company will obtain the audit standards of relevant certification bodies depending on the development trend or regulations.	difference
<p>VI. If the Company enacts its own Principles for Code of Practice for Sustainable Development according to the “Code of Practice under the Best Practice Principles for Sustainable Development of TWSE/TPEX Listed Company,” please describe the difference between actual operations and enactment: The Company has established the Sustainable Development and Nomination Committee, and established the principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" to regularly supervise the implementation results.</p>				
<p>VII. Important Information that helps to understand promotion of sustainable development: The Company's sustainability report for 2024 has been disclosed on the Company's website, with the progress reported to the Board of Directors on November 7, 2024, and the Board of Directors has been informed of the relevant information without objection to the implementation. The major implementation scenarios are briefly described below:</p> <ol style="list-style-type: none"> <li>1. Public Welfare Activities: Since its establishment in 2012, the Sanfar Foundation has been dedicated to its core values of promoting arts and cultural education, supporting students in pursuing their dreams through scholarships and guiding career exploration. The foundation aims to spread the seeds of learning and culture to every corner of urban and rural communities through educational outreach. Sanfar Foundation has twice been honored with the Arts and Business Awards by the Ministry of Culture, recognizing its outstanding contributions to the preservation and promotion of Taiwan’s arts and culture. It has also collaborated on arts and enterprise initiatives with its wholly owned subsidiary, Jingo International Records Co., Ltd.</li> <li>2. Environmentally friendly: Take multi-faceted management measures, including waste, water resources, greenhouse gases, noise, soil</li> </ol>				

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			<p>and groundwater pollution, air quality, etc., to reduce the impact on the environment during operation, promote clean energy and ecological restoration, develop circular economy, and build a green living circle.</p> <p>3. Energy conservation and emission reduction actions: integrate the concept of sustainability into buildings, such as ventilation and lighting patios and electric vehicle charging equipment in building design designed for energy conservation and carbon reduction; The use of LED energy-saving bulbs in the office and the addition of recirculating fans to help cool down the indoor temperature, reduce the use of air conditioning, and reduce energy consumption and carbon emissions.</p> <p>4. Occupational Safety and Health Management System: The Company plans and implements an occupational safety management system through the ISO 9001 framework, coupled with internal audits, management review, automatic inspection, safety and health inspection and other mechanisms to check whether the above systems are put into practice, and will take immediate actions when there are vulnerabilities or opportunities for improvement.</p> <p>5. Community communication: Asphalt laying works without road damage on the road surface near the construction site; Manage domestic wastewater, vehicle cleaning, surface runoff (rainwater) at the construction base; fence greening; Cleaning the exterior walls of neighboring houses, gutters, and regular visits for neighborhood watch.</p> <p>6. Communication with and response to stakeholders: The Company provides communication channels and responses to major issues of concern to stakeholders, and on November 7, 2024, the Board of Directors reported on the communication with stakeholders in 2024 and disclosed it on the Company's website. (<a href="https://www.sanfar.com.tw">https://www.sanfar.com.tw</a>)</p>	
VIII.Information on climate of TWSE/TPEX-listed companies (I) Describe the oversight and governance of climate-related risks and opportunities by the Board and management.	V		In alignment with the United Nations Sustainable Development Goals, Sanfar Properties is actively formulating climate governance strategies to address the risks and opportunities posed by climate change. The Company is identifying climate-related risks and opportunities relevant to its operations and assessing their potential impact on business strategies and financial performance. Going forward, Sanfar plans to integrate climate risk and opportunity management into its existing risk management framework. Each department will be responsible for identifying climate-related risks and opportunities within their	No significant difference

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
			scope of operations and proposing appropriate response measures. These will be reviewed by the General Manager and submitted to the Sustainability Committee, serving as a foundation for developing the Company's climate governance strategy.	
(II) Describe how the identified climate risks and opportunities affect the corporate business, strategy and finance (short, medium and long term).	V		<p><b>【Risks】</b></p> <p>1. Short-term: Impact of climate change Climate change increases construction safety risks, such as prolonged heat exposure for workers or project delays caused by severe typhoons or heavy rainfall.</p> <p>2. Mid-term: Rising cost of raw materials Price increases in raw materials will raise construction costs and drive up selling prices. If prices exceed market levels, consumer willingness to buy may decline, lengthening the sales cycle. This also makes cost estimation more difficult and could distort investment evaluations, ultimately affecting profitability.</p> <p>3. Long-term: Cost of low-carbon technology transformation Adopting low-carbon technologies will increase construction expenses, complicate sales efforts, and require longer periods for research and planning, all of which raise the cost burden over time.</p> <p><b>【Opportunity】</b></p> <p>Long-term: Adoption of low-carbon construction materials Increase the construction cost by 10% due to the increase in low-carbon construction materials and promote the marketing plan for green building in response to the net-zero trend.</p>	No significant difference

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
(III) Describe the financial impact of extreme climate events and transformational actions	V		The Company did not incur financial losses due to climate risk in 2024; the loss amount was NT\$0.	No significant difference
(IV) Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system	V		The impact of climate change on enterprises is not only stricter controls over greenhouse gas emission, the development of low-carbon technologies and the rise of diversified services, consumers' product preferences and consumption patterns, but also increases construction safety concerns, such as long-term heat exposure of workers, or damage to the quality of construction projects caused by strong earthquakes. The Company timely reflects consumers' preference for green products by dint of green technology research and development and innovation, in case of natural and man-made disasters and other emergencies, it takes response measures as required by the competent authority, so as to achieve legality, and regularly review the needs of labor and strengthen project self-inspection.	No significant difference
(V) If scenario analysis is adopted to assess resilience to risks of climate change, the scenarios, parameters, assumptions, analysis factors and key financial impacts should be described.		V	Not applicable.	The Company did not use scenario analysis to analyze climate risks.
(VI) If there is a transition plan to address climate-related risks, describe the content of the plan and identify and manage	V		Since 2023, the Company has formulated various response plans for major climate-related risks and opportunities. The relevant goals are to present the impact of climate-related risks/opportunity and response plans, and to implement the implementation of the plans. In the future, the Company will	

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
physical risks and transition risk a force indicators and targets			also understand the carbon emission reduction path through inventory and disclosure of greenhouse gas emissions, review the impact of the Company's operations, assess risks, and discuss mitigation strategies.	
(VII) If internal carbon pricing is taken as a planning tool, the basis for setting the prices should be stated.		V	Not applicable.	The Company does not use internal carbon pricing.
(VIII) If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	V		Since 2023, the Company has formulated various response plans for major climate-related risks and opportunities. The relevant goals are to present the impact of climate-related risks/opportunity and response plans, and to implement the implementation of the plans. In the future, the Company will also understand the carbon emission reduction path through inventory and disclosure of greenhouse gas emissions, review the impact of the Company's operations, assess risks, and discuss mitigation strategies.	
(IX) Greenhouse gas inventory and assurance, reduction goals, strategies and concrete action plans	V		In 2024, the survey of the Group's annual electricity consumption will be conducted by Sanfar Property, as a reference for the future office's implementation of energy conservation and emission reduction.	No significant difference

Evaluation Item	Implementation (Note 1)							Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies	
	Yes	No	Summary Description						
IX. Describe the greenhouse gas emissions in the last two years and the scope of data.	V		Category	Company	2022	2023	2024	Note	No significant difference
			Scope 1 (Oil + Refrigerant)	Sanfar	11.67	8.97	23.11	Sanfardid not inventory the traffic expenses for the private vehicles of the employees in 2023. The traffic expenses for this item were added in 2024. Therefore, the emission increased.	
				Jing Fu Xiang	No calculation	8.19	7.93		
				Jingo	No calculation	2.14	1.74		
			Scope 2 (power consumption)	Sanfar	37.96	38.61	39.01	Add new EVs and EV charging to the power consumption.	
				Jing Fu Xiang	214.9	258.82	219.9		
Jingo	No calculation	3.83		3.85					
Total		264.53	320.56	295.55					
X. Describe the status of greenhouse gas assurance in the last two years up to the date of	V		KPMG was entrusted to perform the 2021 and 2020 greenhouse gas declarations within the scope of direct greenhouse gas emissions and indirect emissions of 2 energy sources as defined in Statement of Assurance Standards					No significant difference	

Evaluation Item	Implementation (Note 1)			Difference and Reason of Sustainable Development Practices of Public Listed and OTC Companies
	Yes	No	Summary Description	
publication of the annual report, including the scope of assurance, the assurance organization, the assurance standards and the assurance opinions.			No. 3410 "Greenhouse Gas Assurances." The scope of assurance was not found in all material aspects of the assurance case.	
XI. Describe the record year for greenhouse gas reduction and the number of years, the reduction target, strategy and achievement of reduction target	V		<p>Although the construction industry does not have to submit a carbon reduction plan, it still discusses with various units about the carbon reduction plan as follows:</p> <ol style="list-style-type: none"> <li>1. Oil consumption: Use of public transportation vehicles as much as possible; replace public vehicles with electric vehicles.</li> <li>2. Electricity usage: <ol style="list-style-type: none"> <li>(1) The Engineering Office has gradually replaced old air-conditioning with energy-saving grade 1 air-conditioning.</li> <li>(2) The engineering office installs sprinklers and ceiling fans to reduce air-conditioning energy consumption.</li> <li>(3) Use energy-saving lamps for temporary lighting during the construction stage. Install controllers to regulate the lighting start time according to the season.</li> <li>(4) The office is replaced with energy-saving lamps; set air conditioning at 26 degrees C and set the circulation fan to reduce air conditioner energy consumption.</li> </ol> </li> <li>3. Refrigerant: Regular maintenance to avoid leakage. If the refrigerant equipment is replaced, the more environmentally friendly refrigerant model is adopted.</li> </ol>	No significant difference

(VI) Difference and Reason between Trust Management of the Company and the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Operations		Summary Description	Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No		
VI. Enactment of Ethical Management Polices and Initiatives (I) Did the Company enact ethical management policies adopted by the Board of Directors and statement policies and procedures clearly in rules and regulations and external documents? How is the promise of the Board of Directors and the high-ranking management level being carried out?	V		(I) In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Company has formulated the "Code of Integrity Management", "Operational Procedure and Behavior Guidelines of Trust Management", "Code of Ethical Conduct", and "Reporting System", which have been adopted by the Board of Directors, the relevant policies specifically regulate the matters that the Company's personnel should pay attention to during performance of duties, intending to be mutually bound; the Company will at least once a year hold education and publicity on "prevention of insider trading" and "integrity management" related issues for current directors, managers and employees.	No significant difference

Evaluation Item	Operations		Summary Description	Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No		
(II) Did the Company build an evaluation mechanism for risks of unethical behavior and periodically analyze and evaluate operational events that may involve relatively unethical behavior risk in the scope of operations to enact prevention initiatives from unethical behavior? Does that at least include prevention measures of behaviors stated in Article 7-2 of the Best Practice Principles of Ethical Management for TWSE/TPEX Listed Companies?”	V		(II) In business activities, in addition to specifically regulating the matters that the Company's personnel should pay attention to during performance of duties, the Company externally signs anti-bribery clauses with manufacturers and contractors, all suppliers or third parties must follow the Company's procurement systems, and suppliers must issue a "good faith statement" and "letter of consent as to not hire illegal workers" to jointly protect the rights and interests of both parties.	
(III) Did the Company clearly enact operational procedures, behavioral guidelines, disciplines for violation, and complaint system to prevent unethical behavior? Did the Company execute accordingly and periodically review the said initiatives?	V		(III) The Company has specified operating procedures, conduct guidelines, systems for whistleblowing, punishment and appeal under the Code of Ethical Management, Operational Procedure of Trust Management and Behavior Guidelines, Code of Ethical Conduct, and Whistleblowing System.	
II. Implementation of Ethical Management (I) Did the Company evaluate ethical records of related parties and put rules governing ethical behavior in contracts that are signed with	V		(I) In the contracts signed with vendors and contractors, the Company has included	No significant difference

Evaluation Item	Operations		Summary Description	Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No		
<p>related parties?</p> <p>(II) Did the Company set up a designated department under the Board of the directors to take charge of trust management of the Company and did it report to the Board of Directors periodically (at least once per year) about trust management policies and prevention initiatives as well as execution monitoring?</p> <p>(III) Did the Company enact policies to avoid interest conflict, provide proper communication channels, and implement these policies?</p>	V		<p>the "Integrity and Honesty Agreement" to establish the terms of preventing bribery and acceptance of bribery and the whistle-blowing system.</p> <p>(II) In addition to setting up an audit unit under the Board of Directors, the Company sets up a corporate integrity management unit consisting of the members of the Administration Department and legal team, which are responsible for the formulation and supervision of the implementation of policies for integrity management and insider transaction prevention, including among other things, internal publicity policies and annual education and training, and have reported the implementation to all directors at the meeting of the Board of Directors on November 7, 2024.</p> <p>(III) The Administration Department is responsible for ethical management policies and enactment and implementation monitoring of ethical management</p>	

Evaluation Item	Operations		Summary Description	Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No		
			<p>policies and its prevention initiatives and periodically reports to the Board of Directors. The report is listed in follow-up items of internal control. The Company enacted the Principles for Ethical Management Practices, Operational Procedure of Ethical Management and Behavior Guidelines, the Code of Ethical Conduct, the Reporting System, and Policies to Prevent Interest Conflict to provide proper communication channels. Till the publishing date of this annual report, Board Directors, managers, employees, entrusted parties of the Company (including subsidiaries) did not demonstrate unethical behavior during business operations.</p> <p>The internal audit department, according to risk evaluation results, enacts an annual audit plan. After reviewed by the Audit Committee and approved by the Board of Directors, the Department reports to the Committee and the Board about audit operations. The Company and suppliers enacted rules governing anti-briberies and</p>	

Evaluation Item	Operations		Summary Description	Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No		
(IV) Did the Company set up an effective accounting system and internal control system to realize ethical management and enact a relevant audit plan according to evaluation risk of unethical behavior conducted by the internal audit department to check the implementation of prevention initiatives or did the Company entrust CPAs to audit?	V		therefore, there is no interest conflict. (IV) The internal audit and control system and accounting system are established and auditors carry out operations according to the plan.	
(V) Did the Company periodically organize internal and external educational training on ethical management?	V		(V) The Company focuses on the formulation and supervision over the implementation of policies for integrity management and insider transaction prevention internally; and procures that the procurement team advocates the Company's integrity policy and business philosophy to suppliers externally. In addition, the Chairman of the Board of Directors advocates the concept of ethics and integrity and corporate governance at the executive meeting and the monthly meeting of all employees, specifically the matters that the	

Evaluation Item	Operations			Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”												
	Yes	No	Summary Description													
			<p>Company's colleagues should pay attention to in the transaction of business.</p> <p>The advocacy education courses for corporate integrity management and insider trading prevention offered by the Company for 2024 are as follows:</p> <table border="1"> <thead> <tr> <th>Name of Courses</th> <th>Name of Course</th> </tr> </thead> <tbody> <tr> <td>External training</td> <td>Steering Corporate Intelligence: How Corporate Governance Leads Business Forward</td> </tr> <tr> <td>External training</td> <td>Practical Guidance on Sustainable Development</td> </tr> <tr> <td>External training</td> <td>2024 Cathay Sustainable Finance and Climate Change Summit</td> </tr> <tr> <td>External training</td> <td>Enhancing Internal Control Mechanisms and Board Functionality with Fraud Case Studies</td> </tr> <tr> <td>Internal</td> <td>Advocacy of prevention of insider trading</td> </tr> </tbody> </table>	Name of Courses	Name of Course	External training	Steering Corporate Intelligence: How Corporate Governance Leads Business Forward	External training	Practical Guidance on Sustainable Development	External training	2024 Cathay Sustainable Finance and Climate Change Summit	External training	Enhancing Internal Control Mechanisms and Board Functionality with Fraud Case Studies	Internal	Advocacy of prevention of insider trading	
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Evaluation Item	Operations			Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”												
	Yes	No	Summary Description													
			<table border="1"> <tr> <td>training</td> <td>in 2024</td> </tr> <tr> <td>Internal training</td> <td>Training Topic: Legal Liability for Unauthorized Document Signing Participants: All Company Supervisors</td> </tr> <tr> <td>Internal training</td> <td>Training Topic: Regulations and Dispute Resolution on Handover and Loan Clauses in Standardized Contracts (Ministry of the Interior) Participants: All Company Supervisors</td> </tr> <tr> <td>Internal training</td> <td>Training Topic: Information Security, Personal Data Protection and Trade Secret Management Participants: All Employees</td> </tr> <tr> <td>Internal training</td> <td>Training Topic: Procedures for Handling Neighbor Property Damage and Related Insurance Claims Regulations Participants: All Employees</td> </tr> <tr> <td>Internal training</td> <td>Training Topic: Prevention of Insider Trading and Ethical Business Conduct Participants: All Employees</td> </tr> </table>	training	in 2024	Internal training	Training Topic: Legal Liability for Unauthorized Document Signing Participants: All Company Supervisors	Internal training	Training Topic: Regulations and Dispute Resolution on Handover and Loan Clauses in Standardized Contracts (Ministry of the Interior) Participants: All Company Supervisors	Internal training	Training Topic: Information Security, Personal Data Protection and Trade Secret Management Participants: All Employees	Internal training	Training Topic: Procedures for Handling Neighbor Property Damage and Related Insurance Claims Regulations Participants: All Employees	Internal training	Training Topic: Prevention of Insider Trading and Ethical Business Conduct Participants: All Employees	
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Internal training	Training Topic: Regulations and Dispute Resolution on Handover and Loan Clauses in Standardized Contracts (Ministry of the Interior) Participants: All Company Supervisors															
Internal training	Training Topic: Information Security, Personal Data Protection and Trade Secret Management Participants: All Employees															
Internal training	Training Topic: Procedures for Handling Neighbor Property Damage and Related Insurance Claims Regulations Participants: All Employees															
Internal training	Training Topic: Prevention of Insider Trading and Ethical Business Conduct Participants: All Employees															

Evaluation Item	Operations			Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary Description	
<p>III. Operations of the Reporting System of the Company</p> <p>(I) Did the Company enact a concrete reporting and incentive system and develop convenient reporting channel or appoint the designated personnel for parties being reported?</p> <p>(II) Did the Company enact standard operational procedures for handling violation reports and what are continuous measures or relevant confidentiality protection mechanisms?</p> <p>(III) Did the Company adopt protection measures to prevent inappropriate handling of reporters?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company has set up internal and external whistleblowing channels, in the charge of the dedicated unit, and the identity of the whistleblower is kept confidential. If an employee, vendor or contractor acts in violation of good faith, he/she can file a complaint in writing/ via a phone call/E-mail: contact_supervisor@sanfar.com.tw.</p> <p>(II) The Company has set up internal and external whistleblowing channels, in the charge of the dedicated unit, and the identity of the whistleblower is kept confidential.</p> <p>(III) In the course of investigation, the Company will not allow the whistleblower to be mishandled or threatened, and a whistleblower may file a report anonymously.</p>	<p>No significant difference</p>

Evaluation Item	Operations		Summary Description	Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No		
IV. Enhancement of Information Disclosure (I) Did the Company disclose contents enacted in the Principles of Ethical Management and promotion effectiveness on its website and MOPS?	V		(I) The Company has set up a corporate website: ( <a href="https://www.sanfar.com.tw">https://www.sanfar.com.tw</a> ) and disclosed the contents of the Ethical Corporate Management Best Practice Principles and the implementation status on the website. The complete, correct and up-to-date information disclosed on MOPS; please refer to the Company's annual report and ESG report to review the effectiveness of promotion.	No significant difference
V. If the Company, according to the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies,” enacted its own principles, please describe the difference between its operations and principles enacted: The Company's Operational Procedure of Trust Management and Behavior Guidelines have been approved by the Board of Directors, put into practice and regularly reviewed under the internal control systems and related measures and standards, without major differences.				
VI. Other important information helpful for better understanding of ethical corporate management: The Company engages in business activities in accordance with the business philosophy of integrity, mutual assistance, professionalism and responsibility; internally, the Company sets up a corporate integrity management unit consisting of the members of the Administration Department and legal team, which are responsible for the formulation and supervision of the implementation of policies for integrity management and insider transaction prevention, including among other things, internal publicity policies and annual education and training, and will report the implementation to the Board of Directors at least once a year; the Company procures that the procurement team advocates the Company's integrity policy and business philosophy to suppliers externally. The Chairman of the Board of Directors advocates the concept of ethics and integrity and corporate governance at the executive meeting and the monthly meeting of all employees to promote the sustainable development of the Company.				

(VII) Please disclose other important information that helps to understand the operations of corporate governance of the Company:

1. The Company has established functional committees including the Remuneration Committee, Audit Committee, and the Sustainable Development and Nomination Committee. Wen-Ling Tsai, Executive Vice President and Head of Corporate Governance, assists the Board of Directors in executing governance-related operations.
2. Procedures for Handling Material Information and Preventing Insider Trading:
  - (1) The Company has established procedures for the management of material information and the prevention of insider trading. Any documentation related to the disclosure of material information must comply with the Company's internal approval process.
  - (2) Disclosure of important information of the Company shall be handled by the spokesperson of the Company and except for the representative, spokesperson, and acting spokesperson, without authorization of the Company, no important internal information shall be disclosed to outsiders.

(IX) Items that shall be disclosed about execution of internal control system:

1. Internal Control Statement: Please refer to the Market Observation Post System (new MOPS website: <https://mops.twse.com.tw/mops/#/web/t06sg20>) by navigating to: MOPS > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcements, and search using the Company's stock code 9946.
2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: Not applicable.

(X) In the recent year and until the publishing date of the annual report, important resolutions adopted by meetings of shareholders and the Board of the Directors:

1. Resolutions adopted by Shareholders' meetings in 2024:

Date of the General Meeting Date	Contents of Important Resolutions	Resolution result and implementation
2024/5/29	<ol style="list-style-type: none"> <li>1. Recognition of the 2023 Business Report and Financial Statements of the Company</li> <li>2. Recognition of the 2023 Profit Distribution of the Company</li> <li>3. Approved the resolution on amendment of the "Article of Incorporation of the Company."</li> <li>4. Approved the resolution on the 2014 "Restricted Stock Awards for Employees."</li> <li>5. Proposal of overall re-election of the directors of the Company.</li> <li>6. Proposal of lifting the non-compete clause for the Company's new directors and the representatives.</li> </ol>	<ol style="list-style-type: none"> <li>1. All proposals are adopted by vote.</li> <li>2. The proposal was approved by voting, with a cash dividend of NT\$0.24 per share and cash dividend of NT\$0.46 per share from capital reserve. The ex-dividends base date was 2024/9/11 and the payment date was 2024/9/30.</li> <li>3. All proposals are adopted by vote.</li> <li>4. All proposals are adopted by vote.</li> <li>5. The 14th term of the Board of Directors was re-elected.</li> <li>6. All proposals are adopted by vote.</li> </ol>

2. Resolutions of the meeting of the Board of Directors in 2024:

Meeting Date	Significant Resolutions and Results
13th Term 25th meeting 2024/2/20	<ol style="list-style-type: none"> <li>1. Proposal for the qualification of the Company's directors, the convener and the members of the functional committees.</li> <li>2. Proposal for the 2023 performance evaluation of the board of directors and the functional committees.</li> <li>3. Assessment of the independence and suitability of the Company's CPAs in 2023.</li> <li>4. Resolution on the 2023 Board Director and Employee Remuneration Distribution of the Company</li> <li>5. Resolution on the Operational Report and Financial Report of the Company for 2023.</li> <li>6. To revise part of the Articles in the "Articles of Incorporation" of the Company.</li> <li>7. Proposal of overall re-election of the directors of the Company.</li> </ol>

Meeting Date	Significant Resolutions and Results
	<ul style="list-style-type: none"> <li>8. Date, venue, reason for convening the 2024 general shareholders' meeting, and the nomination of shareholders holding more than 1% of the shares and the proposal acceptance period.</li> <li>9. Resolution on the 2023 “the Internal Control System Statement” of the Company.</li> <li>10. Resolution of Amendment of Parts of “Organizational Rules of Audit Committee” of the Company.</li> <li>11. Amendment to the "Regulations Governing the Supervision and Management of Subsidiaries".</li> <li>12. Amendment to the "Authorization Authority Table" of the Company.</li> <li>13. Proposal for the issuance of secured corporate bonds for the first time in 2024.</li> <li>14. Resolution on the Appointment and Remuneration of the General Manager.</li> </ul>
<p style="text-align: center;">13th Term 26th meeting 2024/4/10</p>	<ul style="list-style-type: none"> <li>1. Amendment to the "Regulations Governing the Supervision and Management of Subsidiaries".</li> <li>2. Resolution on Cash Dividend Distribution of Additional Paid-in Capital</li> <li>3. Review of the nominated directors (including independent directors) candidate list and matters.</li> <li>4. Proposal of lifting the non-compete clause for the Company’s directors and the representatives.</li> <li>5. Resolution on the Proposal to Issue the 2024 “Employee Stricted Stock Awards”</li> <li>6. Approved the amendments to the convening matters of the 2024 shareholders general meeting.</li> <li>7. The Company’s 2024 business plans.</li> <li>8. Financing application to financial institution by the Company.</li> <li>9. Establishing the "Corporate Sustainability Best Practice Principles."</li> </ul>
<p style="text-align: center;">13th Term 27th meeting 2024/5/8</p>	<ul style="list-style-type: none"> <li>1. The Company’s financial statements for Q1 2024.</li> <li>2. Resolution on the appointment of the CPAs.</li> <li>3. Formulation of the Company's “Regulations Governing the Remuneration of Directors, Functional Committee Members, and Managers”</li> <li>4. Acquisition of land by the Company.</li> </ul>
<p style="text-align: center;">14th Term 1st extraordinary meeting 2024/5/29</p>	<ul style="list-style-type: none"> <li>1. Proposal for the election of the Chairperson of the 14th Board of Directors of the Company.</li> <li>2. Proposal for the election of the Vice Chairperson of the 14th Board of Directors of the Company.</li> </ul>
<p style="text-align: center;">14th Term 1st meeting 2024/8/8</p>	<ul style="list-style-type: none"> <li>1. The appointment for the Company’s 6th Remuneration Committee members.</li> <li>2. The appointment for the Company’s 4th Nomination Committee members.</li> </ul>
<p style="text-align: center;">14th Term 2nd meeting 2024/8/8</p>	<ul style="list-style-type: none"> <li>1. Consolidated Financial Statements for Q2 2024.</li> <li>2. Review of the 2023 Board Director and Employee Remuneration Distribution of the Company.</li> <li>3. Determination of the record date for the distribution of cash dividends and capital reserve from earnings for 2023.</li> <li>4. Review of the remuneration to the Chairperson of the Board of Directors.</li> <li>5. Review of the remuneration to the Vice Chairperson of the Board of Directors.</li> <li>6. Proposal to lift the non-compete restriction for the Company’s Chief Strategy Officer.</li> <li>7. Plan to apply for the purchase of land for relocation.</li> </ul>

Meeting Date	Significant Resolutions and Results
	8. Authorization of the limit of construction property or the right-of-use assets. 9. Proposal to participate in the bidding with related parties. 10. Resolution of Borrowing from Financial Institutions by the Company
14th Term 3rd meeting 2024/11/7	1. Consolidated Financial Statements for Q3 2024. 2. Proposal of reviewing the organizational regulations of the committees under the Company's board of directors. 3. Review the further education for directors of the Company in 2024 and the further education plan for the year 2025. 4. Approve the proposal of the policy, system, standard and structure of the remuneration for the Company's directors and managerial officers in 2024. 5. The Company's plan to purchase land from the related party. 6. Proposal for the issuance of secured corporate bonds. 7. The Commitment Letter by the Company for the funding application to the financial institution. 8. Financing extension application to financial institution by the Company.
14th Term 4th 2024/12/17	1. The 2025 work plan of the Company's Remuneration Committee. 2. The Company's budgeting plan of 2025. 3. Appointment of the Company's Chief Auditor. 4. The Company's 2025 audit plan. 5. Formulation of the Company's "Sustainable Information Management Procedure." 6. The Company's intention to invest in and establish a subsidiary. 7. Proposal for the Purchase of Land and Construction Permit for Land No. 49, Jincheng Section, Anping District, Tainan City. 8. Proposal to Apply for Financing and Credit Facilities from Financial Institutions. 9. Proposal for Ratification of Financing and Credit Facility Applications Made to Financial Institutions. 10. Proposal for the performance evaluation of the managers of the Company in 2024. 11. Proposal of the 2021 managerial officers end-of-year bonus distribution of the Company. 12. Proposal for Donations to the Sanfar Foundation for 2024. 13. Proposal to Rename the "Nomination Committee" as the "Sustainable Development and Nomination Committee." 14. Proposal to Amend the "Organizational Charter of the Sustainable Development and Nomination Committee." 15. Proposal to Amend the Company's "Risk Management Policy and Procedures."

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

#### IV. INFORMATION ON CPA AUDIT FEES

- (I) Audit fees paid to the CPA, to the accounting firm of the CPA, and any affiliated enterprise of such accounting firm, the amounts of both audit and non-audit fees and the details of the non-audit services:

Unit: NT\$ Thousand

Name of Accounting firm	Name of CPA	CPA's Audit Period	Audit Fees	Non-Audit Fees (Note 1)	Total	Note
KPMG	I-Lien Han, Hsin-Ting Huang	January 1, 2024- December 31, 2024	1,850	1,695	3,545	None

Note 1: Includes professional service fees such as: tax certification NT\$380 thousand, business registration NT\$10 thousand, English financial report NT\$200 thousand, transfer pricing report NT\$45 thousand, advisory services for the sustainability report NT\$700 thousand, greenhouse gas assurance report NT\$180 thousand and assurance for the sustainability report NT\$180 thousand.

1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None
2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefore shall be disclosed: None.

#### V. INFORMATION ON REPLACEMENT OF CERTIFIED PUBLIC ACCOUNTANTS: NOT APPLICABLE

#### VI. THE CHAIRMAN, GENERAL MANAGER, OR THE MANAGER RESPONSIBLE FOR FINANCING OR ACCOUNTING AFFAIRS, WHO HAS WORKED FOR THE ACCOUNTING FIRM TO WHICH CPAs BELONG OR THE AFFILIATED ENTERPRISES IN THE PAST YEAR: NONE.

## VII. CHANGES IN SHARES TRADING AND PLEDGING OF DIRECTORS, MANAGERIAL OFFICERS AND SHAREHOLDERS HOLDING MORE THAN 10% SHARES DURING THE MOST RECENT FISCAL YEAR OR THE CURRENT FISCAL YEAR UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT

### (I) Changes in shareholding of directors, managerial officers and shareholders holding more than 10% Shares:

#### 1.Shareholding Transfer:

Please visit the Market Observation Post System (new MOPS website:

[https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1)) and go to:

MOPS > Single Company > Changes in Shareholding / Securities Issuance > Insider Shareholding Transfer > Post-Reporting of Insider Shareholding Changes, and search using the company stock code 9946.

#### 2.Pledged Shareholding Changes:

Please visit the Market Observation Post System (new MOPS website:

[https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1)) and go to:

MOPS > Single Company > Changes in Shareholding / Securities Issuance > Insider Pledge/Release > Insider Pledge/Release Announcement, and search using the company stock code 9946.

### (II) Shares trading information

Any transfer of equity interests by a director, managerial officer, or top shareholders: not applicable during the most recent fiscal year or the current fiscal year up to the date of publication of the annual report.

### (III) Shares pledged information

Any pledge in equity interests by a director, managerial officer, or top shareholders: not applicable during the most recent fiscal year or the current fiscal year up to the date of publication of the annual report.

**VIII. INFORMATION ON THE RELATIONSHIPS AMONG TOP-10 SHAREHOLDERS WHO ARE RELATED PARTIES, SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP**

(I) Relationship information among the Top-10 shareholders

Date: March 29, 2025

Name	Current shareholding		Spouse's/minor's shareholding		Shareholding by nominee arrangement		Name of a related party, spouse or second-grade relative, and relationships among top ten shareholders		Note
	Number of shares	Percentage of Shareholding (%)	Number of shares	Percentage of Shareholding (%)	Number of shares	Percentage of Shareholding (%)	Name (or the name)	Relations	
Allmind Holdings Corporation Representative: Hsienling Yang	68,628,984	21.02	-	-	-	-	1. Hsienling Yang 2. Jin Ji Investment Co., Ltd. 3. Zhiyi Investment Co., Ltd. 4. Shang Shan Industrial Co., Ltd.	1. Person in charge of the company 2. The same person as the Chairman 3. The same person as the Chairman 4. The same person as the Chairman.	
Cheng Xin Investment Co., Ltd. Representative: Chun-Jung Chung	49,482,844	15.15	-	-	-	-	Chun-Jung Chung	Responsible person	
Chinchi Investment Company LTD Representative: Hsienling Yang	27,263,263	8.35	-	-	-	-	1. Hsienling Yang 2. Allmind Holdings Corporation Representative 3. Zhiyi Investment Co., Ltd. 4. Shang Shan Industrial Co., Ltd.	1. Person in charge of the company 2. The same person as the Chairman 3. The same person as the Chairman 4. The same person as the Chairman.	
Chiyi Investment Company LTD Representative: Hsienling Yang	20,657,313	6.33	-	-	-	-	1. Hsienling Yang 2. Allmind Holdings Corporation	1. Person in charge of the company 2. The same person as the	

							Representative 3.Jin Ji Investment Co., Ltd. 4.Shang Shan Industrial Co., Ltd.	Chairman 3.The same person as the Chairman 4.The same person as the Chairman.	
Chun-Jung Chung	19,628,464	6.01	6,606,127	2.02	-	-	1.Yang Hsien-Ling 2. Chun-Jung Chung 3. Dingshin Chung	1.spouse 2. Father and the children 3. Father and the children	
Changyi Investment Company LTD Representative: Ting-Cheng Chung	17,478,869	5.35	-	-	-	-	Ting-Cheng Chung	Responsible person	
Shangshan Industrial Co., Ltd. Representative: Hsienling Yang	13,183,004	4.04	-	-	-	-	1. Hsienling Yang 2.Allmind Holdings Corporation Representative 3.Jin Ji Investment Co., Ltd. 4.Zhiyi Investment Co., Ltd.	1.Person in charge of the company 2.The same person as the Chairman 3.The same person as the Chairman 4.The same person as the Chairman.	
Yang Hsien-Ling	6,606,127	2.02	19,628,464	6.01	-	-	1.Chun-Jung Chung 2. Chun-Jung Chung 3. Dingshin Chung	1.spouse 2.Mother and the children 3.Mother and the children	
Ting-Cheng Chung	5,922,671	1.81	-	-	1,301,250	0.40	1.Chun-Jung Chung 2.Yang Hsien-Ling 3.Dingshin Chung	1.Father and the children 2.Mother and the children 3. Brothers	
Dingshin Chung	5,199,862	1.59	-	-	1,426,100	0.44	1.Chun-Jung Chung 2.Yang Hsien-Ling 3.Ting-Cheng Chung	1.Father and the children 2.Mother and the children 3. Brothers	

**IX. THE TOTAL NUMBER OF SHARES AND TOTAL EQUITY STAKE HELD IN ANY SINGLE ENTERPRISE BY THE COMPANY, ITS DIRECTORS AND SUPERVISORS, MANAGERIAL OFFICERS, AND ANY COMPANIES CONTROLLED EITHER DIRECTLY OR INDIRECTLY BY THE COMPANY.**

## Three. Capital Overview

### I. CAPITAL AND SHARES

#### (I) Sources of Capital

##### 1. Process of capital formation

Unit: Share/NTD Thousands

Year month	Issue Price	Authorized Common stock		Paid-in Common stock		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increase by assets other than cash	Others
September 1993	10 dollars	500	5,000	500	5,000	Capital of establishment 5,000	—	—
June 1998	10 dollars	10,000	100,000	10,000	100,000	Capital increased in cash 95,000	—	—
August 1999	25 dollars	13,500	135,000	13,500	135,000	Capital increased in cash 35,000	—	—
December 2000	10 dollars	16,323	163,230	16,323	163,230	Surplus, Capital Surplus, Remunerations to Employees Transferred to Capital 28,320	—	—
August 2001	10 dollars	23,000	230,000	18,000	180,000	Surplus, Capital increased out of earnings 16,770	—	—
August 2002	10 dollars	23,000	230,000	19,000	190,000	Surplus, Capital increased out of earnings 10,000	—	Ruling Number 0910137083 issued by Securities and Futures Bureau on July 5, 2002 Ruling Number 0910137083
September 2003	10 dollars	23,000	230,000	20,000	200,000	Surplus, Capital increased out of earnings 10,000	—	Ruling Number 0920135592 issued by Securities and Futures Bureau on August 6, 2003 Ruling Number 0920135592
October 2004	10 dollars	26,000	260,000	21,000	210,000	Surplus, Capital increased out of earnings 10,000	—	Ruling Number 0930138714 issued by Financial Supervisory Commission on September 3, 2004 Ruling Number 0930138714
March 2005	13.6 dollars	26,000	260,000	23,626	236,260	Capital increased in cash 26,260	—	Ruling Number 0930138714 issued by Financial Supervisory Commission on January 3, 2005 Ruling Number 0930160465
September 2005	10 dollars	27,400	274,000	24,358	243,584	Surplus, Capital increased out of earnings 7,324	—	Ruling Number 0930138714 issued by Financial Supervisory Commission on August 15, 2005 Ruling Number 0940133629
August	10 dollars	60,000	600,000	25,576	255,763	Surplus, Capital increased out of	—	Ruling Number

Year month	Issue Price	Authorized Common stock		Paid-in Common stock		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increase by assets other than cash	Others
2007						earnings 12,179		0930138714 issued by Financial Supervisory Commission on July 15, 2007 Ruling Number 0960038254
March 2008	8.2 dollars	60,000	600,000	41,680	416,800	Private placement 161,037	—	Ruling number 09782959010 issued by Taipei City Government on April 29, 2008 Ruling Number 09782959010
October 2009	8.32 dollars	100,000	1,000,000	70,000	700,000	Private placement 283,200	—	Ruling number 09801263750 issued by the Ministry of Economics on November 13, 2009 Ruling Number 09801263750
November, 2010	14 dollars	200,000	2,000,000	100,000	1,000,000	Capital increased in cash 300,000	—	Ruling number 0990044984 issued by Financial Supervisory Commission on September 14, 2010 Ruling Number 0990044984
July, 2011	13 dollars	250,000	2,500,000	160,000	1,600,000	Capital increased in cash 600,000	—	Ruling number 0990044984 issued by Financial Supervisory Commission on April 2, 2011 Ruling Number 1000012862
July, 2012	11.5 dollars	250,000	2,500,000	200,000	2,000,000	Capital increased in cash 400,000	—	Ruling number 0990044984 issued by Financial Supervisory Commission on May 16, 2012 Ruling Number 10100183791
April, 2013	14.85 dollars	250,000	2,500,000	202,404	2,024,040	The first domestic warrant convertible bonds convert to common shares.	—	Ruling number 0990044984 issued by Financial Supervisory Commission on May 16, 2012 Ruling Number 10100183791
April, 2014	13.75 dollars	250,000	2,500,000	204,728	2,047,288	The first domestic warrant convertible bonds convert to common shares.	—	Ruling number 0990044984 issued by Financial Supervisory Commission on May 16, 2012 Ruling Number 10100183791

Year month	Issue Price	Authorized Common stock		Paid-in Common stock		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increase by assets other than cash	Others
December, 2014	12.15 dollars	300,000	3,000,000	205,824	2,058,242	The first domestic warrant convertible bonds convert to common shares.	—	Ruling number 0990044984 issued by Financial Supervisory Commission on May 16, 2012 Ruling Number 10100183791
							Retire treasury stocks after acquisition	
March, 2015	12.15 dollars	300,000	3,000,000	206,202	2,062,028	The first domestic warrant convertible bonds convert to common shares.	—	Ruling number 10401049860 issued by the Ministry of Economics on March 19, 2015 Ruling Number 10401049860
July, 2015	14.85 dollars	300,000	3,000,000	266,143	2,661,425	The first domestic warrant convertible bonds convert to common shares.	—	Ruling number 0990044984 issued by Financial Supervisory Commission on May 16, 2012 Ruling Number 10100183791
	10 dollars					Earnings transferred to common stock		Ruling number 0990044984 issued by Financial Supervisory Commission on July 21, 2015 Ruling Number 1040027249
December, 2015	10 dollars	300,000	3,000,000	264,230	2,642,295	Retire treasury stock	—	Ruling number 10401266370 issued by the Ministry of Economics on December 11, 2015 Ruling Number 10401266370
June, 2016	10 dollars	300,000	3,000,000	261,527	2,615,265	Retire treasury stock	—	Ruling number 10401049860 issued by the Ministry of Economics on June 3, 2016 Ruling Number 10501118680
September 2018	10 dollars	300,000	3,000,000	281,140	2,811,409	Earnings transferred to common stock	—	Ruling number 10401049860 issued by the Ministry of Economics on September 26, 2018 Ruling Number 10701121410
September 2019	10 dollars	380,000	3,800,000	300,820	3,008,208	Earnings transferred to common stock	—	Ruling number 10401049860 issued by the Ministry of Economics on September 18, 2019 Ruling No. 10801125600

Year month	Issue Price	Authorized Common stock		Paid-in Common stock		Note		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital	Capital Increase by assets other than cash	Others
January, 2020	10 dollars	380,000	3,800,000	321,004	3,210,040	Retire treasury stock	-	Ruling number 10401049860 issued by the Ministry of Economics on January 6, 2021 Ruling No. 10901237040
	10 dollars					Earnings transferred to common stock	-	Ruling number 10401049860 issued by the Ministry of Economics on January 6, 2021 Ruling No. 10901237040
October 2021	10 dollars	450,000	4,500,000	326,554	3,265,541	Earnings transferred to common stock	-	Issued by the Ministry of Economics on October 13th, 2021 Ruling No. 11001186940

## 2. Categories of shares

Unit: shares

Shares Category	Authorized Common stock			Note
	Outstanding shares	Non-issued shares	Total	
Common shares	326,554,150	123,445,850	450,000,000	Initial public offering

Note: The Company made the resolution on July 27, 2021 at the shareholders' meeting to amend the Company's total capital to be NT\$4.5 billion.

## 3. Related information of Shelf Registration: Not applicable

### (II) List of Major Shareholders (the total share proportion hold up to 5% or top ten shareholders)

March 29, 2025

Share	Number of Shares Owned	Percentage of ownership of shares
Names of Major Shareholders		
Allmind Holdings Corporation	68,628,984	21.02%
Cheng Xin Investment Co., Ltd.	49,482,844	15.15%
Chinchi Investment Company LTD	27,263,263	8.35%
Chiyi Investment Company LTD	20,657,313	6.33%
Chun-Jung Chung	19,628,464	6.01%
Changyi Investment Company LTD	17,478,869	5.35%

Share	Number of Shares Owned	Percentage of ownership of shares
Names of Major Shareholders		
Shangshan Industrial Co., Ltd.	13,183,004	4.04%
Yang Hsien-Ling	6,606,127	2.02%
Ting-Cheng Chung	5,922,671	1.81%
Dingshin Zhong	5,199,862	1.59%

### (III) Dividend policy and implementation status

#### 1. The Company's dividend policy

According to Article 23-1 of the Company's Articles of Incorporation, if there is any surplus after the Company's annual final accounts, the Company shall distribute the surplus in the following order:

(1) To pay the tax (2) To cover the losses (3) Stipulate 10% of the earnings to be legal reserve However, this limit is not applicable when the legal reserve has reached the paid-in capital. (4) Set aside or reverse special reserve in accordance with applicable laws and regulations or operational needs. (5) If there is still balance, it will be combined with the accumulated undistributed surplus of the previous year, and the board of directors shall resolute to retain or distribute the dividends to shareholders by taking the capital situation and economic development of the current year into account, and submit it to the shareholders meeting for approval.

In order to pursue sustainable and stable business development, the company considers capital needs and long-term financial planning, formulate dividend policy, and comprehensively considers retained earnings and future profitability to determine the amount that can be distributed each year. There are two ways of Dividends appropriation, stock dividends and cash dividends. The proportion of cash dividends is not less than 10% of the total dividends of the year. However, when the cash dividend per share is less than 0.5 dollars, the dividend could be paid by stock.

#### 2. Distribution of dividends proposed at the general meeting

The cash dividends proposed for distribution are NT\$337,784,683 (calculated based on the number of outstanding shares on 2024/12/31, each share appropriated cash dividends of NT\$1.03) Cash dividends are paid up to the nearest dollar (rounded down to NT\$1.0) and the residue will be calculated as the Company's other income. Should the cash distribution of retained earnings and capital surplus be adjusted due to the amendment of laws or regulations, a request by competent authorities, or any change of the numbers of outstanding shares, subject to the approved distribution, it is proposed at the General Shareholders' Meeting to authorize the Chairman of the Board of Directors with full power to adjust the distribution ratio.

3. In case of a significant change in the dividend policy, it should be clarified: Not applicable.

(IV) Impact on the proposed stock dividends appropriation in terms of operating results, earnings per share: None.

(V) Remuneration to employees, directors

1. Remuneration of the board of directors and employee compensation stipulated in Acer's Articles of Incorporation.

According to Article 23 of the Articles of Incorporation, the profit before tax of the current fiscal year does not include the remuneration for the board of directors and employee compensation. If there is a balance after covering the losses, the Company shall set aside not more than 5% of its annual profit to directors as compensation and not less than 1% to employees as profit sharing bonus. The employees' compensation in the previous section may be distributed in the form of either cash or stock bonus. It may be distributed to the employees of subsidiaries of this Company. Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors. The decision of paying employee remuneration in the form of stock shares or cash is to be resolved in the board meeting with the attendance of two-thirds of the shareholders and with the consent of the majority of the directors present; also, it must be reported to the shareholders' meeting.

2. The standard of accruing employee compensation and remuneration of the Board of Directors and Supervisors, the standard of distributing employees' compensation in the form of stock bonus, the accounting treatment of the difference between the actual distribution amount and the accrued amount:

The estimation method is based on the balance after the profit before tax in 2024, covering the losses, if any. The Company accrues employee compensation and remuneration of the Board of Directors proportionally (referred in the Company's Articles of Incorporation) from the balance and recognized it as operating expenses in 2024. Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements are made and ratified, the difference should be treated as changes in accounting estimates and adjusted in the following year.

3. Distribution of remuneration for the Board of Directors and employee compensation:

(1) The Board of Directors proposed Distribution of Remuneration:

The proposed amount of Board Directors' compensation in 2024 is NT\$4,778,094. The total amount of employees' compensation is NT\$4,778,094. There is no difference between the actual distribution amount and the accrued amount in 2024.

- (2) The proportion that the amount of employees' compensation distributed in stock bonus to the net income stated in this year financial statement or individual financial reports, and the total amount employee compensation: None.
4. The actual distribution of the remunerations to employees, Directors and Supervisors in 2018(including distributed shares, amount and price of shares.) Should there be any differences between the actual distribution amount and the accrued amount after the annual financial statements is made and ratified, the revealing differences, causes and treatment.

(1) Actual distribution of earnings in 2023

Compensation to Directors: NTD 919,140 dollars Compensation to Employees: NTD 2,757,419 dollars

- (2) There is no difference between the proposed distribution amount of earnings approved by the board of directors and the actual distribution to the remunerations to employees, Directors and Supervisors in 2023.

(VI) Repurchase of the Treasury Stock

1. Execution completed: None.

2. In progress: The matters related to therepurchase of sharesapproved by the Board of Directors on April 15, 2025 are as follows:

- (1) Purpose of buyback: transfer to employees.
- (2) Types of shares repurchased: The Company's common shares.
- (3) The upper limit of the total amount of repurchase: NT\$2,876,303,856.
- (4) Period of the scheduled repurchase: From April 16, 2025 to June 15, 2025.
- (5) Number of shares to be repurchased: 3,000,000 shares.
- (6) Repurchase price range: between NT\$15 and NT\$25 per share. However, when the Company's stock price is lower than the lower limit of the set repurchase price range, the Chairperson is authorized to continue to repurchase the Company's shares.
- (7) Method of repurchase: Repurchase from the centralized ordered market.
- (8) As of the date of the annual report publication, the types, quantity, amount of repurchased shares, and the ratio of repurchased shares to the planned repurchase volume are as follows: The Company has repurchased a total of 100,000 common shares, accounting for approximately 3.33% of the planned repurchase volume, with a total repurchase amount of NT\$1,945,500.

## II. TYPES OF CORPORATE BONDS

### (I) Issuance of Corporate Bonds: 1. Unpaid corporate bonds:

Type of corporate bond	2021 Domestic Secured corporate bonds for the first time	2021 Domestic Secured corporate bond available for the second time	2022 Domestic Secured corporate bonds for the first time	2024 Domestic Secured corporate bonds for the first time	2025 Domestic Secured corporate bonds for the first time
Issuance (process) date	2021/12/24	2022/1/10	2022/9/14	2024/7/18	2025/1/13
Par value	NTD one million	NTD one million	NTD one million	NTD one million	NTD one million
Location of Issuance and Transaction	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Issue Price	Fully issued according to the par value	Fully issued according to the par value	Fully issued according to the par value	Fully issued according to the par value	Fully issued according to the par value
Total Amount	NT\$600 million	NT\$1 billion	NT\$1 billion	NTD One point two billion	NT\$1 billion
Interest rate	Coupon rate: 0.97%	Coupon rate: 0.97%	Coupon rate: 0.97%	Coupon rate: 0.97%	Coupon rate: 0.97%
Tenor	5 years Maturity: 2026/12/24	5 years Maturity: 2027/1/10	5 years Maturity: 2027/9/14	5 years Maturity: 2029/7/18	5 years Maturity: 2030/1/13
Guarantor	Agricultural Bank of Taiwan	Hua Nan Commercial Bank Ltd.	Agricultural Bank of Taiwan	Taiwan Business Bank	Bank of Kaohsiung Co., Ltd.
Trustee	Land Bank of Taiwan	Land Bank of Taiwan	Land Bank of Taiwan	Land Bank of Taiwan	Land Bank of Taiwan
Underwriter	SinoPac Securities	Hua Nan Securities	SinoPac Securities	SinoPac Securities	MasterLink Securities
Legal Counsel	Attorney Ya-wen Chiu of Far East Law Offices	Attorney Ya-wen Chiu of Far East Law Offices	Attorney Ya-wen Chiu of Far East Law Offices	Attorney Ya-wen Chiu of Far East Law Offices	Attorney Ya-wen Chiu of Handsome Attorneys-at-Law
Certified Public Accountant	CPA I-Lien Han and CPA Hsin-Ting Huang of KPMG	CPA I-Lien Han and CPA Hsin-Ting Huang of KPMG	CPA I-Lien Han and CPA Hsin-Ting Huang of KPMG	CPA I-Lien Han and CPA Hsin-Ting Huang of KPMG	CPA I-Lien Han and CPA Hsin-Ting Huang of KPMG
Repayment	This corporate bond is a bullet bond	This corporate bond is a bullet bond	This corporate bond is a bullet bond	This corporate bond is a bullet bond	This corporate bond is a bullet bond
Outstanding	NT\$600 million	NT\$1 billion	NT\$1 billion	NTD 1.2 billion	NT\$1 billion
Redemption or early redemption clause Repayment Clause	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Restrictive clauses	None	None	None	None	None
Name of the credit rating company, rating date, the rating results of corporate bonds	Taiwan Ratings 2021/6/2 twAAA	Taiwan Ratings 2021/6/24 twAA+	Taiwan Ratings 2022/4/27 twAAA	Taiwan Ratings 2024/3/5 twAA-	Fitch Ratings 2024/9/20 twAA-
Other rights of bondholders	As of the date of this annual report, amount of converted (exchanged or warrant) common shares, ADRs or other securities.	Not applicable	Not applicable	Not applicable	Not applicable
	Issuance and Conversion (exchange or subscription) rules	Please refer to the Company's 2021 First Secured Ordinary Corporate Bond Issuance Measures	Please refer to the Company's 2021 Second Secured Ordinary Corporate Bond Issuance Measures	Please refer to the Company's 2022 First Secured Ordinary Corporate Bond Issuance Measures	Please refer to the Company's 2024 First Secured Ordinary Corporate Bond Issuance Measures

Type of corporate bond	2021 Domestic Secured corporate bonds for the first time	2021 Domestic Secured corporate bond available for the second time	2022 Domestic Secured corporate bonds for the first time	2024 Domestic Secured corporate bonds for the first time	2025 Domestic Secured corporate bonds for the first time
Dilution effect on existing shareholders' equity, made by issuance and conversion, exchange or subscription, conditions of issuance.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Custodian Name of custodian	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(2) Corporate bonds in process: None.

(3) Convertible corporate bonds: None.

III. PREFERRED STOCK: NONE.

IV. DEPOSITORY RECEIPT: NONE.

V. EMPLOYEE STOCK OPTION CERTIFICATE: NONE.

VI. RESTRICTED STOCK AWARDS: NONE.

VII. ISSUANCE OF NEW SHARES DUE TO MERGER OR ACQUISITION OF SHARES OF ANOTHER COMPANY:

(I) Merger: No merger during the most recent fiscal year or the current fiscal year up to the publication date of the annual report.

(II) Issuance of new shares due to acquisition of shares of another company: None.

(III) If the board of directors has resolved to issue new shares through merger or acquisition of shares of other companies in the most recent year and as of the date of printing of the annual report, the implementation status and basic information of the merged or transferred companies should be disclosed: None.

VIII. CAPITAL PROJECTION AND IMPLEMENTATION:

(I) Capital projection:

As of the quarterly period preceding the printing date of the annual report, if the previous issuance or private placement of securities has not yet been completed or has been completed within the last three years and the benefits of the plan have not yet been realized, details of the previous issuance or private placement of securities should be provided, including the contents of the previous change plans, the source and use of funds, the reasons for the change, the benefits before and after the change, and the date the change plan was submitted to the shareholders' meeting, and should be published on the date of entry into the information reporting website designated by the Company: None.

(II) Implementation:

For each of the uses of the plans in the preceding paragraph, analyze, on a quarterly basis, the status of implementation and comparison with the estimated benefits as of the quarter prior to the date of printing of the annual report, and if the implementation

progress or benefits do not meet the estimated targets, specify the reasons, the impact on shareholders' equity, and improvement plans: None.

## Four. Operational Overview

### I. CONTENT OF BUSINESS

#### (I) Business activities:

1. Scope of business: the company's major lines of business and the relative weight of each: Construction of 89.97% and others of 10.03%.

2. The current products and items include:

The "DREAM STYLE" project in the Yongxing Section of Tainan and the "IN BETWEEN" project in the Liujia Ding Section of Tainan were completed, delivered, and recognized in revenue in 2024. The pre-sale project "Melody Forest" in the Chengde Section of Kaohsiung is expected to be completed this year in accordance with construction progress. The "Diamond One" project in the Xingzuan Section of Tainan is currently in the pre-sale phase. Another project currently under construction and pre-sale planning for this year is located in the 18th Section of the Xinzhuang Sub-Center.

3. New products planned for development:

The Company currently plans to develop projects in the following areas: Xingbang Section, Kaohsiung City, WukuaiCuo Section, Kaohsiung City, Jincheng Section, Tainan City

#### (II) Overview of the industry:

1. Current status and development of the industry

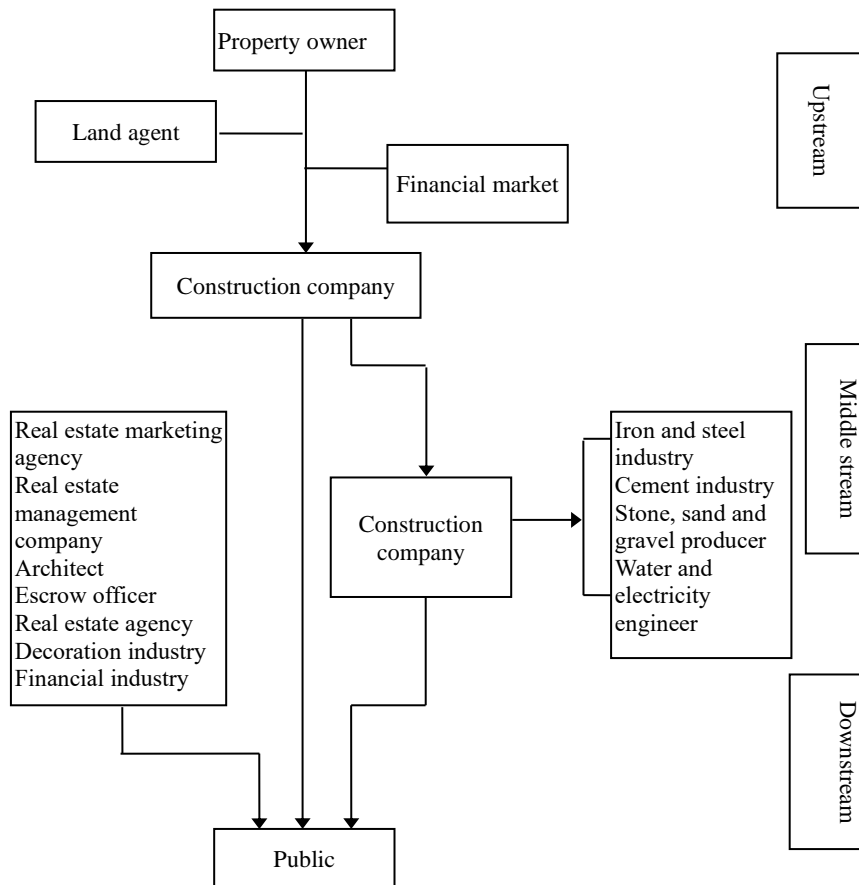
In the face of the tariff system of Trump, the global financial market is in turmoil. The central bank of Taiwan also adopts the policy of increasing interest rate incrementally, which is expected to affect the confidence of consumers in buying homes. In the past two years, the government has implemented real estate tax and the presidential election. The government has been maintaining the real estate tax and the presidential election. After the 7th wave of credit control, the overall transaction volume has declined to more than 50%, and the domestic housing market has declined significantly. Therefore, it is necessary to be cautious. Since the first quarter of 2025, the domestic housing market has returned to the rigid demand.

Looking ahead to 2025, due to the widening price gap between the buyer and seller, lack of consumer confidence, political instability, and the government's realty market suppression policy, the short-term housing market will shrink due to the decline in consumer confidence. In addition, the real estate market will also be affected by the factors of the tightening of the cross-strait customs, and the pre-sale market with good locations will be supported by the rigid demand and the sales will be stable. However, real estate has the characteristics of value preservation and anti-inflation, and it is

unlikely that housing prices will drop in the short term. However, under the circumstances of this economy, the construction companies with better domestic quality are willing to stabilize the housing market, which is a positive development overall.

## 2. Connection among the Upstream, Middle-stream and Downstream Business

The upstream and downstream industries in the construction industry are many. The Company has always been a leader in the entire industry system and has been able to integrate and coordinate with all relevant industries. Therefore, in the construction industry, the upstream segment begins with the acquisition of land and raw materials. Professionals play a key role in facilitating communication and coordination between intermediaries and landowners to reach mutual agreements for land acquisition. Naturally, land costs represent the most significant and largest portion of expenses in the construction industry. The midstream segment encompasses the core expertise of construction companies, including product planning, collaboration with architectural teams for project positioning, selection of construction and engineering teams, procurement of essential building materials (e.g., steel, cement) and partnerships with related industries involved in marketing and selling completed properties (e.g., advertising agencies, real estate sales companies and construction management firms). The downstream segment refers to the end consumers—homebuyers—which may include individuals purchasing for self-use or investment purposes, as well as businesses acquiring office space. This segment has no specific target audience.



### 3. Development trend of products

As land is becoming scarcer and difficult to obtain, future land can be developed in diversification, such as joint construction with landlords, development of surface rights, participation in urban renewal, etc., to obtain land for construction and development; The source of customers in the real estate market have rigid demand; With the diversification of buyers' demand for regional residence or commercial offices, the choice of future projects will be based on convenient transportation, and convergence of markets, schools and parks. The Company will comprehensively take land development, commercial property, planning and other comprehensive services into consideration to achieve diversified and refined product development.

### 4. Competitors:

#### (1) Major competitors:

There are many outstanding domestic construction companies. When choosing a home, in addition to location, quality, brand, reputation, building materials and price, the main considerations are also characteristics of the current environment and mindset, which are different from the past. Features and sustainability have become consumer preferences. Therefore, the planning and strategy of each

project will be adjusted according to the overall environment and market and the product positioning will be based on the characteristics of the customer base in the area, to distinguish it from other major competitors. Although there are many competitors in the same industry, the Company believes that it is still different from the others and that it should not have too great an impact.

(2) Segmentation:

The Company will implement differentiated risk assessment for regional product markets, and respond to structural adjustments in the industry and market and provide timely changes in strategies. Plan each project, provide correct product positioning, and conduct regional market analysis to make product features and customer positioning, in order to launch products correctly and expand the Company's operating scale and scope in a diversified manner.

Our future development strategy will be formulated based on the following goals to pursue sustainable growth.

- A. Cross-industry alliances: Joint development of land with cross-industry alliances and sales of projects to achieve product optimization and market demand product positioning; and combining the Company's Golden Music and Film Business, to create products with music and cultural creativity.
- B. Cross-region management: Focus on the development of the northern and southern Taiwan markets while expanding business in the urban area of central Taiwan.
- C. Sustainable development: Assign a professional management team and provide them with full authority to ensure the shareholders' equity.

(III) Technology and R&D Overview

The construction business of the Company does not have the department responsible for R&D of production techniques or product features. However, in respect of project management, appropriate construction techniques will be applied to control quality and costs to reduce the loss of building materials.

(IV) Long-term and short-term business development projects

1. Short-term business development project:

- (1) The Taipei area is the best area, still an indicator area for real estate prices, and one of the major land acquisition areas for developers. The Company will continue to actively participate in land development and tender. This year, the Company will continue to actively sell the finished houses, such as the sales of "MAX Fengjing" in Chongyang Section, Taipei City and the completion of the inventory in Hsi Da. The store assets will also be accelerated to be activated and

leased to obtain stable cash flow. In addition, the construction of the office building at No. 18, Zhongzheng Section, New Taipei City, is currently under construction and is ready for sale.

- (2) The "DREAM STYLE" in Yongxing Section, Tainan, has been delivered and recorded in the second quarter of 2024. The "IN BETWEEN" in Tainan, on the other hand, has been completed and delivered in the fourth quarter of 2024. The sales of the finished houses is in progress. The construction of the "Diamond One" in Tainan is still in progress and the pre-sale model sales will be conducted in the third quarter of 2024. The construction of "Melody Forest" at Chengde Section, Renwu District, Kaohsiung City is expected to be completed in Q3 2025. The delivery is expected in the second half of 2025.

## 2. Long-term development plan:

- (1) People-oriented, make every building with heart; Provide quality living and working environment.
- (2) R&D and innovation, sound construction quality, development of green building, and development of sustainable and carbon reduction policies.
- (3) Manage the Company with honest and cultivate talents for the society, and create a wide range of jobs.
- (4) Cross-industry alliance: Work with recreation or hotel industries to build houses with cultural creativity and fine hotel service.
- (5) Focus on the development of the northern and southern Taiwan markets, cross-regional operation and dispersion of single regional risks.
- (6) Actively evaluate commercial properties in Japan and the United States and plan overseas investment.

## II. MARKET OVERVIEW

### (I) Market analysis

#### 1. Major selling region:

Sanfar conducts business in Taiwan only, distributed in Taipei City, New Taipei City, Tainan and Kaohsiung metropolitan areas, no exporting in recent years.

#### 2. Market share

Currently, we have projects in Xinzhuang Fuduxin 235, Wu Kuai Cuo of Kaohsiung City, Xingbang section, and Jingcheng section of Tainan City. We go through a complete market survey carefully before building a project instead of occupying a large share in the market by volumes, focusing on the planning and design of market

demand and the construction quality. Since we highly focus on construction quality and have a great reputation, the gross margin remains stable despite the small market share.

### 3. Future outlook of supply and demand as well as growth

#### (1) Supply and demand

According to the data of the Construction and Planning Agency, the number of residential construction licenses issued in 2024 increased by 10,684 units, or 7.34% compared to 2023, indicating that the construction companies are optimistic about the future of real estate, and the future supply will be based on the market demand.

#### (2) Demand

The Central Bank of Taiwan announced the new mortgage underwriting for the top five local banks (namely Bank of Taiwan, Taiwan Cooperative Bank, Land Bank of Taiwan, Hua Nan Commercial Bank, Ltd. and First Commercial Bank). The interest rate has rebounded from the historical low to more than 2.23%.

New home mortgage and the interest rate of the top 5 local banks, (namely Bank of Taiwan, Taiwan Cooperative Bank, Land Bank of Taiwan, Hua Nan Commercial Bank, Ltd. and First Commercial Bank):

Unit: New Taiwan Dollars, interest rates (percent per annum)

Year/Month	2024/ 01	2024/ 02	2024/ 03	2024/ 04	2024/ 05	2024/ 06	2024/ 07
Amount	93,195	55,751	89,283	95,566	116,235	101,221	121,739
Interest rate (%)	2.073	2.077	2.086	2.176	2.187	2.184	2.187

Unit: New Taiwan Dollars, interest rates (percent per annum)

Year/Month	2024/ 08	2024/ 09	2024 10	2024/ 11	2024/ 12	2025/ 01
Amount	96,741	111,046	87,623	94,352	100,467	64,599
Interest rate (%)	2.194	2.190	2.201	2.209	2.224	2.238

According to statistics, the total number of property transfers in the six major municipalities in 2024 reached 271,011 units, representing a year-on-year increase of 14.71%. The breakdown is as follows: Taipei City increased by 11.95%, New Taipei City by 6.44%, Taoyuan City by 20.84%, Taichung City by 15.31%, Tainan City by 11.78%, and Kaohsiung City by 24.75%. Nationwide, there were a total of 350,525 units transferred, an increase of 14.19% compared to 2023, marking the highest level in the past four years. However, in September 2024, the Central Bank announced the seventh wave of selective credit controls, leading to a tightening of financial lending, which significantly impacted consumers' liquidity and confidence in purchasing. It is expected that overall transaction volume may gradually stabilize in the second half of 2025.

Occupancy permit for house in last 3 years						
Year	2024		2023		2022	
Area	Housing unit	Total floor area (m <sup>2</sup> )	Housing unit	Total floor area (m <sup>2</sup> )	Housing unit	Total floor area (m <sup>2</sup> )
Sum	137,707	19,192,319	117,723	16,982,493	111,411	16,420,182
New Taipei City	19,517	2,423,039	18,599	2,382,479	16,518	2,152,212
Taipei City	10,312	1,387,661	5,515	773,698	6,132	888,440
Taoyuan City	23,814	3,473,729	19,048	2,780,094	16,864	2,447,757
Taichung City	26,798	3,987,317	21,366	3,281,687	21,933	3,308,236
Tainan City	8,368	1,175,480	8,341	1,150,183	8,572	1,363,315
Kaohsiung City	18,050	2,325,797	16,439	2,373,014	15,076	2,149,155
Taiwan	30,014	4,311,424	27,850	4,170,775	25,922	4,061,596

Occupancy permit for house in last 3 years						
Year	2024		2023		2022	
Area	Housing unit	Total floor area (m <sup>2</sup> )	Housing unit	Total floor area (m <sup>2</sup> )	Housing unit	Total floor area (m <sup>2</sup> )
Sum	156,237	20,397,146	145,553	19,340,949	179,958	24,983,163
New Taipei City	22,962	2,717,882	26,179	3,007,985	29,606	3,611,837
Taipei City	12,365	1,668,090	12,240	1,636,982	10,666	1,417,522
Taoyuan City	28,978	3,560,766	18,820	2,437,917	26,702	3,807,191
Taichung City	30,483	4,472,967	24,622	3,752,623	33,647	5,100,552
Tainan City	9,023	1,199,237	8,837	1,170,897	19,888	2,824,111
Kaohsiung City	20,295	2,425,479	17,853	2,299,828	18,989	2,378,883
Taiwan	30,773	4,187,132	35,819	4,898,758	39,651	5,737,231

Transactions and transfers in the last 3 years						
Year	2024		2023		2022	
Area	Building unit	Area (m <sup>2</sup> )	Building unit	Area (m <sup>2</sup> )	Building unit	Area (m <sup>2</sup> )
Sum	350,525	34,587,368	306,971	30,133,809	318,101	33,051,013
New Taipei City	64,169	5,099,419	60,009	4,815,534	60,184	5,054,744
Taipei City	29,930	2,220,142	26,735	2,141,192	28,611	2,283,217
Taoyuan City	49,189	4,840,354	40,706	3,917,009	43,935	4,386,084
Taichung City	54,996	5,184,012	47,693	4,615,756	50,695	5,025,219
Tainan City	27,783	3,360,799	24,948	2,714,645	23,091	2,859,444
Kaohsiung City	45,242	4,390,412	36,266	3,563,541	37,117	3,901,107
Taiwan	78,426	9,414,317	69,979	8,308,374	73,900	9,484,538

#### 4. Competitive niche

##### (1) Sharp land development strategy

Our management team has a sharp sense of land development. A thorough and careful market analysis will be done before purchase. Later the team will build a development project based on the prospects and humanistic quality after acquiring the land. Currently, most properties are located in Taipei, Tainan and Kaohsiung metropolitan areas in response to the booming development.

##### (2) Full grasp of market demands and rigorous planning

The Company keeps abreast of the public's preference and trend for housing and office spaces. Through the business department and the sales agency, the Company collects the opinions of home buyers and users, functions, budgets and spaces, to grasp the market demand. After many discussions, the planning department and the architect combine the Company's design philosophy to design houses that meet the future new era.

##### (3) Good control of construction quality, process and cost

Jing Fu Xiang Construction, our subsidiary, can effectively control the construction, improve the construction quality and keep the process on track.

##### (4) Experienced and professional management team

Our team has more than 20 years of experience in construction and pursues

professional perfection from selecting land, planning, designing to constructing. We integrate architectural aesthetics and lifestyle, highly value practical work, carefully select construction materials, attend to details and fully understand customers' requirements of buildings and structures in order to provide a safe and comfortable house. Sanfar has won many National Golden Awards for Architecture, building a great reputation and winning customer's trust and recognition.

(5) Stable fund plan and great financial structure

Sanfar places importance on customers' promise, and therefore we pay much attention to the fund and financial stability. We have a department responsible for financial management, planning for future capital requirements, and adjusting long-term stable fund sources through profits and fundraising to better improve and maintain a solid financial structure.

5. Advantage, disadvantage and responsive strategy for future prospect

(1) Advantage

- A. As ESG policy gradually takes shape and becomes a future trend, there are great development potentials and opportunities in commercial or residential development.
- B. The urban land adjustment continues and the extension of High Speed Rail, MRT, expressways and other traffic constructions promote regional growth due to the benefits of the diffusion effect.
- C. In recent years, people have higher expectations of living space due to better life quality on the rise; therefore, people are more willing to change houses that support the housing market needs.
- D. As the traditional thinking of "wealth comes with land" and "marry and settle down" is generally rooted in people's mind, coupled with the concept of interest rate hike and asset preservation, there is an opportunity to boost the willingness of potential consumers to buy a house.

(2) Disadvantage

- A. After U.S. President Trump took office, the implementation of new policies and tariffs introduced uncertainties and their full impact on the economy and industry remains to be seen. In Taiwan, government measures such as the loan restrictions in the second half of the year and the seventh wave of selective credit controls were introduced to curb housing price increases. These real estate tightening policies have significantly dampened consumer confidence, leading to a pronounced wait-and-see sentiment.

- B. Global economic turbulence has caused volatility in raw material prices, leading to rising costs of consumer goods and heightening concerns over inflation. While inflationary pressures have somewhat eased, there are no signs of a complete halt.
- C. The number of newly-built vacant houses is relatively high, creating clearance pressure. The risk of interest rate gradually emerges, increasing the capital costs and holding risks.
- D. The persistent labor shortage in southern Taiwan remains unresolved, posing risks of project delays and rising construction costs.
- E. The Central Bank's tightening policies on land and construction financing have effectively raised the required ratio of self-owned capital. On the consumer side, delayed loan disbursements from banks continue to impact homebuyers, further dampening their purchasing willingness. These housing market control measures have eroded consumer confidence.
- F. Difficulty in acquiring properties in prime location.

(3) Responsive strategy

- A. Carefully select project locations, emphasize construction quality, and strengthen project progress management to create differentiated products.
- B. Diversify products and segment customer bases to enhance brand reputation, create higher added value, and improve customer service.
- C. Develop raw land and reduce vacant houses.
- D. Manage in diversified fields and merger with other industries.

(II) Purpose and process of major products

1. Purpose of major products

The construction business of the Company deals with housing and building development for residential or commercial use.

2. Process of major products

The construction business of the Company deal with land acquirement, design and development, application for construction licenses, subcontracting, monitoring construction till completion, application for occupancy permits, completion and property settlement, and after-sale services. The entire process takes approximately 3-4 years.

(III) Supply of raw materials:

The main raw materials of the Company's construction business are land and construction projects, and the land is mostly purchased from landowners as natural or legal persons without shortage of supply; Most of the construction projects are undertaken by the subsidiary Jing Fu Xiang Construction, so as to effectively grasp the progress and quality of the project from the contract award to acceptance. There is no difficulty or shortage in supply.

(IV) Customer who accounts for 10% or above of net purchase (sales) in these 2 years, the amount and proportion, and description of changes.

1. Major supplier in these 2 years

Unit: NT\$ Thousand

Items	2024				2023			
	Name	Amount	Yearly Net purchase percentage (%)	Relationship with the issuer	Name	Amount	Net purchase (%)	Relationship with the issuer
1	Supplier A	170,120	62%	None	Supplier A	160,476	11%	None
2	Others	1,064,810	38%	None	Others	1,294,341	89%	None
Sum	Net purchase	1,234,930	100%		Net purchase	1,454,817	100%	

Reasons for the increase or decrease of changes: The Company's business projects are mainly entrusted to the construction plant, the amount of contract purchase changes with the progress on the project, and the construction project is mainly based on the location of each project, and the transaction target is not specific.

2. Major customers in these 2 years

Unit: NT\$ Thousand

Items	2024				2023			
	Name	Amount	Percentage in annual net sales (%)	with the issuer Relations	Name	Amount	Yearly Net sales Percentage (%)	with the issuer Relations
1	Others	2,030,854	100%	None	Customer A	119,888	12%	Other related
2	-	-	-	-	Others	843,233	88%	None
Sum	Net sales	2,030,854	100%		Net sales	963,121	100%	

Reasons for increase or decrease: Due to the characteristics of the industry, the Company has no fixed sales targets accounting for more than 10% of the sales in the past two years.

**III HEAD COUNT, AVERAGE SENIORITY, AVERAGE AGE AND EDUCATIONAL BACKGROUND OF EMPLOYEES IN RECENT TWO YEARS AND AS OF THE PUBLICATION DATE OF THE ANNUAL REPORT**

Items		Year	2023	2024	The current fiscal year until March 31, 2025
Head count	Engineering personnel		33	33	28
	Other employees		64	64	65
	Total		97	97	93
Average age			43.7	47.8	43.2
Average seniority			4.44	4.3	4.5
Education percentage	PhD		0	0	0
	Masters		11	13	11
	Bachelors		81	82	78
	High school		4	2	4
	Under high school		0	0	0

#### IV. ENVIRONMENTAL PROTECTION EXPENDITURE

- (I) The total amount of losses suffered by and fines imposed on the Company as a result of environmental pollution in the most recent year and up to the date of publication of the annual report.

The Company is primarily engaged in the development and sale of real estate. Construction projects are contracted to construction companies, which are responsible for environmental maintenance and waste disposal during the construction process, while the Company exercises supervisory oversight. As of the most recent fiscal year and up to the date of publication of this annual report, the Company incurred a loss and penalty amounting to NT\$100,000 due to air pollution. Additionally, in accordance with regulations, the Company pays air pollution prevention fees at the start and completion of each project. In 2024, a total of NT\$19,262 was paid.

- (II) Future countermeasures

The Company's pollution prevention measures includes 1. General pollution prevention measures: road cleaning, water and dust prevention, construction scaffolding using dust nets to avoid falling objects and dust, classification of household wastes. 2. Relevant engineering pollution prevention measures: the boundary fence of the project land is heightened and the dust cover net is installed to reduce dust pollution. 3. Clean the inlets and outlets of construction site and construction facilities: set up grit tanks, and the wastewater cleaned by entering and exiting vehicles is precipitated by grit tanks, and the sedimented wastewater can be recycled. 4. Prevention measures for vehicle dust: cover the surface with steel plates or concrete on the ground that may cause dust, clean soil pollution on the ground, and sprinkle water regularly and quantitatively.

- (III) The estimated major environmental expenditures for the coming year: None.

#### V. LABOR RELATIONS:

- (I) Setting forth all employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees.

Both Sanfar and our subsidiary have great labor relations. We offer the following welfare programs, more than government regulations.

## 1. Employee welfare

(1) Sanfar values employee welfare and establishes Employee Welfare Committee in accordance with the law. The Company and employees appropriate funds for employee welfare. All staff can enjoy welfare and benefits, which are described as below:

- A. Special festival grants, birthday bonus, wedding subsidy and sympathy gift, give-birth benefit and medical allowance.
- B. Health check as well as labor, health and group insurance.
- C. Employees Welfare Savings Trust
- D. Domestic and foreign travel subsidies for employees
- E. Employee subsidies for gatherings, afternoon tea and healthy meals
- F. Subsidies for wedding, funeral and celebrations and subsidies for family dinners

(2) Employee Salaries and Bonuses

### A. Performance appraisal system

The Company conducts employee performance appraisal every six months based on the work objectives of the management, departments and the personal KPIs, combined with the operation management policy, while taking ISO9001, ESG related indicators into consideration, we will distribute bonuses and encourage outstanding employees for the achievement of substantive operating results.

### B. Employee salary structure

The Company will audit the salary based on factors such as the employee's past experience, ability and position. Bonuses include work bonuses (including development bonuses/Completion bonuses/Sales bonuses), employee bonuses, Dragon Boat Festival and Mid-Autumn Festival bonuses.

### C. Remuneration to employees

According to Article 23 of the Articles of Incorporation, the profit before tax of the current fiscal year does not include the remuneration of the board of directors and employee compensation. If there is a balance after covering the losses, the Company shall set aside not less than 1% of its annual profit to employees as compensation and report to the Board of Directors for resolution.

2. Further education and On-the-job training

Offer different education and training courses for employees at different levels and operational nature, regularly organize internal training, and subsidize the costs of professional training courses related to work, so as to strengthen personal professional knowledge and skills and assist employees in learning and development in their

respective professional fields.

- (1) Periodical training: The employee on-the-job training is scheduled on the monthly basis to improve the employee quality, including:
  - A. New employee orientation: Help understand the company culture and the internal control process.
  - B. Competency training: Improve employees' competency.
  - C. Management training: Cultivate the management skills.
- (2) Periodically: The Administration Department plans various topics to enrich employees' knowledge and improve their professionalism and efficiency.

### 3. Retirement scheme and execution

All of Sanfar's employees are applicable to the new Labor Pension Act and their retirement shall be subject to Chapter 6 of the Labor Standard Act. Employers contribute 6% of their salaries to employee accounts in compliance with the new Labor Pension Act.

- (1) A worker may apply for voluntary retirement under any of the following conditions:
  - A. Where the worker attains the age of fifty-five and has worked for fifteen years.
  - B. Where the worker has worked for more than twenty-five years.
  - C. Where the worker attains the age of sixty and has worked for ten years.
- (2) An employer shall not force a worker to retire unless any of the following situations has occurred:
  - A. Where the worker attains the age of sixty-five.
  - B. Lump sum: Collect the principals and proceeds at one time.

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

In order to protect the rights and interests of employees, provide diversified communication channels for employees to reflect work-related suggestions and opinions, and maintain a good interactive relationship between each department head and subordinates through formal and informal communication such as E-mail, education and training in accordance with relevant laws and regulations.

Communication Channels	Contents
The Legal Team provides advisory services	If employees have legal problems arising from the execution of the Company's business, they can request consultation from the legal team
Complaint Channels for Sexual Harassment	The Company has set up a complaint channel for sexual harassment in the workplace, which is revealed visibly in the workplace Tel.: 02--2570--9988 Complaint Email: hr@sanfar.com.tw

Chairman's mailbox	Employees can directly report their opinions and suggestions to the chairman via Email
General Assembly	Report on important matters of the Company in recent months, share new knowledge, and communicate with employees
Performance appraisal	Regularly conduct performance appraisals and give evaluations and reclaim employees' opinions

#### 5. Workplace and safety measures

In addition to providing reasonable remuneration and benefits to employees, the Company also pays attention to the occupational safety of employees.

- (1) If any employee gets injured in a traffic accident on the way to and from work or on business travel, emergency care and corresponding safeguard measures will be provided, and the employee is allowed to take work-related injury leave to rest and recuperate with peace of mind. In response to possible work-related injuries, the Company has established work-related injury management measures to provide assurance to employees.
- (2) If any employee gets injured at work, conduct a complete review and improvement, strengthen education and training on safety of workplace, improve self-management and self-protection; establish the "Safety and Health Guidelines," with a "labor safety and health manager" appointed for each site to ensure labor safety.
- (3) The office building holds fire drills from time to time and sets up a security access control system to ensure the safety of employees. Clean and disinfect the office environment at regular intervals to maintain a clean environment.
- (4) Our subsidiary, Jing Fu Xiang Construction has established "Safety and Health Guidelines," and the "labor safety and health manager" is appointed for each site to ensure labor safety.

- (II) List and explain in the most recent two years and as of the publication date of the annual report, losses arising from labor disputes and disclose estimated amount that may occur currently and in the future, and countermeasures. If unable to give a reasonable estimation, explain the reasons for being unable to give a reasonable estimation: As of the date of this annual report, the Company has not incurred any losses due to labor disputes. The Company places great importance on labor rights, cares for employees' well-being, and maintains open communication channels. We will continue striving to foster harmonious labor relations and aim to promote unity and harmony within society to create a better future together.

## VI. CYBER SECURITY MANAGEMENT

- (I) Describe the cyber security risk management framework, cyber security policy, specific management plan and resources invested in cyber security management

### 1. Risk Management Framework of Information Security

The Company's information security is the responsibility of the information department. It is responsible for planning and establishing information security policies and promoting their implementation and promoting the importance of information security to employees to enhance information security awareness.

The Auditing Office of the Company is responsible for the supervision and audit of information security at regular intervals, immediately requires the inspected unit to propose an improvement plan if any deficiencies are found, and periodically tracks down the improvement results to ensure the effectiveness of corporate information security, and reports the implementation status to the Board of Directors every year.

### 2. Information Security Policy

- (1) Establish a secure and stable network architecture
- (2) Maintain the sustainable operation of information systems
- (3) Ensure the confidentiality and integrity of systems and data
- (4) Information personnel participate in training courses related to information security
- (5) Regularly handle cyber security publicity and education training

### 3. Specific management plan for information security

- (1) Information room security management
- (2) Network security management
- (3) Internal control and process management
- (4) Virus protection and management
- (5) Cyber security advocacy and education training

### 4. Resources invested in Information Security Management

- (1) Introduce the enterprise website and electronic signature system

The Bank ensures that all of its internal control and decision making activities comply with ISO, internal control and approval authority. Traditional paper documents are now being replaced by digital ones to ensure data security and prevent improper use or tampering.

- (2) Construction of a safe environment

The access control of the computer room is upgraded to the second generation NFC reader, which provides face recognition and the access control will also enter the image recording and storage for inspection.

- (3) The information security specialists are assigned to participate in the information security training courses.

The information security personnel have obtained the qualification of the chief auditor of ISO 27001:2022; the information security officer and the information security personnel have completed the "information security awareness, necessary knowledge and responsibility," "information security incident description and prevention measures" and "information security control pilot description for TWSE/TPEX-listed companies" for 6 hours of education and training.

- (4) Information security promotion and training for all employees of the Company

- (5) The Company joined the Taiwan Computer and Network Crisis Management and Coordinating Center (TWCERT) to share information and conduct information security joint defense.

#### 5. Measures for Risk Management

- (1) System backup

Prepare a full backup plan for difference in machine and places;

Establish a high availability real-time backup mechanism for daily important information and services to ensure the security of systems and data and provide uninterrupted information services

- (2) Disaster recovery drills

Disaster recovery tests and drills through the standby and virtual servo hosts, after selecting the restore date and reference point in the system and database, the backup media is stored back on the standby and virtual server hosts, and then the user confirms the correctness of the reply data to ensure the correctness and validity of the backup media

- (3) Implementation

At present, the Company has not run into major cyber security incidents that cause business damage, and will continue to implement the objectives of cyber security management policy and continue to make improvements.

- (II) Explain any loss sustained by the Company as a result of major cyber security incidents, potential impact and countermeasures in the most recent year and up to the date of publication of the annual report. If the loss cannot be reasonably estimated, make a statement to that effect: None.

## VII. IMPORTANT CONTRACTS

- (I) The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year.

Contract nature	Contracting parties	The commencement dates and expiration dates	Major content	Restricted terms and conditions
Guarantee of corporate bonds	Agriculture Bank of Taiwan	2021/12/24~2026/12/24	Contract of issuance of guaranteed bonds	None
Guarantee of corporate bonds Consignment contract	Land Bank of Taiwan	2021/12/24~2026/12/24	Contract of issuance of guaranteed bonds	None
Guarantee of corporate bonds	Hua Nan Commercial Bank Ltd.	2022/01/10~2027/01/10	Contract of issuance of guaranteed bonds	None
Guarantee of corporate bonds Consignment contract	Land Bank of Taiwan	2022/01/10~2027/01/10	Contract of issuance of guaranteed bonds	None
Guarantee of corporate bonds	Agriculture Bank of Taiwan	2022/09/14~2027/09/14	Contract of issuance of guaranteed bonds	None
Guarantee of corporate bonds Consignment contract	Land Bank of Taiwan	2022/09/14~2027/09/14	Contract of issuance of guaranteed bonds	None
Car Rental Agreement	Wan Ho Car Rental Co., Ltd.	2023/06/26-2026/06/25	Car Rental Agreement	None
Vehicle lease contract	Hotai Leasing Corporation	2023/04/30-2026/04/29	Vehicle lease contract	None
Guarantee of corporate bonds	Taiwan Business Bank	2024/07/18-2029/07/18	Contract of issuance of guaranteed bonds	None
Guarantee of corporate bonds Consignment contract	Land Bank of Taiwan	2024/07/18-2029/07/18	Contract of issuance of guaranteed bonds	None
Guarantee of corporate bonds	Bank of Kaohsiung	2025/01/13-2030/01/13	Contract of issuance of guaranteed bonds	None
Guarantee of corporate bonds Consignment contract	Land Bank of Taiwan	2025/01/13-2030/01/13	Contract of issuance of guaranteed bonds	None

## Five. Review and analysis of financial status and financial performance and risk

### I. FINANCIAL STATUS

The main reasons for the major changes in assets, liabilities and equity in the last two years and their impacts, if significant impact is imposed, explain the future response plan

#### Comparative analysis of financial position

Unit: NT\$ Thousand

Items	Year	2024	2023	Difference	
				Amount	%
Current assets		14,939,172	14,632,637	306,535	2.09%
Noncurrent assets		1,567,833	1,108,072	459,761	41.49%
Total assets		16,507,005	15,740,709	766,296	4.87%
Current liabilities		5,985,424	6,659,808	-674,384	-10.13%
Noncurrent liabilities		3,813,302	2,602,031	1,211,271	46.55%
Total liabilities		9,798,726	9,261,839	536,887	5.80%
Capital		3,265,542	3,265,542	0	0.00%
Additional paid-in capital		35,740	185,955	-150,215	-80.78%
Retained earnings		3,195,567	2,898,493	297,074	10.25%
Other equity		211,430	128,880	82,550	64.05%
Treasury stock		0	0	0	0.00%
Total equity of shareholders		6,708,279	6,478,870	229,409	3.54%
Reasons for more than 20% of the change ratio (increase or decrease):					
1. Noncurrent assets: Mainly due to the increase in financial assets measured at fair value and other financial assets.					
2. Non-current liabilities: Mainly caused by the increase of corporate bonds.					
3. Capital reserve: Mainly due to the resolution by the Board of Directors on April 10, 2024, to distribute cash dividends from the capital reserve.					
4. Other equity: Mainly due to financial assets measured at value through other comprehensive income for the period that resulted in unrealized gain on valuation.					

## II. FINANCIAL PERFORMANCE

The main reasons for the significant changes in operating income, net operating profits and net income before tax in the latest two years, as well as the expected sales volume and basis, the possible impact on the Company's future financial business and response plan

### Comparative analysis of financial performance

Unit: NT\$ Thousand

Year	2024	2023	Amount increase (decrease)	Change ratio (%)
Net operating income	2,030,854	963,121	1,067,733	110.86%
Operating cost	1,315,779	696,423	619,356	88.93%
Gross profit	715,075	266,698	448,377	168.12%
Operating expense	253,752	151,223	102,529	67.80%
Operating profit	461,323	115,475	345,848	299.50%
Non-operating income and expense	11,539	-21,361	32,900	-154.02%
Net income before tax of the continuing department	472,862	94,114	378,748	402.44%
Income tax expense	97,546	5,258	92,288	1755.19%
Net income of the continuing department	375,316	88,856	286,460	322.39%
Net income	375,316	88,856	286,460	322.39%
Reasons for more than 20% of the change ratio (increase or decrease):				
1. Net operating income: Mainly due to the increase in sold houses after completion of construction and houses handover recognized in income.				
2. Operating cost: Mainly due to the increase in sold houses after completion of construction and houses handover recognized in income, and the increase in costs relatively.				
3. Operating expense: Mainly caused by the increase in marketing expense.				
4. Non-operating income and expense: Mainly caused by the increase in dividends.				
5. Income tax expense: Mainly caused by the increase in net operating income.				
6. Net income before tax and net income: Mainly caused by the recognition of revenue from the sale of completed properties upon transfer of ownership.				

### III. CASH FLOW

(I) Liquidity analysis for the last two years:

Unit: NT\$ Thousand

Items	Year		Difference	
	2024	2023	Amount	Percentage
Cash flow from operating activities	748,347	-441,013	1,189,360	-270%
Cash flow from investing activities	-494,616	10,429	-505,045	-4843%
Cash flow from financing activities	63,899	-162,275	226,174	-139%

The main reasons for material changes occurred:

1. Increase in cash flows from operating activities: Mainly due to a decrease in inventory during the current period.
2. Decrease in cash flows from investing activities: Mainly due to an increase in other financial assets compared to the same period last year.
3. Increase in cash flows from financing activities: Mainly due to an increase in short-term notes payable during the current period.

(II) Cash liquidity analysis for the coming year

Unit: NT\$ Thousand

Cash balance – beginning	Expected cash inflow of the year	Expected cash outflow of the year	Expected cash balance of the year
2,151,518	8,274,089	6,668,188	3,757,419

Improvement plan for the insufficient liquidity: None

IV. THE IMPACTS THAT MAJOR CAPITAL EXPENDITURES HAVE ON FINANCIAL OPERATIONS IN THE MOST RECENT YEAR: NONE.

V. REINVESTMENT POLICY IN THE MOST RECENT YEAR, THE MAIN REASONS FOR ITS PROFIT OR LOSS, IMPROVEMENT PLAN, AND INVESTMENT PLAN FOR THE COMING YEAR:

(I) THE information ON THE COMPANY'S INVESTEEES IS AS FOLLOWS:

UNIT: EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS

Name of the investees	2024		Improvement plan
	Total profit and loss for the current period	Profit and loss on investments	
Jing fu xiang construction	17,443	7,472	The operations were quite good with stable profits.
Jingo international records co., ltd.	6,052	6,052	Actively expand business and increase profitability.

(II) Investment plan for the coming year: In addition to focusing on the core business, the Company will also actively evaluate investment opportunities related to the Company and its subsidiaries' businesses in hopes of optimizing shareholder profits under the premise of stable growth.

VI. THE FOLLOWING ITEMS DURING THE MOST RECENT YEAR AND AS OF THE PRINTING DATE OF THE ANNUAL REPORT MUST BE ANALYZED AND ASSESSED AS RISK ITEMS

(I) The effects that interest rate, exchange rate fluctuations, and inflation have on the profits and losses of the Company as well as the future response measures:

1. Impact on the Company's Profit and Loss

Unit: Expressed in thousands of New Taiwan Dollars

Items	2024
Net interest income and expense	-178,420
Net exchange profit and loss	1,475
Ratio of net interest income and expenditure to net revenue	-8.79%
Ratio of net interest income and expenditure to net profit before tax	-37.73%
Ratio of net exchange profit and loss to net revenue	0.07%
Ratio of net exchange profit and loss to net profit before tax	0.31%

## 2. Description

### (1) Interest Rate Change:

For the cash flow risk of the Company and its subsidiaries at the end of 2024 due to interest rate changes for their financial assets and liabilities, the combined cost increase for the Company is approximately NT\$33,916 thousand if the interest rate is increased by 1% while all other variables remain unchanged.

#### Future countermeasures:

Observe the monetary policy and market lending rate trends from the central bank's quarterly board of directors' meetings, collect interest rate market information and prudently negotiate prices with banks, and issue fixed-rate bonds in a timely manner.

### (2) Exchange Rate Fluctuation:

The core business of the Company and its subsidiaries is building sales. Both land acquisition or sales are based on the domestic market, and the main currency is New Taiwan dollars. The exchange rate fluctuation has little impact on the Company's profit and loss.

#### Future countermeasures: None.

### (3) Inflation

Inflation is both advantageous and disadvantageous to the Company. The disadvantage is that the cost of raw materials can increase, and the advantage is that housing prices can increase in response to market reactions. So, these two factors are often offset, and inflation has relatively little impact on profit and loss.

#### Future countermeasures:

Cost: Observe the economic indicators and price index statistics announced by the DBGAS, maintain good partnerships with suppliers, conduct market inquiries to expand supplier contacts, and design procurement strategy and supplier bargaining based on comprehensive volume and price considerations in order to reduce the impact of inflation on costs.

Sales: Consider the selling price based on the impact of inflation and reflect the cost in a timely manner.

## (II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

The Company does not engage in high-risk and high-leverage investments. The lending of funds to others, endorsements and guarantees, and derivatives transactions are handled in accordance with the Company's "Procedures for the Acquisition or Disposal of Assets" and "Guidelines for Lending of Funds to Others and Making of

Endorsements/Guarantees."

(III) Future R&D plans and anticipated investments in R&D expenses:

The Company and its subsidiaries are mainly engaged in investment and construction of residence, under no R&D plan, no R&D department, and no provision for R&D expenses. Before the launch of each project, the Planning Department and the Engineering Department will plan suitable and most recent materials and construction methods, and have invested considerable human resources and costs over the years to meet consumer demand, except for R&D investment.

(IV) The effects that the key domestic and international policy and law changes have on the financial operations of the Company as well as the response measures:

The construction industry is affected by the government's housing policy, such as the integrated housing and land tax, the seventh wave of credit control, the high construction cost, the global market interest rate increase and the restrictions on land purchase loans, etc. The construction industry's own capital increases, shrinking investment customers and the property and luxury housing customers are observing, which indirectly caused a decline in the market. In addition, the construction industry is recognized as revenue under the all-completion method, which has a significant impact on revenue recognition. Therefore, under the industrial characteristics, the revenue fluctuates monthly or annually.

Countermeasures:

1. Carefully select project location, pay attention to building quality, and enhance product competitiveness.
2. Launch products that meet market needs and customer segmentation.
3. Reduce land inventory and residual housing risks.

(V) The effects that technological changes (including cyber security risks) and industry changes have on the financial operations of the Company as well as the countermeasures: None.

(VI) The effects that corporate image has on corporate crisis management as well as the countermeasures: None.

(VII) Expected benefits and possible risks of merger and acquisition as well as the countermeasures: None.

(VIII) Expected benefits and possible risks of factory expansions as well as the countermeasures: Not applicable.

- (IX) The risks of concentrated procurement or sales as well as the countermeasures:

The procurement by the Company's construction business is mainly based on the purchase of land and construction projects, all of which are scattered entities. Sales are generally made to ordinary consumers, and there is no risk of concentrated procurement or sales.

- (X) The effects and risks that large-number transfers or replacements of directors, supervisors, or major shareholders holding over 10% of the Company's shares have to the Company as well as the countermeasures:

In the most recent year and as of the date of publication of the annual report, any major quantity of shares belonging to a shareholder holding more than a 10 percent stake in the Company has been transferred: The public acquirer, Allmind Holdings Corporation, announced the number of shares acquired in the Company on February 25, 2025. The number of shares acquired was reviewed and approved by the Board of Directors on March 12, 2025. The public acquirer's conditions of the acquisition were still fair and the source of the funds for the acquisition was reasonable. The settlement of the public acquisition of Allmind Holdings Corporation was completed on March 26, 2025. The total price of acquisition was NT\$1,608,341,325, and the total number of shares acquired was 64,333,653 shares. The total number of shares held by the Company after the acquisition was 68,628,984 shares, and the Company's shareholding ratio after the acquisition was 21.016%.

- (XI) The effects and risks that operating rights changes have to the Company as well as the response measures:

There is no impact on the Company's operations due to changes in management rights in the most recent year and up to the date of publication of the annual report.

- (XII) Finalized judgments or pending litigations, non-litigations, or administrative disputes associated with the Company's directors, supervisors, or major shareholders holding over 10% of the Company's shares whereby the results may have major impacts on the shareholders' rights or share prices; the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved in the litigation, and the handling status as of the printing date of the annual report must be disclosed: None.

- (XIII) Other important risks and countermeasures:

1. Risk Management Organization Operation:

According to Article 44 of the Internal Control System Best Practice Principles for TWSE/TPEX Listed Companies, listed companies are advised to formulate

appropriate policies and procedures for risk management and an effective risk management mechanism to assess and monitor their risk appetite, current risk tolerance, risk response strategies and compliance with risk management procedures.

On November 9, 2021, the Board of Directors of the Company approved the 'Risk Management Policy and Procedures' to strengthen corporate governance and improve risk management to ensure the sustainable operation and development of the Company. The heads of each department will evaluate the possible risks in the future every year and propose countermeasures to strengthen the control over enterprise risks, including risk detection, assessment, reporting and treatment, and report to the general manager for approval after discussions among each department, and report the implementation at the meeting of the Board of Directors every year.

2. Risk Management Organization Operation Table:

Important Risk Assessment items	Risk Control Unit	Risk Review and Control	Board of Directors
Interest Rate, Exchange Rate, and Financial Risk	Finance and Accounting Unit	General Manager's Office	Board of Directors (Risk Assessment & Control Policies and Final Control)
High-risk & High-leverage Investment, Capital Loan to Others, Derivative Financial Products, Financial Wealth Management Investment	Finance and Accounting Unit	General Manager's Office	
Land Development	Business Unit	Review meeting (Heads of relevant units of members)	
Subcontracting	Procurement Unit	Procurement/subcontract Meeting	
R&D Plan	Engineering Unit	General Manager's Office	
Policy and Legal Changes	Every Unit	General Manager's Office	
Industry Changes	Business Unit	General Manager's Office	
Investment, Reinvestment, and M&A Benefits	Financial unit	General Manager's Office	
Centralized Sales or Purchase	Purchasing unit, business unit	General Manager's Office	
Transfer of shares for directors and major shareholders	Shareholders' Service Unit	Chairman's Office	
Change in Operating Rights	Shareholders' Service Unit	Chairman's Office	
Litigation and Non-	Legal Affairs	General Manager's	

Important Risk Assessment items	Risk Control Unit	Risk Review and Control	Board of Directors
litigation Matters		Office	
Other Operation Items	Every Unit	General Manager's Office	
Personnel Conduct, Ethics, and Integrity	Every Unit	Chairman's Office	
Standard operation flow and legal compliance	Every Unit	Legal Unit, Audit Unit	
Board of Directors' Meeting Management	Shareholders' Service Unit	Audit	

VII. OTHER IMPORTANT MATTERS: NONE.

## **Six. Special Disclosures**

### **I. AFFILIATED ENTERPRISES RELATED INFORMATION:**

For the consolidated business report and the Affiliation Report of the affiliated companies: Please refer to the MOPS (<http://mops.twse.com.tw>)/Single Company > Electronic Document download/ Affiliation Report section.

Consolidated Financial Statements of Affiliated Enterprises: Please refer to the Market Observation Post System (MOPS) (Website: <http://mops.twse.com.tw>) > Select "Single Company" > "Electronic Document Download" > "Financial Reports" > "Q4 2024 Consolidated Financial Statements," and search using the Company's stock code (9946).

### **II. PRIVATE PLACEMENT OF SECURITIES IN THE MOST RECENT YEAR AND AS OF THE ANNUAL REPORT PUBLICATION DATE: IN CASE OF ANY PRIVATE PLACEMENT OF NEGOTIABLE SECURITIES IN THE MOST RECENT YEAR AND AS OF THE PUBLICATION DATE OF THE ANNUAL REPORT; THE DATE AND AMOUNT ADOPTED BY THE SHAREHOLDERS' MEETING OR THE BOARD OF DIRECTORS' MEETING, THE PRICE-SETTING BASIS AND REASONABLENESS, THE SPECIFIC PERSON SELECTION METHOD, THE NECESSARY REASON FOR PRIVATE PLACEMENT, THE PRIVATE PLACEMENT TARGETS, THE QUALIFICATION CONDITIONS, THE NUMBER OF SUBSCRIPTIONS, THE RELATIONSHIP WITH THE COMPANY, THE OPERATION STATUS OF THE PARTICIPATING COMPANIES, THE ACTUAL SUBSCRIPTION (OR CONVERSION) PRICE, THE DIFFERENCE BETWEEN THE ACTUAL SUBSCRIPTION (OR CONVERSION) PRICE AND THE REFERENCE PRICE, THE IMPACT OF THE PRIVATE PLACEMENT ON SHAREHOLDER RIGHTS, THE FUND UTILIZATION PLAN THAT HAS BEEN COMPLETED SINCE THE STOCK PAYMENT OR PRICE PAYMENT IS FULLY RECEIVED, THE USE OF FUNDS IN PRIVATELY PLACED SECURITIES, AND THE PLAN IMPLEMENTATION PROGRESS, AS WELL AS THE BENEFITS OF THE PLAN, MUST BE DISCLOSED: NONE.**

### **III. OTHER MATTERS REQUIRING SUPPLEMENTAL EXPLANATIONS: NONE.**

**Seven. Matters that occurred in the most recent year and as of the publication date of the annual report that have a significant impact on the shareholders' equity or securities prices pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act:**

- I. Insufficient deposit funds, dishonored account, or bad credit standing: None.
- II. Litigation, non-litigation, administrative sanction, administrative dispute, preservation procedures, or compulsory enforcement matters that have a significant impact on the Company's finances or operations: None.
- III. Major production reduction, full or partial shutdown, lease of the Company's plant or major equipment, or all or major parts of the assets are pledged and significantly impacted the Company's operations: None.
- IV. Any one of the matters listed in Paragraph 1, Article 185, of the Company Act: None.
- V. Share transfer prohibited by court order pursuant to Subparagraph 5, Paragraph 1, Article 287 of the Company Act: None.
- VI. The chairman, general manager, or over one-third of the directors have changed: None.
- VII. The CPA has changed. None.
- VIII. Signing, changing, terminating, or dissolving important memorandums, strategic alliances, or other business cooperation plans or important contracts; changing important business plan contents, completing new product development, and testing products that have been successfully developed and officially entered the mass production phase; acquisition of another enterprise; and acquisition or assignment of patent rights, exclusive trademark rights, copyrights, or other intellectual property

rights that have a significant impact on the Company's finances or operations: None.

IX. Other matters that have a significant impact on the shareholders or the securities prices:

- (I) The Company was investigated and searched for on February 17, 2022, since it is still in the investigation stage, and based on the principle of non-disclosure of investigation, the relevant facts and legal liabilities will be subject to the investigation and clarified by judicial department before taking relative measures. At present, according to results of review by the CPAs appointed by the Audit Committee of the Company, the project review lawyers appointed by the Board of Directors and the results of the Company's own review, the three advertising companies such as Dage Advertising Co., Ltd., Yuedeng Advertising Co., Ltd. and Hongtai Advertising Co., Ltd. have genuine sales agency and construction transactions with the Company, under the conditions not materially unreasonable compared with the trading conditions of the market peers.
- (II) For the protection of the rights and interests of investors, although the case is still under investigation, in order to be conservative and steady, the Company disclosed the three advertising companies described above as other related persons and compiled them into the Company's annual financial report for 2022 and 2023 in advance. Due to the principles of restricted investigation and non-disclosure, the pre-disclosure treatment may not be the final result. The Company will wait for subsequent judicial proceedings to clarify the facts before taking actions appropriately.
- (III) At present, the Company's finances and business are normal, and the investigation case has no significant impact on the Company's operations.

Sanfar Property Limited

Chairman: Ting-Cheng Chung