

【Translation】

Stock Code: 9946

Sanfar Property Limited

Handbook for the 2022 Annual Meeting of Shareholders

MEETING TIME: 9:00 a.m., June 30 (Thursday), 2022

**PLACE: 15th floor, No. 99, Fuxing N. Road, Songshan Dist., Taipei
City (Primasia Conference Center)**

DISCLAIMER

This is a translation of the agenda for the 2022 annual general shareholders' meeting (The "AGENDA") of Sanfar Property Limited (The "COMPANY"). This translation is intended for reference only and nothing else, the COMPANY hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the AGENDA shall govern any and all matters related to the interpretation of the subject matter stated herein.

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Sanfar Property Limited

2022 Regular Shareholders' meeting Agenda

Type of Meeting: Physical Meeting

Time: 9:00 a.m., June 30 (Thursday), 2022

Place: 15th floor, No. 99, Fuxing N. Road, Songshan Dist., Taipei City (Primasia Conference Center)

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
 - 1 : 2021 business report of the Company
 - 2 : Audit Committee's review of the 2021 Financial Statements.
 - 3 : 2021 directors' and employees' remuneration distribution report of the Company
 - 4 : 2021 cash dividend distribution report of the Company
 - 5 : 2021 Items regarding Offering and Issuance of secured ordinary corporate bonds report
 - 6 : Description of the results of handling the "Shareholders' proposals"
4. Proposed Resolutions
 - 1 : 2021 business report and financial statements of the Company
 - 2 : 2021 earnings distribution of the Company
5. Discussion Items
 - 1 : To revise part of the Articles in the "Articles of Incorporation" of the Company
 - 2 : To revise part of the Articles in the "Rules of Procedure for Shareholders' Meetings" of the Company
 - 3 : To revise part of the Articles in the "Procedures for handling the acquisition or disposal of assets" of the Company
 - 4 : To lift the non-compete behavior restrictions on directors and their representatives of the Company.
6. Motions
7. Meeting adjourned

Report Items

1.

Proposal: 2021 business report of the Company

Explanatory Notes: Please refer to attachment 1 of this handbook for 2021 business report of the Company

2.

Proposal: Audit Committee's review of the 2021 Financial Statements.

Explanatory Notes: Please refer to attachment 2 of this handbook for Audit Committee's review of the 2021 Financial Statements.

3.

Proposal: 2021 directors' and employees' remuneration distribution report of the Company

Explanatory Notes: Please refer to attachment 2 of this handbook for 2021 directors' and employees' remuneration distribution report of the Company

4.

Proposal: 2021 cash dividend distribution report of the Company.

Explanatory Notes:

1. In accordance with Article 23-2 of the Articles of Incorporation of the Company, if the Company's earnings are distributed in cash, it shall be resolved by the Board of directors and reported to the shareholders' meeting.
2. The Company has made the resolution by the board of directors on May 6, 2022, to reserve NT\$222,056,822 from the accumulated distributable earnings in 2021, and distribute 0.68 dollars per share, which will be distributed in cash. Distribute to NT 1 dollar, rounded down below NT 1 dollar, and the total fractional amount shall be included in the other income of the Company.
3. To authorize the chairman to set another base date, distribution date, for the dividend and other related matters.
4. Before the base date of earnings distribution and dividend distribution, if the number of outstanding shares of the Company changes and results in the dividend distribution ratio of shareholders needs to be

revised, it is authorized the chairman to make the adjustment.

5.

Proposal: Matters related to the Offering and Issuance of the secured ordinary corporate bonds in 2021.

Explanatory Notes:

1. In order to repay the loans of financial institutions, and to strengthen the financial structure, the Company issued the first secured ordinary corporate bonds of 2021 on December 24, 2021. The issuance period was 5 years, and the total amount of issuance was NT\$600 million. And, on January 10, 2022, the second secured ordinary corporate bonds of 2021 were issued. The issuance period was 5 years, and the total amount of issuance was NT\$1 billion.
2. Approval date and file number of the competent authority: zheng-gui-zai-zhi letter no. 11000140331 dated December 20, 2021, issued by Taipei Exchange, Republic of China, and zheng-gui-zai-zhi letter no. 11000143751 dated January 3, 2022, issued by Taipei Exchange, Republic of China.
3. Offering and Issuance circumstances as follows:

Type of the Ordinary Corporate Bonds	2021 domestic First Secured Ordinary Corporate Bond	2021 domestic Second Secured Ordinary Corporate Bond
Issuance (handling) date	December 24, 2021	January 10, 2022
face value	NTD one million	NTD one million
Issuance and Trading Venue	Not applicable	Not applicable
Issuance price	Fully issued according to the par value	Fully issued according to the par value
Total amount	NT\$600 million	NTD\$ one billion
interest rate	Coupon rate: 0.67%	Coupon rate: 0.68%
the term	Five-year period (Due date: 2026.12.24)	Five-year period (Due date: 2027.1.10)
Guarantee agency	Agricultural Bank of Taiwan	HUA NAN COMMERCIAL BANK LTD.
trustee	Land Bank of Taiwan	Land Bank of Taiwan
Underwriting agency	SinoPac Securities	Hua Nan Securities
Certified Attorney	Attorney Ya-wen Chiu of Far East Law Offices	Attorney Ya-wen Chiu of Far East Law Offices
Certified Public Accountant	KPMG CPA Yi-lian Han, CPA Hsin-ting Huang	KPMG CPA Yi-lian Han, CPA Hsin-ting Huang
Repayment	This corporate bond is a bullet bond	This corporate bond is a bullet bond
Outstanding	NT\$600 million	NTD one billion
Redemption or Early Repayment Clause	Not applicable	Not applicable
Restrictive clauses	None	None

Type of the Ordinary Corporate Bonds		2021 domestic First Secured Ordinary Corporate Bond	2021 domestic Second Secured Ordinary Corporate Bond
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+
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
	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
Dilution effect on existing shareholder equity, made by issuance and conversion, exchange or subscription, conditions of issuance.		Not applicable	Not applicable
Name of the Custodian		Not applicable	Not applicable

6.

Proposal: Please review the explanation of the result of handling the "Shareholders' Proposal".

Explanatory Notes: In accordance with Article 172-1 of the Company Act, the Company announced the acceptance of shareholders' proposals for the general shareholders' meeting. The acceptance period is from April 23, 2022 to May 3, 2022, no shareholders held more than 1% of the shares made proposals for this shareholders' meeting.

Ratification

1. (Proposed by the board of directors)

Proposal: Please kindly accept 2021 business report and financial statements of the Company

Explanatory Notes:

1. The Company's 2021 business report and financial statements have been prepared. The above financial statements have been issued unmodified opinion conclusions and added matter of emphasis paragraphs by independent auditors Yi-lian Han and Xin-ting Huang of KPMG. It has been submitted to the Audit Committee with the business report for approval.
2. Refer to attachment 1 and attachment 4 of this handbook for business report and financial statements respectively.

Resolutions:

2.

(Proposed by the board of directors)

Proposal: Please kindly accept 2021 earnings distribution of the Company.

Explanatory Notes: 2021 earnings distribution table of the Company is as follows:

Sanfar Property Limited
2021 earnings distribution table

Unit: NT\$

Item	Amount
Unappropriated earnings - beginning	2,351,118,193
Retire treasury stock	(135,947,541)
Net income	222,279,122
set aside the legal reserve	(8,633,158)
Distributable earnings - ending	2,428,816,616
Distribution:	
Cash dividend (0.68 dollars per share)	(222,056,822)
Unappropriated earnings - ending	2,206,759,794

- Note:
1. First to distribute 2021 earnings.
 2. Cash dividends are distributed to NT 1 dollar, rounded down below 1 dollar, and the sum of fractional amounts is included in other income of the Company.
 3. Before the base date of earnings distribution and dividend distribution, if the number of outstanding shares of the Company changes and results in the dividend distribution ratio of shareholders needs to be revised, it is authorized to the chairman for the adjustment.

Chairman: Ding-Cheng Chung

Manager: Ding-Cheng Chung

Accounting officer: Huei-chun Wang

Resolutions:

Discussions

1. (Proposed by the board of directors)

Proposal: Please kindly discuss the amendment of part of the provisions of the "Articles of the Incorporation" of the Company.

Explanatory Notes:

1. To cooperate with the amendment and announcement of the Company Act that was in effect on December 29, 2021, it is proposed to revise Article 9-1 and part of the provisions of Article 25 of the Company's "Articles of Incorporation".
2. Please refer to attachment 5 of this handbook for the comparison table of the "Articles of Incorporation" of the Company Before and After the Revision.

Resolutions:

2. (Proposed by the board of directors)

Proposal: Please kindly discuss the amendment of part of the Articles in "Rules of Procedure for Shareholders' Meetings" of the Company.

Explanatory Notes:

1. In response to the amendment of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the Company's operational needs, it is proposed to amend part of the Articles in "Rules of Procedure for Shareholders' Meetings" of the Company.
2. Please refer to attachment 6 of this handbook for the comparison table of "Rules of Procedure for Shareholders' Meetings" of the Company Before and After the Amendment.

Resolutions:

3. (Proposed by the board of directors)

Proposal: Please kindly discuss the amendment of part of the Articles in "Procedures for handling the acquisition or disposal of assets" of the Company

Explanatory Notes:

1. In response to the amendment of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the Company's operational needs, it is proposed to amend part of the Articles of the "Procedure for handling the acquisition or disposal of assets" of the Company.

2. Please refer to attachment 7 of this handbook for the comparison table of the “Procedure for handling the acquisition or disposal of assets” of the Company Before and After the Amendment.

Resolutions:

4. (Proposed by the board of directors)

Proposal: Please kindly discuss lifting the non-compete behavior restrictions on directors and their representatives of the Company

Explanatory Notes:

1. To handle in accordance with the Company Act 209-1 “A director who does anything for himself/herself or on behalf of another person that is within the scope of the company's business, shall explain the essential contents of such an act to shareholders' meeting and secure the approval.”
2. The representatives of the directors of the Company, Shangshan Industrial Co., Ltd., Ding-sheng Chung and Din-shin Chung, have also served in a company with the same or similar business scope as the Company due to investment relationship or being assigned by a legal person, and participated in important operation decisions of that company, and are subjected to the non-compete restriction of Article 209 of the Company Act, the contents of the non-compete restriction that are proposed to lift by the shareholders' meeting are as follows:

Job title	Name	The company's name and job title that served concurrently
Director	Ding-sheng Chung	Minfar real estate development- supervisor, Yiho limited Company.- supervisor, Zenfar architechture- Chairman, Yufar properties limited Co.- supervisor, Sanfu properties limited Company- Supervisor, Kuo Shi Construction limited Company- Supervisor.
Director	Dingshin Zhong	Yiho limited Company- Director, Zenfar architechture- Supervisor, Yufar properties limited Co.- Chairman, Sanfu properties limited Company- Chairman, Kuo Shi Construction limited Company- Chairman.

Resolutions:

Special Motion

Meeting adjourned

Attachment

Attachment 1: 2021 business report

Sanfar Property Limited 2021 business report

(I) 2021 business plan implementation result

Unit: NT\$ Thousand

Item	2021	2020	Increase or decrease amount
Operating income	1,715,968	1,491,772	224,196
Operating gross profit	418,717	436,056	(17,339)
Total profit and loss	264,938	190,817	74,121

The Company's operating income in 2021 increased by 15.03% compared with that in 2020. Cases completed and entered into account are mainly from the construction of sub-city center 235, Guanghai Section and Qiyang Section. The main reason for the growth in operating income is the completion of the new construction of sub-city center 235 this year. Continuing the heat of the housing market in 2020, although there was a level 3 restriction for more than two months in mid-May in 2021, the overall transaction volume was tightened, the housing market has gradually recovered to be stable in the fourth quarter after the pandemic was stably controlled; the Company continues to be optimistic about the rising trend of the housing market in the future, and maintains a cautious and optimistic attitude in evaluating the proposals, progressively sells new existing houses, and controls the pulse of operation. Also, continue to promote the company's various plans and create performance and growth to meet the expectations of shareholders and investors with the vision of "sustainable operation" and "customer satisfaction."

(II) Budget execution

In accordance to "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company do not have to prepare financial predictions in 2021.

(III) Financial income and expenditure

Unit: NT\$ Thousand

Item	2021	2020
Net operating income	220,888	209,575
Non-operating income and expense	(5,768)	11,177
Net income before tax of the continuing unit	215,120	220,752
Net income	222,278	182,975
Total profit and loss	264,938	190,817

(IV) Profitability analysis

Item		2021	2020
Return on assets (%)		2.40	1.63
Return on equity (%)		3.40	2.76
Paid-in capital ratio (%)	Operating profit	6.76	6.33
	Net income before tax	6.59	6.67
Net profit rate (%)		12.95	12.27
Basic earnings per share (NT\$)		0.68	0.53

(V) Research and Development

1. Key development cases: Linko Lilin section case, Yongshin section case, Chende section case, Liujiadin case, Hsinbon section case, Wukwaitzu section case, Hsinzuan section case, Sub-city center section 18 case
2. Key development cases: Linko Lilin section case, Yongshin section case, Chende section case, Liujiadin case, Hsinbon section case, Wukwaitzu section case, Hsinzuan section case, Sub-city center section 18 case
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: Recruit excellent and cooperative manufacturers carefully, reinforce structural safety, quality comes first, innovate work methods, protect work safety, and ensure superior products and site safety.

Chairman: Ding-Shen Chung

Manager: Ding-Shen Chung

Accounting Officer: Huei-Chun Wang

Attachment 2: Audit Committee Report

Sanfar Property Limited

Audit Committee Report

The board of directors issued the Company's 2021 business report, financial statements, and earnings distribution proposal, etc. The financial statements were audited by independent auditors Yi-Lian Han and Hsin-Ting Huang of KPMG, and issued the audit report. The above-mentioned business report, financial statement and earnings distribution proposal have been reviewed by the Audit Committee and found no inconsistencies. The report is above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

2022 general shareholders' meeting of Sanfar Property Limited

Convener of Audit Committee: Chin-Chang Wu

May 6, 2022

Attachment 3: 2021 employees' and directors' remuneration distribution

Sanfar Property Limited

2021 employees' and directors' remuneration distribution

1. If the company's current net income before tax without taking into account the remuneration to employees and directors and after being applied to make up for losses is with a positive balance, it is necessary to appropriate an amount not more than 5% of the balance as remuneration to directors and an amount not less than 1% of the balance as remuneration to employees accordingly. The party to whom the employee remuneration is paid in stock or cash mentioned in the preceding paragraph, including the employees of subsidiaries of the company meeting certain specific requirements, the certain conditions are determined 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 board of directors has made the resolution to distribute the directors' remuneration and the employees' remuneration as follows:

The Company's 2021 director's remuneration and employee's remuneration distribution proposal, the board of directors has made the resolution on the meeting on March 30, 2022. The distribution is as follows:

It is resolved to distribute NT\$2,164,101 for employees' remuneration, and NT\$2,164,101 for the director's remuneration.

Unit: NT\$

Distribution category	Resolution of the board of the directors. Distributed amount ^①	Expense recognition year Estimated amount ^②	Difference ^① - ^②	Reasons and adjustments
Remuneration to directors (Cash)	2,164,101	2,164,101	0	None
Remuneration to employees (Cash)	2,164,101	2,164,101	0	

Attachment 4: CPA's audit report and 2021 financial statements

Representation Letter

The entities that are required to be included in the combined financial statements of San Far Property Limited as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, San Far Property Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: San Far Property Limited

Chairman: Ting Chen, Chung

Date: March 30, 2022



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

To the Board of Directors of San Far Property Limited:

Opinion

We have audited the consolidated financial statements of San Far Property Limited and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

As mentioned in Note 11 of the consolidated financial statements, the Ministry of Justice Investigation Bureau, Kaohsiung City has conducted an investigation in the group on February 17, 2022 and seized its subsidiary ledgers, as well as all the contracts entered into with, and the vouchers of commission paid to, the related three advertising companies, Yueteng Advertising Co., Ltd., Dage Advertising Co., Ltd., and Hong Tai Advertising Co., Ltd., within 2014 to 2020. Please refer to note 11 and 12 (2) for information related to the above transactions. We did not revise the review opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

For the revenue recognition account policy, please refer to Note 4(n); for the details of the revenue recognition during the years, please refer to Note 6(q).

Description of key audit matter:

A major income of Sanfa real Estate Company Limited and its subsidiaries is from selling the real estate, and the risk of material misrepresentation lies in the authenticity of income. Since operating income involves the operating performance of the management, a possible risk of material misstatement may occur if the management does not recognize the income at the right point of time in accordance with the regulations. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Audit procedures performed:

- Test on the control of sales and payments received, evaluate and eliminate any possible misstatement or fraud recognized;
- Test on the appropriateness of the time income is recognized; randomly select samples to check whether the contract and relevant documents are transferred between the Company and customers; check the documents in the selling systems and general ledger to evaluate whether the Company's revenue recognition policy is in accordance with relevant regulations.

2. Valuation of inventories

Please refer to Note 4(h) and Note 5 for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note 6(d) of the consolidated financial statements.

Description of key audit matter:

The key asset of Sanfa real Estate Company Limited and its subsidiaries is its inventories, with a portion of 77% of the total assets. Inventory evaluation of the Company is in accordance with International Accounting Standards for Report No. 2. There may be a misstatement of financial report when the net realizable value is inappropriate. Therefore, the test on inventory valuation is regarded as one of the most important evaluation in performing our audit procedures.

Audit procedures performed:

Acquire assessment data of the net realizable value of inventories of the company and its subsidiaries, randomly select samples to check the signed contracts, and refer to the latest current real estate prices announced by the Ministry of the Interior or obtain transaction quotations in neighboring areas. Then, convert the average selling price to net realizable value of the real estate inventory, and compare whether there is a significant difference in between. In addition, analysis tables of investment return by cases are also acquired to compare with the market condition and evaluate whether the assessment data of the net realizable value of inventories are fairly measured and presented.



Other Matter

San Far Property Limited has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yilien Han and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)

March 30, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2021</u>		<u>December 31, 2020</u>				<u>December 31, 2021</u>		<u>December 31, 2020</u>	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 2,165,778	14	2,532,976	23	2100	Short-term borrowings (notes 6(i) and 8)	\$ 4,967,892	32	1,540,210	14
1140	Current contract assets (notes 6(q) and 7)	39,893	-	20,980	-	2110	short-term transaction instrument payables (note 6(n) and 8)	140,000	1	-	-
1150	Notes receivable, net (notes 6(c) and (q))	356	-	152	-	2130	Current contract liabilities (note 6(k),(q), 7 and 9)	421,852	3	229,267	2
1160	Notes receivable due from related parties, net (notes 6(c),(q) and 7)	-	-	39,816	-	2150	Notes payable	87,471	1	54,598	1
1170	Accounts receivable, net (note 6(c) and (q))	3,203	-	2,590	-	2170	Accounts payable (note 11)	189,311	1	140,820	1
1180	Accounts receivable due from related parties, net (notes 6(c),(q) and 7)	60,417	-	19,908	-	2200	Other payables (note 6(r) and 7)	119,973	1	94,703	1
1300	Inventories, merchandising business, net (note 6(d))	4,702	-	4,815	-	2230	Current tax liabilities	3,430	-	51,964	-
1320	Inventories (for construction business), net (notes 6(d) 、7,8 and 9)	11,801,569	77	7,387,259	68	2321	Current Portion of puttable bonds (notes 6(i) and 8)	999,808	7	-	-
1410	Prepayment	67,667	1	49,055	-	2399	Other current liabilities, others	27,487	-	19,865	-
1476	Other financial assets-current (notes 6(k), 7 and 8)	185,461	1	119,084	1			<u>6,957,224</u>	<u>46</u>	<u>2,131,427</u>	<u>19</u>
1479	Other current assets, others	31,791	-	24,240	-	Non-Current liabilities:					
1480	Current assets recognised as incremental costs to obtain contract with customers (note 6(e))	<u>128,927</u>	<u>1</u>	<u>74,129</u>	<u>1</u>	2530	Bonds payable (notes 6(j) and 8)	1,798,644	12	2,198,773	20
		<u>14,489,764</u>	<u>94</u>	<u>10,275,004</u>	<u>93</u>	2570	Deferred tax liabilities (notes 6(n))	-	-	468	-
						2600	Total other non-current liabilities	<u>5,110</u>	<u>-</u>	<u>7,350</u>	<u>-</u>
Non-current assets:								<u>1,803,754</u>	<u>12</u>	<u>2,206,591</u>	<u>20</u>
1510	Non-current financial assets at fair value through profit or loss	4,429	-	-	-		Total liabilities	<u>8,760,978</u>	<u>58</u>	<u>4,338,018</u>	<u>39</u>
1517	Non-current financial assets at fair value through other comprehensive income (notes 6 (b))	122,580	1	79,920	1	Equity attributable to owners of parent (note 6(o)):					
1600	Property, plant and equipment (notes 6(f) and 8)	78,277	1	78,500	1	3100	Common stock	3,265,542	21	3,309,030	30
1760	Investment property (note 6(g) and 8)	91,568	1	66,841	1	3200	Capital surplus	185,955	1	196,752	2
1780	Intangible assets	16,679	-	17,658	-	3300	Total retained earnings	3,031,694	20	3,194,165	30
1840	Deferred tax assets (note 6(n))	112,481	1	91,166	1	3400	Other equity	61,380	-	18,720	-
1975	Net defined benefit asset, non-current (note 6(m))	5,636	-	2,342	-	3500	Treasury stock	-	-	(178,324)	(1)
1980	Other non-current financial assets (notes 8)	371,583	2	250,287	3		Total equity	6,544,571	42	6,540,343	61
1990	Other non-current assets, others	<u>12,552</u>	<u>-</u>	<u>16,643</u>	<u>-</u>						
		<u>815,785</u>	<u>6</u>	<u>603,357</u>	<u>7</u>						
	Total assets	<u>\$ 15,305,549</u>	<u>100</u>	<u>10,878,361</u>	<u>100</u>		Total liabilities and equity	<u>\$ 15,305,549</u>	<u>100</u>	<u>10,878,361</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(q) and 7)	\$ 1,715,968	100	1,491,772	100
5000	Operating cost (note 6(d) and (m))	<u>1,297,251</u>	<u>76</u>	<u>1,055,716</u>	<u>71</u>
5900	Gross profit (loss) from operations	<u>418,717</u>	<u>24</u>	<u>436,056</u>	<u>29</u>
6000	Operating expenses (note 6(e), (m), (r) 、 7 and 11):				
6100	Selling expenses	96,118	6	133,714	9
6200	Administrative expenses	<u>101,711</u>	<u>6</u>	<u>92,767</u>	<u>6</u>
		<u>197,829</u>	<u>12</u>	<u>226,481</u>	<u>15</u>
6900	Operating profit	<u>220,888</u>	<u>12</u>	<u>209,575</u>	<u>14</u>
7000	Non-operating income and expenses:				
7100	Total interest income	3,503	-	7,727	1
7010	Other income (note 6(l), (m) and 7)	9,151	1	8,315	1
7020	Other gains and losses (note 6(s))	(262)	-	(137)	-
7050	Finance costs, net	<u>(18,160)</u>	<u>(1)</u>	<u>(4,728)</u>	<u>-</u>
		<u>(5,768)</u>	<u>-</u>	<u>11,177</u>	<u>2</u>
7900	Profit (loss) from continuing operations before tax	215,120	12	220,752	16
7950	Less: Income tax expense (note 6(n))	<u>(7,158)</u>	<u>-</u>	<u>37,777</u>	<u>3</u>
8200	Profit (loss)	<u>222,278</u>	<u>12</u>	<u>182,975</u>	<u>13</u>
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans (note 6(m))	-	-	(97)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(b) and (o))	42,660	2	7,920	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>(19)</u>	<u>-</u>
8300	Other comprehensive income (net of tax)	<u>42,660</u>	<u>2</u>	<u>7,842</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 264,938</u>	<u>14</u>	<u>190,817</u>	<u>14</u>
	Basic earnings per share (note 6(p))				
9750	Basic earnings per share	<u>\$ 0.68</u>		<u>0.53</u>	
9850	Diluted earnings per share	<u>\$ 0.68</u>		<u>0.53</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Retained earnings					Total other equity interest	Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2020	\$ 3,008,209	286,998	417,104	2,985,231	3,402,335	10,800	-	6,708,342
Profit	-	-	-	182,975	182,975	-	-	182,975
Other comprehensive income (net for tax)	-	-	-	(78)	(78)	7,920	-	7,842
Comprehensive income	-	-	-	182,897	182,897	7,920	-	190,817
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	158,850	(158,850)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(90,246)	(90,246)	-	-	(90,246)
Stock dividends of ordinary share	300,821	-	-	(300,821)	(300,821)	-	-	-
Other changes in capital surplus:								
Cash dividends from capital surplus	-	(90,246)	-	-	-	-	-	(90,246)
Purchase of treasury share	-	-	-	-	-	-	(178,324)	(178,324)
Balance at December 31, 2020	3,309,030	196,752	575,954	2,618,211	3,194,165	18,720	(178,324)	6,540,343
Profit	-	-	-	222,278	222,278	-	-	222,278
Other comprehensive income	-	-	-	-	-	42,660	-	42,660
Comprehensive income	-	-	-	222,278	222,278	42,660	-	264,938
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	18,290	(18,290)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(93,301)	(93,301)	-	-	(93,301)
Stock dividends of ordinary share	155,502	-	-	(155,502)	(155,502)	-	-	-
Purchase of treasury share	-	-	-	-	-	-	(167,409)	(167,409)
Retirement of treasury share	(198,990)	(10,797)	-	(135,946)	(135,946)	-	345,733	-
Balance at December 31, 2021	\$ 3,265,542	185,955	594,244	2,437,450	3,031,694	61,380	-	6,544,571

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 215,120	220,752
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	7,041	3,688
Amortization expense	2,439	1,740
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	79	-
Interest expense	18,160	4,728
Interest income	(3,503)	(7,727)
Pension	-	34
	(3,294)	-
Total adjustments to reconcile profit (loss)	20,922	2,463
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in contract assets	(18,913)	(2,101)
Decrease (increase) in notes receivable - related parties	39,612	(39,068)
(Increase) decrease in accounts receivable - related parties	(41,122)	113,148
(Increase) decrease in inventories	(4,342,512)	67,784
(Increase) decrease in other prepayments	(18,635)	24,987
Decrease (increase) other current assets	(11,851)	(700)
Increase (decrease) in other financial assets	33,957	(112,567)
Increase in assets recognised as incremental costs to obtain contract with customers	(54,798)	(13,211)
Total changes in operating assets	(4,414,262)	38,272
Changes in operating liabilities:		
Increase in contract liabilities	192,585	125,171
Increase (decrease) in notes payable	32,873	(3,951)
Increase (decrease) in accounts payable	48,491	(12,626)
Increase (decrease) increase in other receivable	25,183	(82,584)
Increase (decrease) in other current liabilities	6,739	(10,972)
Total changes in operating liabilities	305,871	15,038
Total changes in operating assets and liabilities	(4,108,391)	53,310
Total adjustments	(4,087,469)	55,773
Cash inflow generated from operations	(3,872,349)	276,525
Interest paid	(114,975)	(99,580)
Income taxes paid	(58,859)	(17,318)
Net cash flows from (used in) operating activities	(4,046,183)	159,627

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(4,508)	-
Acquisition of property, plant and equipment	(1,526)	(875)
Acquisition of intangible assets	(1,437)	(2,829)
Increase in other financial assets	(221,630)	65,056
Decrease (increase) in other non-current assets	2,280	(495)
Interest received	3,503	7,727
Net cash flows from (used in) investing activities	(223,318)	68,584
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	4,878,770	396,900
Decrease in short-term borrowings	(1,451,088)	(10)
Increase in short-term notes and bills payable	140,000	-
Proceeds from issuing bonds	599,155	-
Repayments of bonds	-	(1,000,000)
Payment of lease liabilities	(4,226)	(1,408)
Increase in other non-current liabilities	402	239
Cash dividends paid	(93,301)	(180,492)
Payments to acquire treasury shares	(167,409)	(178,324)
Net cash flows from used in financing activities	3,902,303	(963,095)
Net (decrease) increase in cash and cash equivalents	(367,198)	(734,884)
Cash and cash equivalents at beginning of period	2,532,976	3,267,860
Cash and cash equivalents at end of period	\$ 2,165,778	2,532,976



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Independent Auditors' Report

To the Board of Directors of San Far Property Limited:

Opinion

We have audited the financial statements of San Far Property Limited("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As mentioned in Note 11 of the parent-company-only financial statements, the Ministry of Justice Investigation Bureau, Kaohsiung City has conducted an investigation in the Company on February 17, 2022 and seized its subsidiary ledgers, as well as all the contracts entered into with, and the vouchers of commission paid to, the related three advertising companies, Yueteng Advertising Co., Ltd., Dage Advertising Co., Ltd., and Hong Tai Advertising Co., Ltd., within 2014 to 2020. Please refer to note 11 and 12 (2) for information related to the above transactions. We did not revise the review opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



1. Revenue recognition

Please refer to note 4(m) for the Company's individual financial statement on revenue recognition, and 6(q) for detailed contract revenue from customers.

Description of key audit matter:

A major income of the Company is from selling the real estate, and the risk of material misrepresentation lies in the authenticity of income. Since operating income involves the operating performance of the management, a possible risk of material misstatement may occur if the management does not recognize the income at the right point of time in accordance with the regulations. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Audit procedures performed:

- Test on the control of sales and payments received, evaluate and eliminate any possible misstatement or fraud recognized;
- Test on the appropriateness of the time income is recognized; randomly select samples to check whether the contract and relevant documents are transferred between the Company and customers; check the documents in the selling systems and general ledger to evaluate whether the Company's revenue recognition policy is in accordance with relevant regulations.

2. Inventory valuation

Please refer to note 4(f) of individual financial statement for detailed inventory valuation policy, and to note 6(c) for assumptions and uncertainties.

Description of key audit matter:

The key asset of the Company is its inventories, with a portion of 77% of the total assets. Inventory evaluation of the Company is in accordance with International Accounting Standards for Report No. 2. There may be a misstatement of financial report when the net realizable value is inappropriate. Therefore, the test on inventory valuation is regarded as one of the most important evaluation in performing our audit procedures.

Audit procedures performed:

Acquire assessment data of the net realizable value of inventories of the Company and its subsidiaries, randomly select samples to check the signed contracts, and refer to the latest current real estate prices announced by the Ministry of the Interior or obtain transaction quotations in neighboring areas. Then, convert the average selling price to net realizable value of the real estate inventory, and compare whether there is a significant difference in between. In addition, analysis tables of investment return by cases are also acquired to compare with the market condition and evaluate whether the assessment data of the net realizable value of inventories are fairly measured and presented.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of a most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yilien Han and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 30, 2022

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED
Balance Sheets
December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020			
	Amount	%	Amount	%		Amount	%	Amount	%		
Assets											
Current assets:											
1100	Cash and cash equivalents (note 6(a))	\$ 2,097,346	14	2,496,225	23	2100	Short-term borrowings (notes 6(i) and 8)	\$ 4,967,892	33	1,540,210	14
1150	Notes receivable, net (note 6(q))	30	-	-	-	2110	Short-term transaction instrument payables (notes 6(h) and 8)	140,000	1	-	-
1170	Accounts receivable, net (note 6(q))	-	-	44	-	2130	Current contract liabilities (notes 6(k), (q) and 9)	418,521	3	229,267	2
1320	Inventories (for construction business), net (notes 6(c), 7 and 8)	11,815,464	77	7,294,062	68	2151	Notes payable	44,998	-	29,441	-
1410	Prepayment	57,628	-	30,932	-	2161	Notes payable to related parties (note 7)	115,704	1	28,165	-
1476	Other financial assets-current (notes 6(k) and 8)	187,559	1	111,939	1	2170	Accounts payable (note 11)	28,694	-	20,786	-
1479	Other current assets, others	17,681	-	11,666	-	2180	Total accounts payable to related parties (note 7)	91,750	-	34,869	-
1480	Current assets recognised as incremental costs to obtain contract with customers (note 6(d))	128,927	1	74,129	1	2200	Other payables (note 7)	106,402	1	85,073	1
						2230	Current tax liabilities (note 6(n))	105	-	51,207	1
						2321	Current Portion of puttable bonds (notes 6(j) and 8)	999,808	7	-	-
						2399	Other current liabilities, others	10,333	-	5,315	-
		<u>14,304,635</u>	<u>93</u>	<u>10,018,997</u>	<u>93</u>			<u>6,924,207</u>	<u>46</u>	<u>2,024,333</u>	<u>18</u>
Non-current assets:											
1510	Total non-current financial assets at fair value through profit or loss	4,429	-	-	-	Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	122,580	1	79,920	1	2530	Bonds payable (notes 6(j) and 8)	1,798,644	12	2,198,773	21
1550	Investments accounted for using equity method, net (notes 6(e))	181,083	1	176,207	2	2600	Total other non-current liabilities	1,138	-	477	-
1600	Property, plant and equipment (notes 6(f) and 8)	76,501	1	77,022	1			<u>1,799,782</u>	<u>12</u>	<u>2,199,250</u>	<u>21</u>
1760	Investment property (notes 6(g) and 8)	91,568	1	66,841	-	Total liabilities					
1780	Intangible assets	716	-	892	-			<u>8,723,989</u>	<u>58</u>	<u>4,223,583</u>	<u>39</u>
1840	Deferred tax assets (note 6(n))	111,531	1	90,414	1	Equity attributable to owners of parent:(note 6(o))					
1920	Guarantee deposits paid	3,338	-	3,346	-	3100	Common stock	3,265,542	21	3,309,030	31
1980	Other non-current financial assets (notes 8)	371,583	2	250,287	2	3200	Capital surplus	185,955	1	196,752	2
1990	Other non-current assets, others	596	-	-	-	3300	Total retained earnings	3,031,694	20	3,194,165	30
		963,925	7	744,929	7	3400	Other equity (note 6(b))	61,380	-	18,720	-
						3500	Treasury stock	-	-	(178,324)	(2)
								<u>6,544,571</u>	<u>42</u>	<u>6,540,343</u>	<u>61</u>
Total assets		<u>\$ 15,268,560</u>	<u>100</u>	<u>10,763,926</u>	<u>100</u>	Total liabilities and equity		<u>\$ 15,268,560</u>	<u>100</u>	<u>10,763,926</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (note 6 (q))	\$ 1,438,415	100	1,342,142	100
5000	Operating cost (note 6(m))	<u>1,065,646</u>	<u>74</u>	<u>950,481</u>	<u>71</u>
5900	Gross profit (loss) from operations	<u>372,769</u>	<u>26</u>	<u>391,661</u>	<u>29</u>
6100	Selling expenses (notes 6(d), 7 and 11)	74,938	5	114,131	8
6200	Administrative expenses (notes 6(m), (r) and 7)	<u>83,708</u>	<u>6</u>	<u>79,378</u>	<u>6</u>
		<u>158,646</u>	<u>11</u>	<u>193,509</u>	<u>14</u>
6900	Net operating income (loss)	<u>214,123</u>	<u>15</u>	<u>198,152</u>	<u>15</u>
7000	Non-operating income and expenses:				
7100	Total interest income	3,425	-	7,628	1
7010	Other income (note 6(l) and 7)	3,982	-	6,566	-
7020	Other gains and losses	(134)	-	-	-
7050	Finance costs, net (notes 6(s))	(18,001)	(1)	(4,653)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>8,686</u>	<u>1</u>	<u>11,603</u>	<u>1</u>
		<u>(2,042)</u>	<u>-</u>	<u>21,144</u>	<u>2</u>
7900	Profit (loss) from continuing operations before tax	212,081	15	219,296	17
7950	Less: Income tax expenses (profits) (note 6(n))	<u>(10,197)</u>	<u>(1)</u>	<u>36,321</u>	<u>3</u>
	Profit (loss)	<u>222,278</u>	<u>16</u>	<u>182,975</u>	<u>14</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(o))	42,660	3	7,920	1
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	-	-	(78)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	Other comprehensive income	<u>42,660</u>	<u>3</u>	<u>7,842</u>	<u>1</u>
	Total comprehensive income	<u>\$ 264,938</u>	<u>19</u>	<u>190,817</u>	<u>15</u>
	Basic earnings per share (note 6(p))				
	Basic earnings per share(NT dollars)	<u>\$ 0.68</u>		<u>0.53</u>	
	Diluted earnings per share(NT dollars)	<u>\$ 0.68</u>		<u>0.53</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED
Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Total other equity interest		Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		
Balance at January 1, 2020	\$ 3,008,209	286,998	417,104	2,985,231	3,402,335	10,800	-	6,708,342
Profit (loss)	-	-	-	182,975	182,975	-	-	182,975
Other comprehensive income	-	-	-	(78)	(78)	7,920	-	7,842
Total comprehensive income	-	-	-	182,897	182,897	7,920	-	190,817
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	158,850	(158,850)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(90,246)	(90,246)	-	-	(90,246)
Stock dividends of ordinary share	300,821	-	-	(300,821)	(300,821)	-	-	-
Other changes in capital surplus:								
Cash dividends from capital surplus	-	(90,246)	-	-	-	-	-	(90,246)
Purchase of treasury share	-	-	-	-	-	-	(178,324)	(178,324)
Balance at December 31, 2020	3,309,030	196,752	575,954	2,618,211	3,194,165	18,720	(178,324)	6,540,343
Profit (loss)	-	-	-	222,278	222,278	-	-	222,278
Other comprehensive income	-	-	-	-	-	42,660	-	42,660
Total comprehensive income	-	-	-	222,278	222,278	42,660	-	264,938
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	18,290	(18,290)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(93,301)	(93,301)	-	-	(93,301)
Stock dividends of ordinary share	155,502	-	-	(155,502)	(155,502)	-	-	-
Other changes in capital surplus:								
Purchase of treasury share	-	-	-	-	-	-	(167,409)	(167,409)
Retirement of treasury share	(198,990)	(10,797)	-	(135,946)	(135,946)	-	345,733	-
Balance at December 31, 2021	\$ 3,265,542	185,955	594,244	2,437,450	3,031,694	61,380	-	6,544,571

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
SAN FAR PROPERTY LIMITED

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 212,081	219,296
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,255	1,536
Amortization expense	496	250
Net loss on financial assets or liabilities at fair value through profit or loss	79	-
Interest expense	18,001	4,653
Interest income	(3,425)	(7,628)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(8,686)	(11,603)
Total adjustments to reconcile profit (loss)	8,720	(12,792)
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes receivable	(30)	500
Decrease in accounts receivable	44	132,854
(Increase) decrease in inventories	(4,449,717)	135,291
(Increase) decrease in prepayments	(26,696)	26,929
(Increase) decrease in other current assets	(6,015)	4,372
Decrease (increase) in other financial assets	34,387	(111,939)
Decrease in assets recognised as incremental costs to obtain contract with customers	(54,798)	(13,211)
Total changes in operating assets	(4,502,825)	174,796
Changes in operating liabilities:		
Increase in contract liabilities	189,254	125,171
Increase (decrease) in notes payable	103,096	(61,188)
Increase (decrease) in accounts payable	64,789	(47,050)
Increase (decrease) in other payable	21,242	(76,380)
Increase (decrease) in other current liabilities	4,720	(10,955)
Total changes in operating liabilities	383,101	(70,402)
Total changes in operating assets and liabilities	(4,119,724)	104,394
Total adjustments	(4,111,004)	91,602
Cash inflow (outflow) generated from operations	(3,898,923)	310,898
Interest paid	(114,816)	(99,506)
Income taxes paid	(62,022)	(17,318)
Net cash flows from (used in) operating activities	(4,075,761)	194,074

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SAN FAR PROPERTY LIMITED

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(4,508)	-
Acquisition of property, plant and equipment	(422)	(160)
Increase in refundable deposits	8	(350)
Acquisition of intangible assets	(320)	(979)
(Increase) decrease in other financial assets	(231,303)	65,056
Interest received	3,425	7,628
Dividends received	<u>3,810</u>	<u>2,273</u>
Net cash flows from (used in) investing activities	<u>(229,310)</u>	<u>73,468</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	4,878,770	396,900
Decrease in short-term loans	(1,451,088)	-
Increase in short-term notes and bills payable	140,000	-
Proceeds from issuing bonds	599,155	-
Repayments of bonds	-	(1,000,000)
Increase in other non-current liabilities	358	215
Cash dividends paid	(93,301)	(180,492)
Payments to acquire treasury shares	(167,409)	(178,324)
Issuance of preference shares by subsidiaries	<u>(293)</u>	<u>-</u>
Net cash flows from (used in) financing activities	<u>3,906,192</u>	<u>(961,701)</u>
Net increase (decrease) in cash and cash equivalents	<u>(398,879)</u>	<u>(694,159)</u>
Cash and cash equivalents at beginning of period	<u>2,496,225</u>	<u>3,190,384</u>
Cash and cash equivalents at end of period	<u><u>\$ 2,097,346</u></u>	<u><u>2,496,225</u></u>

Attachment 5: Comparison Table for the “Articles of Incorporation” Before and After the Amendment of part of the Articles

Sanfar Property Limited

Comparison Table for the “Articles of Incorporation” Before and After the Amendment of part of the Articles

Article No.	Amended Article	Current Article	Note
Article 9-1	<u>The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the Ministry of Economics.</u>		<ol style="list-style-type: none"> 1. The article is added 2. Article 172-2 of the Company Act was promulgated and amended on December 29, 2021. Public companies may apply the provisions of video conferences for shareholders' meetings. According to the content of the first paragraph of that Article, the Articles of the Incorporation may stipulate that the shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority, which would be the Ministry of Economics.
Article 25	(Omitted) The 28th amendment made on July 27th, 2021 <u>The 29th amendment made on June 30th, 2022</u>	(Omitted) The 28th amendment made on July 27th, 2021	Add the date of the 29th amendment

Attachment 6: Comparison Table for Shareholders' meeting procedure rules Before and After Amendment of part of the Articles

Sanfar Property Limited

Comparison Table for Shareholders' meeting procedure rules Before and After Amendment of part of the Articles

Article No.	Amended Article	Current Article	Note
Article 3	<p>Unless otherwise provided by law or regulation, this Company's shareholders' meetings shall be convened by the board of directors.</p> <p>(added) Changes to how this Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than the mailing of the shareholders' meeting notice.</p> <p>(Omitted)</p> <p>(added) This Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholder's meeting:</p> <ol style="list-style-type: none"> 1. For physical shareholders' meetings, to be distributed on-site at the meeting. 2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. 3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform. <p>(Omitted)</p>	<p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.</p> <p>(Omitted)</p>	<p>Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice. Add the second paragraph accordingly. To provide the meeting agenda and supplemental meeting materials, add the fourth paragraph accordingly.</p>

Article 4	(Omitted) (Added) <u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by proxy shall prevail.</u>	(Omitted)	After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. Add Article 4 accordingly.
Article 5	The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. (added) <u>The preceding restrictions on the place of the meeting shall not apply when this Company convenes a virtual-only shareholders' meeting.</u>	The venue for a shareholders' meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.	Add paragraph 2, the restrictions on the place of the meeting shall not apply when this Company convenes a virtual-only shareholders' meeting.
Article 6	This Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention. The time during which	The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. The time during which	<ol style="list-style-type: none"> 1. Items 4 and 5 are not amended. 2. When the Company convenes a shareholders' meeting by visual communication network , in order to enable shareholders to know the operating procedures of the virtual meeting

	<p>shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed to have attended the shareholders' meeting in person.</u> (Omitted) <u>(added) In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with this Company two days before the meeting date.</u> <u>(added) In the event of a virtual shareholders' meeting, this Company shall upload the meeting agenda book, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the meeting commence time. The place at which attendance registrations are accepted shall be clearly marked, and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>(Omitted)</p>	<p>platform, the Company shall record it in the meeting notice; If a visual shareholders' meeting is held, since there is only one way to participate in virtual, for some shareholders who have a digital divide, <u>appropriate alternative measures should be provided for these shareholders, such as exercising their voting rights in writing or providing shareholders with a rental necessary equipment to participate in the video conference, etc.</u> If it is limited by the size of the layout of the meeting notice, and it shall record the main idea of each operation period and method, so, the first paragraph is amended accordingly.</p> <ol style="list-style-type: none"> 3. In order to specify the time and the procedure of the registration for the shareholders to attend the shareholders' meeting by visual, the second paragraph is amended accordingly. 4. Shareholders wishing to attend the meeting online shall register with this Company two days before the meeting date, <u>so,</u> paragraph 6 is added accordingly. 5. In order to enable shareholders attending the meeting online to read relevant materials such as the meeting agenda book and the annual report, this
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			<p>Company shall upload these materials to the virtual meeting platform, so paragraph 7 is added accordingly.</p>
<p>Article 6-1</p>	<p>(added) To convene a virtual shareholders' meeting, this Company shall include the following particulars in the shareholders' meeting notice:</p> <ol style="list-style-type: none"> 1. How shareholders attend the virtual meeting and exercise their rights. 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. (2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session (3) In case of a hybrid shareholders' meeting, when the 		<ol style="list-style-type: none"> 2. When the Company convenes a shareholders' meeting by visual communication network, in order to enable shareholders to know the operating procedures of the virtual meeting platform, the Company shall record it in the meeting notice; If a visual shareholders' meeting is held, since there is only one way to participate in virtual, for some shareholders who have a digital divide, appropriate alternative measures should be provided for these shareholders, such as exercising their voting rights <u>in writing or providing shareholders with a rental necessary equipment to participate in the video conference, etc.</u> If it is limited by the size of the layout of the meeting notice, and it shall record the main idea of each operation period and method, so, the first paragraph is amended accordingly.

	<p>virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders, meeting.</p> <p>(4) Actions to be taken if the outcome of all proposals has been announced and an extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with</p>		
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	difficulties in attending a virtual shareholders' meeting online shall be specified.		
Article 8	<p>This Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The audio and video recording referred to in the preceding paragraph shall be safe kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such material shall be retained until the conclusion of the litigation.</p> <p><u>(added)Where a shareholders' meeting is held online, this Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>(added)The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to</u></p>	<p>This Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The audio and video recording referred to in the preceding paragraph shall be safe kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such material shall be retained until the conclusion of the litigation.</p>	<ol style="list-style-type: none"> 1. The first and the second paragraph are not amended. 2. <u>Refer to Article 183 of the Company Act, and Article 18 of Regulations Governing Procedure for Board of Directors Meetings of Public Companies, specify that the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end, and it shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting, so, the paragraph 3 and 4 are added accordingly.</u>

	<p><u>handle matters of the virtual meeting.</u> <u>(added)In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>		
Article 9	<p>Attendance at shareholders' meetings shall be calculated based on the numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the <u>shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and <u>disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of</p>	<p>Attendance at shareholders' meetings shall be calculated based on the numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in; if the Company adopts exercising the voting rights by correspondence or electronically, the number of shares shall be calculated together.</p> <p>The chair shall call the meeting to order at the scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.</p>	<ol style="list-style-type: none"> 1. Paragraph 4 is not amended 2. In order to specify that when the Company's shareholders' meeting is held by virtual, the total number of shares attended by shareholders should be added to the number of shares registered by virtual, so, paragraph 1 is amended accordingly. 3. In the event of a virtual shareholders, meeting, if the chair declares the meeting adjourned, the Company shall also declare the meeting adjourned at the virtual meeting platform, so amended paragraph 2 accordingly. 4. If the Company resolves to convene another shareholders' meeting, and the shareholders wishes to attend the meeting online shall register with the Company, so, amended paragraph 3 accordingly.

	<p>issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. <u>In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.</u></p> <p>(Omitted)</p>	<p>If the quorum is not met after two postponements as referred to in the preceding paragraph. Still, the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.</p> <p>(Omitted)</p>	
Article 11	<p>(Omitted)</p> <p><u>(added) Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not</u></p>	(Omitted)	<ol style="list-style-type: none"> 1. Paragraph 1 to paragraph 6 are not amended. 2. In order to specify the way, procedures and restrictions for shareholders participating in the shareholders' meeting by virtual, so, paragraph 7 is added accordingly. 3. In order to help other shareholders understand the content of the questions asked by the shareholders, the Company may filter

	<p><u>apply.</u> <u>(added) As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable that the questions be disclosed to the public at the virtual meeting platform.</u></p>		<p>the questions that are not related to various issues of the shareholders' meeting, and the rest of the questions asked by the shareholders should be disclosed on the virtual platform, so, paragraph 8 is added accordingly.</p>
<p>Article 13</p>	<p>(Omitted) After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. (Omitted) <u>(added) When the Company convenes a virtual shareholders'</u></p>	<p>(Omitted) If the shareholder after delivering a proxy form to the company intends to attend the shareholders' meeting in person, a written notice of proxy cancellation shall be submitted to the company two days before the shareholders' meeting date in the way same as exercising voting right. If the cancellation notice is submitted after that time, votes cast by correspondence or electronically shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. (Omitted)</p>	<ol style="list-style-type: none"> 1. Paragraphs 1 to 3, and paragraphs 5 to 7 are not amended. 2. In order to specify that after the shareholders exercise their voting rights by correspondence or electronic means, if they wish to attend the shareholders' meeting by virtual, they should first cancel them in the way same as exercising voting right, so, paragraph 4 is amended accordingly. 3. In the event of a virtual shareholders' meeting, in order to let the shareholders participating by virtual to have sufficient voting time, from the time when the chairman declare the meeting open until the chair declare the voting session ends, all original proposals can be voted. Votes shall be counted at once, to cooperate the voting time of shareholders who participate by virtual, so, added accordingly. 4. For the shareholders participating a hybrid shareholders' meeting,

	<p><u>meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>(added) In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>(added) When the Company convenes a hybrid shareholders' meeting, if shareholders, solicitors and proxies who have registered to attend the meeting online in accordance with Article 6, decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.</u></p> <p><u>(added) When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the</u></p>		<p>if the shareholder have already registered to attend the meeting by virtual, and want to change to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online, so, added accordingly.</p> <p>5. Refer to Jin-Shang-Zhi letter no. 1012404740, issued by the Ministry of Economics dated February 24, 2012, and Jin-Shan-Zhi letter no. 10102414350 dated May 3rd, 2012, these clarify that shareholders who exercise voting rights by electronic means, and do not withdraw the declaration of intent, they will not make any amendments to the original proposals or exercise voting rights. However, the shareholder can still attend the shareholders' meeting on the day of the shareholders' meeting, and can raise special motions and exercise the voting right. Considering that both correspondence and electronic voting are the ways for shareholders to</p>
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	<p><u>original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		<p>exercise their rights, based on the principle of fair treatment, correspondence voting shall also follow the spirit of the above standard of the electronic voting , so, it is specify in Article 10 that shareholders who exercise their voting rights by correspondence or electronic means can still register to participate in the shareholders' meeting by virtual if they have not canceled their declaration of intention. Except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</p>
<p>Article 15</p>	<p>(Omitted) <u>(added) Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are</u></p>	<p>(Omitted)</p>	<ol style="list-style-type: none"> 1. Paragraphs 1 to 3 are not amended. 2. In order to facilitate the shareholders' understanding the results of convening the virtual shareholders' meeting , alternative measures for shareholders with digital divide, and the methods and circumstances of handling disconnection, in addition to the matters that shall be recorded in accordance with paragraph 3, the start and end time of the meeting, how the

	<p><u>dealt with shall also be included in the minutes.</u></p> <p><u>When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.</u></p>		<p>meeting is convened, the chair's and secretary's name, the alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to force majeure events, and how issues are dealt with, shall also be included.</p>
Article 16	<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, <u>the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders' meeting. <u>In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u> <u>During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting</u></p>	<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders' meeting.</p>	<ol style="list-style-type: none"> 1. In order to make the shareholders know the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, the Company shall <u>disclose such at the place of the shareholders' meeting.</u> <u>In the event of a virtual shareholders' meeting, shall upload such to the virtual meeting platform,</u> so amended paragraph 1 accordingly. 2. In order to enable the shareholders participating in the virtual shareholders' meeting to know <u>whether the number of attending shares has reached the threshold for holding a shareholders' meeting simultaneously, it is</u>

	<p><u>shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> If matters put to a resolution at a shareholders' meeting constitute material information under applicable law or regulations or under the regulations of Taiwan Stock Exchange Corporation (or TPEx), the company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable law or regulations or under the regulations of Taiwan Stock Exchange Corporation (or TPEx), the company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p><u>clearly specified that the company should disclose the number of the attending shares on the video conference platform when announcing the opening of the meeting. If there are any more statistics on the attendance of shareholders, it should also be disclosed on the video conference platform, so paragraph 2 is added accordingly.</u></p>
<u>Article 18-1</u>	<p><u>(added) In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>		<ol style="list-style-type: none"> 1. The article is added. 2. In order to make the shareholders participating in the virtual shareholders' meeting can immediately know the voting status and election results of various resolutions, regulating sufficient information disclosure time, so, this article is added accordingly.
<u>Article 18-2</u>	<p><u>(added) When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>		<ol style="list-style-type: none"> 1. The article is added. 2. When the shareholders' meeting is held by virtual and there is no physical meeting place, the chairman shall chair the meeting within the domestic territory. In addition, in order to inform the shareholders of the location of the chairman, the chairman shall announce the

			address of his/her location at the time of the meeting, so, the article is added accordingly.
<u>Article 18-3</u>	<p><u>(added) In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u></p> <p><u>In the event of a virtual shareholders' meeting, when the chair declares the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders</u></p>		<ol style="list-style-type: none"> 1. The article is added. 2. In order to reduce the communication problems of video conferences, with reference to foreign practices, a connection test may be provided before the conference, and related services will be provided immediately before and during the conference to assist in handling technical problems of communication, and the first paragraph is added accordingly. 3. Considering that when the company holds a virtual shareholders' meeting, in order to protect the rights and interests of shareholders, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. If the video conference platform, that is, the system of the main venue of the company, is disconnected, excluding the disconnection caused by individual shareholders of their own factors, if the disconnection lasts for

	<p><u>who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights, and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the</u></p>		<p>more than 30 minutes, the date of postponement or resume of the meeting is not applicable to Article 182 of the Company Act, it specify the chairman shall take relevant measures during the meeting, so, the second paragraph is added accordingly.</p> <p>4. <u>For the meeting cannot be resumed due to communication obstacles, and the shareholders' meeting needs to be postponed or resumed, for the proposal that the voting and counting of votes at the previous meeting have been completed, and the voting results or the list of elected directors and supervisors have been announced, shall be deemed as a completed resolution, there is no need to revise the discussion and resolution, so as to reduce the meeting time and cost of the continuation meeting.</u></p> <p>5. <u>Considering the fact that the resuming meeting that was postponed due to disconnection was consistence with the original shareholders' meeting, so, it is not necessary to re-handle the related preparatory work for the resuming shareholders' meeting based on the date of postponement or resuming the</u></p>
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	<p><u>virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public</u></p>		<p><u>shareholders' meeting in accordance with Article 44-20, paragraph 4 of Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>And, it is clear that shareholders who can participate in the postponement or renewal of the meeting are entitled to attend the shareholders' meeting. In order to specify the shareholders who can participate in the postponed or resumed meeting, the shareholders who are clearly listed in the register of shareholders of closing the stock transfer book for the original shareholders' meeting are entitled to attend the shareholders' meeting.</u></p> <p>6. In addition, when the virtual shareholders' meeting has been postponed, the latter paragraph of Article 12 and the third paragraph of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and paragraph 2 of Article 44-5, Article 44-15, paragraph 1 of Article 44-17, etc. of Regulations Governing the Administration of Shareholder Services of Public Companies, related to matters that need to be announced</p>
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	<p><u>Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.</u> <u>(Added). When the company convenes a virtual shareholders' meeting, it shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting by virtual.</u></p>		<p>and disclosed on the day of the shareholders' meeting, still need to be disclosed to shareholders on the day of the postponed or resumed meeting.</p> <p>7. Considering that the hybrid shareholders' meeting will be held physically and virtually at the same time, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events, there is still a physical shareholders' meeting. If the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, do not have to be postponed or resumed in accordance with paragraph 2.</p> <p>8. When convening a virtual-only shareholders' meeting, considering the shareholders with digital divide may be difficult to participate in the shareholders' meeting by virtual, the Company shall provide appropriate alternative measures available to shareholders, such as exercising voting rights</p>
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			by correspondence or providing shareholders with the rental necessary equipment for participating in the meeting, etc.
Article 19	(Omitted) The 10th amendment made on June 29, 2020. <u>The 11th amendment made on June 30th 2022..</u>	(Omitted) The 10th amendment made on June 29, 2020.	Add the date of the 11th amendment.

Attachment 7: Comparison Table of the amendment of part of the Articles of
“Procedures for handling the acquisition or disposal of assets”

Sanfar Property Limited

Comparison Table of the amendment of part of the Articles of “Procedures
for handling the acquisition or disposal of assets”

Article No.	Amended Article	Current Article	Note
Article 6	<p>Professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different 	<p>Professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different 	<p>Handling in accordance with the amendment of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by Financial Supervisory Commission on January 28, 2022.</p>

	<p>professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following <u>in accordance with the regulations governing its associations and self-regulatory rules</u>:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. <u>When examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the working papers of the case. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and reasonable</u>, and that they have complied with applicable laws and 	<p>professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When reviewing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the working papers of the case. 3. They shall undertake an item-by-item evaluation of the completeness, accuracy and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations. 	
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	regulations.		
Article 7	<p>Procedures for handling the acquisition or disposal of real property, equipment, or right-of-use assets</p> <p>1. Procedure of Evaluation and Operation: The Company acquires or disposes of real property, equipment or right-to-use assets, which shall be handled in accordance with the fixed assets cycle procedures of the Company's internal control system.</p> <p>(Omitted)</p> <p>4. Appraisal report of the real property or equipment The Company acquires or disposes of real property, equipment, or right-of-use assets , where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million dollars or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: (1) Where due to special circumstances, it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in</p>	<p>Procedures for handling the acquisition or disposal of real property, equipment, or right-of-use assets</p> <p>1. Procedure of Evaluation and Operation: The Company acquires or disposes of real property, equipment or right-to-use assets, which shall be handled in accordance with the fixed assets cycle procedures of the Company's internal control system.</p> <p>(Omitted)</p> <p>4. Appraisal report of the real property or equipment The Company acquires or disposes of real property, equipment, or right-of-use assets , where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million dollars or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: (1) Where due to special circumstances, it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in</p>	<p>1. Cooperating with Regulations Governing Establishment of Internal Control Systems by Public Companies” text term. “</p> <p>2. Handling in accordance with the amendment of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by Financial Supervisory Commission on January 28, 2022.</p>

	<p>advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion dollars or more, appraisals from two or more professional appraisers shall be obtained</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p>	<p>advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion dollars or more, appraisals from two or more professional appraisers shall be obtained</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant <u>shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p>	
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	<p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; Where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser</p> <p>(5) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.</p> <p>(6) The Company acquires or disposes of assets for business needs, except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report <u>shall be obtained within 2 weeks counting inclusively from the date of occurrence,</u> and the certified public accountant's opinion under subparagraph 3 of</p>	<p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>(5) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.</p> <p>(6) The Company acquires or disposes of assets for business needs, except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting</p>	
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	the preceding paragraph shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained	inclusively from the date of occurrence.	
Article 8	<p>Procedures for handling the acquisition or disposal of Securities Investment (Omitted)</p> <p>4. Acquiring the expert opinion (1) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference to appraising the transaction price. In addition, if the amount of the transaction reaches 20 percent of the company's paid-in capital or NT\$300 million dollars or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). (Omitted)</p>	<p>Procedures for handling the acquisition or disposal of Securities Investment (Omitted)</p> <p>4. Acquiring the expert opinion (1) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference to appraising the transaction price. 300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDE.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). (Omitted)</p>	<p>Handling in accordance with the amendment of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by Financial Supervisory Commission on January 28, 2022.</p>

<p>Article 9</p>	<p>Procedures for handling the Related Party Transaction (Omitted)</p> <p>2. Procedure of Evaluation and Operation</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million dollars or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors (or audit committee):</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction</p>	<p>Procedures for handling the Related Party Transaction (Omitted)</p> <p>2. Procedure of Evaluation and Operation</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million dollars or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors (or audit committee):</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction</p>	<p>Handling in accordance with the amendment of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by Financial Supervisory Commission on January 28, 2022.</p>
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	<p>terms in accordance with subparagraphs (1) and (4) of paragraph 3 of this Article.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>If the Company has the paragraph 2 transaction, and the transaction amount is more than 10% of the total assets of the Company, the Company shall submit the materials listed in paragraph 2 to the shareholders' meeting for approval. The transaction contract can be signed and the payment can be made after obtaining the approval. However, the transaction between the company and its parent company, subsidiaries, or its subsidiaries is not limited to this.</u></p>	<p>terms in accordance with subparagraphs (1) and (4) of paragraph 3 of this Article.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p>	
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	<p>The calculation of the transaction amounts referred to in paragraph 2 and the preceding paragraph shall be made in accordance with Article 14 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or board of directors and recognized by the supervisors (or audit committee) need not be counted toward the transaction amount. (Omitted)</p>	<p>The calculation of the transaction amounts referred to the preceding paragraph shall be made in accordance with Article 14 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or board of directors and recognized by the supervisors (or audit committee) need not be counted toward the transaction amount. (Omitted)</p>	
Article 10	<p>Procedures for handling the acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>1. Procedures for Evaluation and Operation: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships, which shall be handled in accordance with the real property, plant and equipment cycle procedures of the Company.</p> <p>2. Procedure for determining transaction conditions and the degree of authority delegated. (1) The acquisition or disposal of membership shall refer to the fair market value in deciding the terms and conditions of the transaction and transaction price and make these into an analysis report and report such to the general manager; when the price is less than 1% of the</p>	<p>Procedures for handling the acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>1. Procedure of Evaluation and Operation: The Company acquires or disposes of intangible assets or right-to-use assets thereof, which shall be handled in accordance with the fixed assets cycle procedures of the Company's internal control system.</p> <p>2. Procedure for determining transaction conditions and the degree of authority delegated. (1) The acquisition or disposal of membership shall refer to the fair market value in deciding the terms and conditions of the transaction and transaction price and make these into an analysis report and report such to the general manager; when the price is less than 1% of the</p>	<p>1. Cooperating with "Regulations Governing Establishment of Internal Control Systems by Public Companies" text term.</p> <p>2. Handling in accordance with the amendment of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by Financial Supervisory Commission on January 28, 2022.</p>

	<p>paid-in capital or less than NT\$ 3,000,000 shall be submitted to the general manager for approval and should be reported the latest board of directors afterwards; however, when the price is over NT\$3 million, the execution of such acquisition or disposal requires a separate approval of board of directors.</p> <p>(2) The acquisition or disposal of intangible assets or right-of-use assets thereof shall refer to professional appraisal report or fair market value in deciding the terms and conditions of the transaction and transaction price and make these into an analysis report and report such to the chairman; when the price less than 10% of the paid-in capital or less than NT\$ 20 million shall be submitted to the chairman for approval and should be reported in the most recent board of directors afterwards; when the price is over NT\$20 million, the execution of such acquisition or disposal requires a separate approval of board of directors.</p> <p>(3) Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or</p>	<p>paid-in capital or less than NT\$ 3,000,000 shall be submitted to the general manager for approval and should be reported the latest board of directors afterwards; however, when the price is over NT\$3 million, the execution of such acquisition or disposal requires a separate approval of board of directors.</p> <p>(2) The acquisition or disposal of intangible assets or right-of-use assets thereof shall refer to professional appraisal report or fair market value in deciding the terms and conditions of the transaction and transaction price and make these into an analysis report and report such to the chairman; when the price less than 10% of the paid-in capital or less than NT\$ 20 million shall be submitted to the chairman for approval and should be reported the latest board of directors afterwards; when the price is over NT\$20 million, the execution of such acquisition or disposal requires a separate approval of board of directors.</p> <p>(3) Where a public company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or</p>	
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	<p>NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. <u>The CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	
Article 14	<p>Procedure for Public Disclosure of Information</p> <p>1. Items Required for Public Announcement and Report and its Standards</p> <p>(1) In acquiring or disposing the real property or right-of-use assets thereof from or to a connected party, or acquiring or disposing the assets other than real property or right-of-use assets thereof from or to a connected party and the transaction amount reaches 20 percent or more of the company's paid-in capital, 10% or more of the Company's total assets, or NT \$300 million or more. Except for the trading of R.O.C. government bonds or bonds under repurchase and resale agreements, and subscription or redemption of money market funds issued by domestic securities investment trust enterprises</p> <p>(2) Merger, spin off, acquisition, or transfer of</p>	<p>Procedure for Public Disclosure of Information</p> <p>1. Items Required for Public Announcement and Report and its Standards</p> <p>(1) In acquiring or disposing the real property or right-of-use assets thereof from or to a connected party, or acquiring or disposing the assets other than real property or right-of-use assets thereof from or to a connected party and the transaction amount reaches 20 percent or more of the company's paid-in capital, 10% or more of the Company's total assets, or NT \$300 million or more. Except for the trading of R.O.C. government bonds or bonds under repurchase and resale agreements, and subscription or redemption of money market funds issued by domestic securities investment trust enterprises</p> <p>(2) Merger, spin off, acquisition, or transfer of</p>	<p>Handling in accordance with the amendment of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by Financial Supervisory Commission on January 28, 2022.</p>

	<p>shares.</p> <p>(3) Losses from derivative products trading reaching the limits on aggregate losses or losses on individual contracts set out in these Procedures.</p> <p>(4) The type of asset acquired or disposed is equipment for operational use or right-of-use assets thereof, the trading counterparty is not a connected party, and the transaction amount reaches NT\$500 million or more.</p> <p>(5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>(6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six</p>	<p>shares.</p> <p>(3) Losses from derivative products trading reaching the limits on aggregate losses or losses on individual contracts set out in these Procedures.</p> <p>(4) The type of asset acquired or disposed is equipment for operational use or right-of-use assets thereof, the trading counterparty is not a connected party, and the transaction amount reaches NT\$500 million or more.</p> <p>(5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>(6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six</p>	
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	<p>subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u> 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds</u>, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds <u>or futures trust funds, or subscription or redemption of exchange traded notes,</u> or subscription by a securities firm as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei 	<p>subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Trading of bonds under repurchase and 	
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	<p>Exchange. 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (Omitted)</p>	<p>resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (Omitted)</p>	
<p>Article 18</p>	<p>Amendment record The date of amendment: June 18, 2001 (Omitted) The 10th amendment: June 24, 2019 The 11th amendment: June 30, 2022</p>	<p>Amendment record The date of amendment: June 18, 2001 (Omitted) The 10th amendment: June 24, 2019</p>	<p>Add the date of making the amendment.</p>

Appendix

Appendix 1: Articles of Incorporation

Sanfar Property Limited

Articles of Incorporation

The amendment is approved by the general shareholders' meeting on July 27, 2021.

Chapter I General Principles

Article 1: The company is organized in accordance with the Company Act and is named "SAN FAR PROPERTY LIMITED."

Article 2: The businesses operation of the company is as follows:

1. H701010 Housing and Building Development and Rental.
2. H701020 Industrial Factory Development and Rental.
3. H701040 Specific Area Development.
4. H701050 Investment, Development and Construction in Public Construction.
5. H701060 New Towns, New Community Development.
6. H701070 Process Zone Expropriation and Urban Land Readjustment Agency.
7. H701080 Urban Renewal Reconstruction.
8. H702010 Construction Manager.
9. H703090 Real Estate Business.
10. H703100 Real Estate Leasing.
11. H703110 Senior Citizen Residence.
12. E801010 Indoor Decoration.
13. F106020 Wholesale of Daily Commodities.
14. F111090 Wholesale of Building Materials
15. F113010 Wholesale of Machinery.
16. F211010 Retail Sale of Building Materials
17. F213080 Retail Sale of Machinery and Tools.
18. F301010 Department Stores.
19. F301020 Supermarkets.
20. F501060 Restaurants.
21. G202010 Parking area Operators.
22. I102010 Investment Consulting.
23. I103060 Management Consulting.
24. I301010 Information Software Services.
25. I503010 Landscape and Interior Designing.

26. J503010 Broadcast Program Production
27. J503020 Television Program Production.
28. J503030 Broadcasting and Television Program Distribution.
29. J503040 Broadcasting and Television Commercial.
30. J503050 Video Tape Program.
31. J701020 Amusement Parks.
32. J701040 Recreational Activities Venue.
33. J801010 Golf Course.
34. J901020 Regular Hotel
35. JD01010 Industrial and Commercial Credit Checking Service.
36. D401010 Thermal Energy Supply.
37. F199990 Other Wholesale Trade.
38. F501030 Beverage Shops
39. F401010 International Trade.
40. F113050 Wholesale of Computers and Clerical Machinery Equipment
41. F213030 Retail Sale of Computers and Clerical Machinery Equipment.
42. E605010 Computer Equipment Installation
43. IE01010 Telecommunications Service Number Agencies.
44. F113070 Wholesale of Telecommunication Apparatus.
45. F213060 Retail Sale of Telecommunication Apparatus.
46. F119010 Wholesale of Electronic Materials.
47. I401010 General Advertisement Service.
48. J301010 Newspaper.
49. J303010 Magazine (Periodical) Publishing
50. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The company's head office is located in Taipei City. If necessary, the company may establish branches domestically and abroad through a resolution of the board of directors, so is the investment in Taiwan and abroad. When being a shareholder with limited responsibility, the total investment is not subject to the restriction of not exceeding 40% of the paid-in as stated in Article 13 of the Company Act

Article 3-1: The company may make external guarantees for business needs, and it is to be handled in accordance with the company's "Regulations Governing Making Endorsements/Guarantees."

Article 4: Deleted

Chapter 2 Shares

Article 5: The registered capital of the Company is NT\$ 4.5 billion, which is divided into 450 million shares; all are common stocks. NT\$10 dollars per share. For unissued shares, the board of directors is authorized to issue in installments. One million shares are

reserved for the issuance of warrants, preferred stocks with warrants, or corporate bonds with warrants to exercise the stock options; also, the board of directors is authorized to issue stock shares in installments. The company may have stock shares transferred to employees at an average price lower than the actual purchase price or may issue employee stock warrant for a subscription price lower than market price in a meeting with the attendance of shareholders who represent more than half of the total number of issued shares, and shall be executed with the approval of more than two-thirds of the voting rights of the shareholders present.

- Article 6: The company's stocks are all ordered that are signed or sealed by the directors and issued after being attested by the competent authority or the issuance and registration agency authorized by the competent authority. The stock shares issued by the company may be exempted from printing certificates. They should be registered with the centralized securities depository enterprises and proceed in accordance with the regulations of such institutions.
- Article 7: The book closure date for the transfer of the stock shares is scheduled 60 days prior to the regular shareholders' meeting, 30 days prior to the extraordinary shareholders' meeting, or 5 days prior to the company's distributing dividends, bonuses, and other benefits.

Chapter 3 Shareholders' meeting

- Article 8: There are two types of shareholders' meetings: regular shareholders' meeting and extraordinary shareholders' meeting. The regular shareholders' meeting shall be convened at least once a year and shall be convened within six months after the end of each fiscal year. An extraordinary meeting will be convened lawfully, when necessary.
- Article 9: A shareholders' meeting is convened by the board of directors and chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, one of the directors shall be appointed to act as chair in accordance with Article 208 of the Company Act. If the shareholders' meeting is convened by a party with the power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 10: A shareholder who cannot attend the shareholders' meeting for reasons may have the company's proxy form issued with the scope of authorization detailed and signed or sealed for the agent to attend the meeting instead.
- Article 11: The company's shareholders shall be entitled to one vote for each share held. However, those subject to the restrictions as stated in Article 179 of the Company Act have no voting rights.
- Article 12: Unless otherwise provided by the Company Act, the resolutions of the shareholders' meeting shall be with the attendance of shareholders who represent more than half of the total number of issued shares and shall be executed with the approval of more than half of the voting rights of the shareholders present. According to the regulations of the competent authority, the company's shareholders may exercise their voting rights electronically. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, and related matters are handled in accordance with law and regulations.

Article 13: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed by an announcement. The meeting minutes must detail the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberation and the voting results. The meeting minutes must be retained indefinitely. The minutes of the proceedings should be kept in the company together with the signature book of the shareholders present and the proxy attendance letter.

Chapter 4 Directors and Audit Committee

Article 14: The company has seven to nine directors to organize the board of directors. The board of directors is authorized to determine the actual number of directors to be appointed. Elections of directors of the company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Shareholders shall have directors selected from the director candidates list. The matters related to the nomination and announcement of the director candidates shall be handled in accordance with the Company Act, Securities Exchange Act, and relevant law and regulations. The term of office of directors is three years, and they may be re-elected

Among the number of directors in the preceding paragraph, there should be at least three independent directors (at least one independent director should have accounting or financial expertise) and no less than one-fifth of the number of directors.

The election of independent and non-independent directors may be conducted together, and the number of people elected is calculated separately.

The company has established an Audit Committee in accordance with the provisions of the Securities Exchange Act, which is composed of all independent directors.

Article 15: The board of directors is organized by directors with the attendance of two-thirds of the directors and the approval of the majority of the directors present. The chairman is selected among the directors who shall represent the company externally.

The board of directors may decide to appoint a vice chairman when necessary, and the vice chairman is to be selected among the directors as stated in the preceding paragraph.

Article 16: The reason for convening the board meeting shall be specified in the notice that is to be issued to all board directors 7 days in advance. But a meeting can be called at any time when there is an emergency. The meeting notice in the preceding paragraph can be made in writing, e-mail, or fax. A director participating a meeting by video conference will be deemed to have attended the meeting in person.

The board of directors, except for the first board meeting of each term to be convened in accordance with Article 203 of the Company Act, shall be convened by the chairman of the board and serve as chairman at the same time; unless otherwise provided by the company, the resolutions must be reached with the attendance of more than half of all directors and with the consent of more than half of the directors present. If a director is unable to attend the board meeting for reasons, he/she may issue a proxy to entrust other directors to attend the meeting in accordance with Article 205 of the Company Act, but it is limited to only one proxy.

- Article 17: Deleted
- Article 18: The resolution reached in the board meeting must be included in the meeting minutes that shall be signed or sealed by the chairperson for distribution to each director within 20 days after the conclusion of the meeting. The meeting minutes shall accurately record the time, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and the voting results. The meeting minutes should be kept in the company together with the signature book of the shareholders present and the proxy attendance letter.
- Article 19: When the chairman of the board asks for leave or is unable to exercise his/her powers for some reason, his/her agency shall be handled in accordance with Article 208 of the Company Act.
- Article 20: In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.
- Article 20-1: When directors perform the company's business, regardless of profit or loss resulted, the company shall pay salaries and attendance compensation in accordance with the general standards of the industry.
- Article 20-2: The company may purchase liability insurance for directors in respect of their being held liable for the scope of business performed by them throughout the term of office.

Chapter 5 Managers

- Article 21: The company has several managers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

- Article 22: At the close of each fiscal year, the board of directors of the Company shall prepare the following statements and records and shall forward the same to audit committee for auditing not later than the 30th day prior to the meeting date of a general meeting of shareholders, and submit to the general shareholders' meeting for recognition.
1. Business report
 2. Financial statements
 3. Proposal for the distribution of earnings and appropriation for making up losses
- Article 23: If the company's current net income before tax without taking into account the remuneration to employees and directors and after being applied to make up for losses is with a positive balance, it is necessary to appropriate an amount not more than 5% of the balance as remuneration to directors and an amount not less than 1% of the balance as remuneration to employees accordingly. The aforementioned employee remuneration is to be paid in the form of stock shares or cash, including employees of affiliated companies who meet certain conditions that are to be stipulated 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.

Article 23-1: The company may have the net income, if any, distributed in the following order:

- (1) Applied to pay taxes;
- (2) Applied to make up for the losses;
- (3) Appropriate 10% of the amount as legal reserve; But when the legal reserve equals the paid-in capital, it is not subject to this requirement.
- (4) Appropriate or reverse special reserve lawfully or for business operation.
- (5) The board of directors will resolve to have the balance amount, if any, and the unappropriated earnings of previous years retained or distributed dividends to shareholders depending on the capital status and economic development of the current year, which shall be submitted to the shareholders' meeting for approval.

The company, for sustainable and stable business development and considering capital needs and long-term financial planning, formulates dividend policies; also, comprehensively considers retained earnings and future profitability to determine the distributable amount each year. Dividends are distributed in the form of stock dividends and cash dividends. The distribution of cash dividends shall not be less than 10% of the current year's total dividends. However, when the cash dividend is less than NT\$0.5/share, stock dividends may be distributed instead.

Article 23-2: If the Company's earnings are distributed in cash, in accordance with paragraph 5 of Article 240 of Company Act, it shall be handled by the resolution of the board of directors, and shall be reported to the shareholders' meeting, and there is no need to submit it to the shareholders' meeting for recognition.

Article 23-3: If there is not any earnings available for distribution, of the amount in earnings is much lower than the actual earnings previously distributed by the company, or according to the consideration of the company's financial, business, and operating aspects, the earnings may be distributed entirely or partially in accordance with law or regulations or the requirements of the competent authority. The earnings distribution that is paid in cash is to be handled by the board of directors in accordance with Article 241 of the Company Act and reported to the shareholders' meeting, but it is unnecessary to have it presented to the shareholders' meeting for approval.

Chapter 7 Supplemental Provisions

Article 24: Matters not specified in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 25: The Articles of Incorporation was enacted on September 1, 1993.

The 1st amendment was made on September 16, 1993.

The 2nd amendment was made on April 10, 1998.

The 3rd amendment was made on May 16, 1998.

The 4th amendment was made on May 20, 1999.

The 5th amendment was made on July 2, 1999.

The 6th amendment was made on November 8, 1999.

The 7th amendment was made on April 8, 2000.

The 8th amendment was made on August 17, 2000.

The 9th amendment was made on October 20, 2000.

The 10th amendment was made on November 13, 2000.

The 11th amendment was made on June 6, 2001.

The 12th amendment was made on June 8, 2002.

The 13th amendment was made on June 20, 2004.

The 14th amendment was made on June 20, 2004.

The 15th amendment was made on June 20, 2005.

The 16th amendment was made on June 15, 2006.

The 17th amendment was made on June 21, 2007.

The 18th amendment was made on May 13, 2008.

The 19th amendment was made on June 19, 2009.

The 20th amendment was made on June 25, 2010.

The 21st amendment was made on May 27, 2011.

The 22nd amendment was made on May 25, 2012.

The 23rd amendment was made on May 31, 2013.

The 24th amendment was made on June 2nd, 2015.

The 25th amendment was made on June 27, 2016.

The 26th amendment was made on May 22, 2017.

The 27th amendment was made on June 29, 2020.

The 28th amendment was made on July 27, 2021.

Appendix 2: Rules of Procedures for Shareholders' meeting

Sanfar Property Limited

Rules of Procedures for Shareholders' meeting

The date of amendment: Approved by the shareholders' meeting on June 29, 2021

Article 1

For establishing sound shareholders' meeting governance, improving the supervision function, and promoting sound development, these rules of procedures is formulated in accordance with Article 5 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and shall be followed.

Article 2

The rules of procedures for this Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be ruled as provided in these Rules.

Article 3

Unless otherwise provided by law or regulation, this Company's shareholders' meetings shall be convened by the board of directors.

The company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The company shall prepare electronic versions of the shareholders' meeting agenda handbook and supplemental meeting materials to be uploaded to the MOPS 21 days before the regular shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. The company shall have prepared the shareholders' meeting agenda handbook and supplemental meeting materials available for shareholders 15 days before the shareholders' meeting date. The meeting agenda handbook and supplemental materials shall also be displayed at the company and the professional shareholder services agent designated and distributed on-site at the meeting place.

The reasons for convening the shareholders' meeting shall be specified in the meeting notice and public announcement. The meeting notice may be given in electronic form with the consent of the addressee.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the cease of a public offering, approval of competing with the company by directors, profit distributed in the form of new shares, additional paid-in capital distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 should be detailed in the meeting notice instead of being proposed in motions; also, the proposal contents should be published on the network designated by the securities authorities or the company and the network information must be stated in the meeting notice.

Where the election of board directors and the inauguration date is stated in the meeting notice, the inauguration date may not be altered by a motion or any other way upon the completion of

the election in the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the company a written proposal for discussion at a regular shareholders' meeting. However, the number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, if the shareholders' proposal is to urge the company to promote the public interest or fulfill its social responsibilities, the board of directors may still include it in the agenda. The Board of Directors may disregard shareholder proposals if the proposed agendas exhibit any of the conditions described in Paragraph 4, Article 172-1 of the Company Act.

The company, before holding a regular shareholders' meeting, shall announce accepting the proposal of shareholders, proposal filing in person or in an electronic form, and place and time of accepting the proposals prior to the book closure date; also, the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The proposing shareholder shall attend the regular shareholders' meeting in person or by proxy and take part in discussing the proposal.

The company shall inform the proposal screening results to the proposing shareholders prior to the meeting notice date and shall list in the meeting notice the proposals that conform to this Article's provisions. The board of directors shall explain the reason for excluding any shareholder proposals not included in the agenda at the shareholders' meeting.

Article 4

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and mandate only one proxy for any given shareholders' meeting. The proxy form shall be delivered to the company five days before the shareholders' meeting date and the proxy received the earliest shall prevail. Unless a written notice of proxy cancellation has been submitted to the company.

If a shareholder, after submitting a proxy form to the company, intends to attend the meeting in person or exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

The venue for a shareholders' meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6

This Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the meeting commence time. The place at which attendance registrations are accepted shall be clearly marked, and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The company shall give attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by a number of representatives equivalent to the number of directors (including independent directors) elected currently. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson. When the chairperson is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

An acting director or a director who serves as chair as stated in the preceding paragraph shall have held the office for more than six months and understand the financial conditions of the company. A corporate director that serves as chair shall meet the aforementioned conditions.

The chairman of the board of directors should chair the shareholders' meeting convened by the board of directors, and the majority of the directors should attend such meeting. At least one Audit Committee member, and at least one representative of each functional committee; also, the attendance should be documented in the meeting minutes.

If the meeting of shareholders is convened by an authorized party other than the board of directors, the convening party shall chair the meeting. If there are two or more convening parties, they shall select one party to chair among themselves.

The company may appoint its attorneys, certified public accountants, or related personnel to attend the shareholders' meeting.

Article 8

This Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The audio and video recording referred to in the preceding paragraph shall be safe kept for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such material shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph. Still, the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda), which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by an authorized party other than the board of directors.

The chair may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other board directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the voting rights represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or motions put forward by the shareholders; when the chair believes that a proposal has been discussed sufficiently and ready for voting, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the

speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

An attending shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the chair's consent, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the chair's consent and the shareholder that has the floor; the chair shall stop any violation.

When a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one of the representatives appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12

Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the company's interests, that shareholder may not vote on that item and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the company holds a shareholder meeting, it shall adopt voting rights by electronic means and may adopt voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, the motion and the amendment to the original proposal of the shareholders' meeting shall be

deemed as a waiver. Therefore, the company shall avoid the submission of motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.

If the shareholder after delivering a proxy form to the company intends to attend the shareholders' meeting in person, a written notice of proxy cancellation shall be submitted to the company two days before the shareholders' meeting date in the way same as exercising voting right. If the cancellation notice is submitted after that time, votes cast by correspondence or electronically shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided in the Company Act and the company's Articles of Incorporation, the passage of a proposal requires an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders for each proposal, followed by a poll of the shareholders. The number of votes for and against each proposal and the waiver should be announced on the MOPS upon the conclusion of the shareholders' meeting.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal for voting in an orderly manner. When any proposal among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

The chair shall appoint the monitoring and counting personnel for the voting on a proposal; provided that all monitoring personnel shall be shareholders of the company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. The voting results, including the statistical votes, shall be announced on-site at the meeting, with a record made immediately upon the completion of the vote counting.

Article 14

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by this Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such material shall be retained until the conclusion of the litigation.

Article 15

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of

the meeting. The meeting minutes may be produced and distributed in an electronic form.

The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of a director. The meeting minutes shall be retained for the duration of the existence of the company.

Article 16

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable law or regulations or under the regulations of Taiwan Stock Exchange Corporation (or TPEX), the company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including motions) on the meeting agenda have been addressed, the shareholders' meeting may reach a resolution to resume the meeting at another venue.

A resolution may be reached at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

These rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.

Appendix 3: Procedures for handling the acquisition or disposal of assets

Sanfar Property Limited

Procedures for handling the acquisition or disposal of assets

Article 1: Purpose

These Procedures are adopted to protect the Company's assets and ensure public disclosure of information.

Article 2: Governing Law

These Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act, the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and other relevant rules and regulations.

Article 3: The scope of Assets

1. Securities: including investments in stocks, governmental bonds, corporate bonds, financial debentures, securities representing interest in a fund, depository receipts, call (put) warrants, beneficial interest securities, asset-backed securities and other securities.
2. Real property (including and construction enterprise inventory) and equipment.
3. Memberships.
4. Intangible assets: Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 4: Definition of terms

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act, and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter

"transfer of shares") under Article 156-3 of the Company Act.

3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors' resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier. For investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. "Within the preceding year" refers to the year preceding the date of acquiring or disposing of the assets. Items duly announced need not be counted toward the transaction amount.
8. The "most recent financial statement" refers to the Company's financial statement that has been audited, certified or reviewed by the accountant, and has been publicized according to the law before acquiring or disposing of assets.
9. For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.
10. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
11. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

In the case of a company whose shares have no par value or a par value other than NT\$10-for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.

Article 5: Investment in non-business use real property and its right-of-use assets, and securities quota

The quotas for the Company and its subsidiaries to obtain the above assets respectively are as follows:

1. The total amount of real property for non-business use and its right-of-use assets shall not exceed 50% of the Company's net income.
2. The total amount of all security investments shall not exceed 50% of the net

income of the Company.

3. The amount of individual securities investment shall not exceed 30% of the net income of the Company.

Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When reviewing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the working papers of the case.
3. They shall undertake an item-by-item evaluation of the completeness, accuracy and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 7: Procedures for handling the acquisition or disposal of real property, equipment, or right-of-use assets

1. Procedure of Evaluation and Operation:

The Company acquires or disposes of real property, equipment or right-to-use assets, which shall be handled in accordance with the fixed assets cycle procedures of the Company's internal control system.

2. Procedure for determining transaction conditions and the degree of authority delegated.
 - (1) The acquisition or disposal of real property or right-of-use assets thereof shall refer to the announced current value, appraised value and actual transaction

price of the neighboring real property to decide on the terms for the transaction and transaction price and make these into an analysis report and report such to the chairman; the amount which is below NT\$200 million (inclusive) shall be submitted for the chairman's approval; the amount is more than NT\$200 million (exclusive) but less than NT\$500 million (inclusive) shall be submitted for the chairman's approval and be reported in the most recent board of directors' meeting; for the amount which exceeds NT\$500 million (exclusive) is required to submit for the board of directors for a resolution.

- (2) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor (or audit committee). Where the position of independent director has been created in the Company, when a transaction of acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the rule, the board of directors shall take into full consideration each independent director's opinions, and record their opinions and reasons for agreeing or disagreeing with the transaction in the minutes of the meeting.
- (3) Where an audit committee has been established, the stipulation or amendment of procedures for the acquisition or disposal of assets, shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution
- (4) If the preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the directors' meeting.
- (5) "All audit committee members" as used in paragraph 3, and "all directors" as used in preceding paragraph, shall mean the actual number of persons currently holding those positions.

3. Execution Unit:

When the Company acquiring or disposing of real property or equipment, the use department shall be responsible for the execution after submitting and obtaining the approval in accordance with the approval authority in the preceding paragraph.

4. Appraisal Reports of Real Property or Equipment

The Company acquires or disposes of real property, equipment or right-to-use assets, where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million dollars or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (1) Where due to special circumstances, it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of

directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

- (2) Where the transaction amount is NT\$1 billion dollars or more, appraisals from two or more professional appraisers shall be obtained
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- (5) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.
- (6) The Company acquires or disposes of assets for business needs, except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the date of occurrence.

Article 8: Procedures for handling the acquisition or disposal of Securities Investment

1. Procedure of Evaluation and Operation:

The Company purchases and sells securities, which shall be handled in accordance with the investment cycle procedures of the Company's internal control system.
2. Procedure for determining transaction conditions and the degree of authority delegated.
 - (1) The transaction of securities on the centralized securities exchange market or over-the-counter markets, and the subscription of shares for the cash capital increase of the securities shall be determined by the responsible unit according to market conditions. If the amount is less than NT\$100 million (inclusive), it shall be approved by the chairman and reported to the most recent board meeting afterwards, and an analysis report on the unrealized profit or loss of long-term and short-term of the securities shall be presented at the same time; if the amount exceeds NT\$100 million, it shall only be

executed after obtaining the approval of the board of directors.

- (2) The transaction of securities not on the centralized securities exchange market or over-the-counter markets, shall first obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, to consider its net value per share, profitability and future development potential, etc. If the amount is less than NT\$20,000 (inclusive), it should be submitted to the chairman for approval. If the amount is less than NT\$20 million (inclusive), it should be approved by the chairman. If the amount is more than NT\$20 million but not more than NT\$100 million (inclusive), it should be approved by the chairman and submitted to the most recent board meeting afterwards. If the amount exceeds NT\$100 million, it must be approved by the board of directors.
- (3) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor (or audit committee). Where the position of independent director has been created in the Company, when a transaction of acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the rule, the board of directors shall take into full consideration each independent director's opinions, and record their opinions and reasons for agreeing or disagreeing with the transaction in the minutes of the meeting.
- (4) Where an audit committee has been established, the stipulation or amendment of procedures for the acquisition or disposal of assets, shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.
- (5) If the preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the directors' meeting.
- (6) "All audit committee members" as used in paragraph 3, and "all directors" as used in preceding paragraph, shall mean the actual number of persons currently holding those positions.

3. Execution Unit:

When the Company engages in securities investment, the financial unit shall be responsible for the execution after submitting and obtaining the approval in accordance with the approval authority in the preceding paragraph.

4. Acquisition of expert's opinion:

- (1) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference to appraising the transaction price. In addition, if the transaction price reaches 20% of the paid in capital of the Company or NT\$ 300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion

regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

- (2) If the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.
- (3) The calculation of the transaction amount of paragraph 1 shall be handled in accordance Article 14 and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been obtained an appraisal report from professional appraiser or certified public accountant's opinion in accordance with this Procedure need not be counted toward the transaction amount.

Article 9: Procedures for handling the Related Party Transaction

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to handle in accordance with procedures for acquiring real property of Article 7, shall also follow the following regulation to handle the relevant resolution procedures and evaluation of the reasonableness of transaction conditions. If the transaction amount exceeds 10% of the total assets, it shall also obtain professional appraisal report or certified public accountant's opinion in accordance with Article 7. In considering whether a counterparty is a related party, attention shall be directed to the substance of the relationship in addition to the legal form.
2. Procedure of Evaluation and Operation

When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors (or audit committee):

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraphs (1) and (4) of paragraph 3 of this Article.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.

- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to the preceding paragraph shall be made in accordance with Article 14 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or board of directors and recognized by the supervisors (or audit committee) need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 2, subparagraph 1 delegate the chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- (2) Acquisition or disposal of real property right-of-use assets held for business use.

Where an audit committee has been established in the Company, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be Article 7, paragraphs 4 and 5.

3. Reasonableness evaluation of transaction costs

- (1) When the Company acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer." Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (2) Where land and structures thereupon are combined as a single property

purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

- (3) When the Company acquires real property or right-of-use assets thereof from a related party and appraising the cost of the real property in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article, shall also engage a CPA to check the appraisal and render a specific opinion.
- (4) Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article are uniformly lower than the transaction price, shall be handled in accordance with subparagraph 5 of paragraph 3 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 1. Where the related party acquires undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close to publicly announced current value; transactions involving similarly sized parcels in principle refer to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- (5) Where the Company acquires real property from a related party and the

results of appraisals conducted in accordance with subparagraphs 1 and 2 of paragraph 3 of this Article are uniformly lower than the transaction price, the following steps shall be taken: Also, the Company and public companies use the equity method to account for the Company's investment that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

1. A special reserve shall be set aside against the difference between the transaction price and the appraised cost of the real property or the right-of-use asset thereof in accordance with paragraph 1 of Article 41 of Securities and Exchange Act, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve shall be set aside pro rata in a proportion consistent with the share of the public company's equity stake in the other company in accordance with paragraph 1 of Article 41 of Securities and Exchange Act.
 2. The supervisor (or audit committee) shall be conducted in accordance with Article 218 of the Company Act.
 3. Actions taken pursuant to the item 1 and 2 of subparagraph 5 of paragraph 3 of this Article shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- (6) When the Company obtains real property or right-of-use assets thereof from a related party, and one of the following circumstances exists, shall handle the procedure of evaluation and operation in accordance with paragraph 1 and 2 of this Article, the reasonability of appraising the transaction cost of subparagraphs 1,2, and 3 of paragraph 3 of this Article does not apply:
1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 4. The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- (7) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the subparagraph 5 of paragraph 3 of this Article if there is other evidence indicating that the acquisition was not an arm's length transaction

Article 10: Procedure for handling the acquisition or disposal of intangible assets or the right-to-use assets thereof or membership certificates.

1. Procedure of Evaluation and Operation:

The Company acquires or disposes of real property, equipment or right-to-use assets, which shall be handled in accordance with the fixed assets cycle procedures of the Company's internal control system.

2. Procedure for determining transaction conditions and the degree of authority delegated.

(1) The acquisition or disposal of membership shall refer to the fair market value in deciding the terms and conditions of the transaction and transaction price and make these into an analysis report and report such to the general manager; when the price is less than 1% of the paid-in capital or less than NT\$ 3 million shall be submitted to the general manager for approval and should be reported the latest board of directors afterwards; however, when the price is over NT\$3 million, the execution of such acquisition or disposal requires a separate approval of board of directors.

(2) The acquisition or disposal of intangible assets or right-of-use assets thereof shall refer to professional appraisal report or fair market value in deciding the terms and conditions of the transaction and transaction price and make these into an analysis report and report such to the chairman; when the price less than 10% of the paid-in capital or less than NT\$ 20 million shall be submitted to the chairman for approval and should be reported the latest board of directors afterwards; when the price is over NT\$20 million, the execution of such acquisition or disposal requires a separate approval of board of directors.

(3) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor (or audit committee). Where the position of independent director has been created in the Company, when a transaction of acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the rule, the board of directors shall take into full consideration each independent director's opinions, and record their opinions and reasons for agreeing or disagreeing with the transaction in the minutes of the meeting.

(4) Where an audit committee has been established, the stipulation or amendment of procedures for the acquisition or disposal of assets, shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution

(5) If the preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the directors' meeting.

(6) "All audit committee members" as used in paragraph 4, and "all directors" as used in preceding paragraph, shall mean the actual number of persons currently holding those positions.

3. Execution Unit:

When the Company acquires or disposes of the membership or intangible assets, the use department and the financial unit shall be responsible for the execution after submitting and obtaining the approval in accordance with the approval authority in the preceding paragraph.

4. Professional appraisal opinion report for membership or intangible assets.
 - (1) Where the Company acquires or disposes of memberships and the transaction amount reaches 1 percent of paid-in capital or NT\$3 million or more, the Company shall engage an expert to issue the appraisal report.
 - (2) Where the Company acquires or disposes of intangible assets and the transaction amount reaches 10 percent of paid-in capital or NT\$20 million or more, the Company shall engage an expert to issue the appraisal report.
 - (3) Where the Company acquires or disposes of intangible assets or the right-of-use assets thereof or the membership, and the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 11: Procedure for handling the acquisition or disposal of claims of financial institution

In principle, the Company does not engage in transactions to acquire or dispose of the claims of financial institutions. If it intends to engage in transactions to acquire or dispose of the claims of financial institutions in the future, it will report to the board of directors for approval and then determine the evaluation and operating procedures.

Article 12: Procedure for handling the acquisition or disposal of derivatives

1. Scope of application:
 - (1) The term "financial derivatives" as used in this Procedure shall mean contracts that their values derive from an asset, interest rate, exchange rate, index, or other interests, or from other commodity includes a forward contract (excluding include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales)), options, futures, leverage, swaps, and hybrid contracts combining the above contracts, etc. The bond margin transaction is also handled in accordance with the same Procedure.
 - (2) A transaction which is for the purpose of hedging the business operating risk is a hedge transaction; a transaction creating additional risk from arbitrage is a financial transaction.
2. Operating Strategy:
 - (1) The types of transactions are limited to foreign currency forwards and option commodities.
 - (2) The derivative transactions shall mainly be conducted for the purpose of ensuring profits of the Company's business and avoid risks associated with operations and the exchange rate risk while scheduling the fund. Shall not engage in any speculative transactions, and the currency held must be consistent with the company's actual needs for import and export transactions.

3. Division of authorization

(1) Financial unit:

1. Collect market information; estimate the trend and risks; get familiar with financial products, relevant laws and regulations and the operational skills to conduct the derivative transaction; and conduct the derivative transaction in accordance with the instruction of the authorized officer, and within the authorized amount limit to avoid the risks associated with fluctuation of market price
2. Make periodic performance evaluation
3. Provide information regarding positions of risk exposure
4. Measuring, monitoring, and controlling transaction risk

(2) Accounting unit:

1. Bookkeeping and preparing the financial statements in accordance with generally accepted accounting principles.
2. Make a public announcement and file the required report(s) periodically

4. Key Points for Performance Evaluation:

The financial unit shall evaluate the market price on a monthly basis, review the operating performance, and report it to the general manager and the chairman for approval, and to review and improve the hedging strategy adopted.

5. The total amount of contracts that can be engaged in and the maximum loss amount:

- (1) The contract amount of forward foreign exchange transactions in foreign currency shall not exceed the total amount of foreign currency that is actually demanded by the company for import and export. When the transaction of foreign currency option is evaluated at market price, the contract amount for which the option can be requested shall not exceed USD\$ 100 thousand.
- (2) The maximum amount of contract losses for all derivatives transactions is US\$50,000, and the maximum amount of individual contract losses is 5% of the individual contract amount, and must not exceed US\$10 thousand.

6. Accounting treatment:

In addition to the provisions of this Procedure, the Company's accounting treatment of derivative transactions shall be handled in accordance with the relevant provisions of the accounting system.

7. Quota with authorization:

- (1) For the chairman, the authority for each transaction is limited to US\$50,000, and the trading authority for accumulated undelivered positions is USD 100 thousand. When the accumulated undelivered position exceeds the authority of the chairman, it shall be approved by the board of directors.
- (2) When it shall be approved by the board of directors, if a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor (or audit committee). Where the position of independent director has been created in the Company, when a transaction of acquisition or disposal of assets is submitted

for discussion by the board of directors pursuant to the rule, the board of directors shall take into full consideration each independent director's opinions, and record their opinions and reasons for agreeing or disagreeing with the transaction in the minutes of the meeting.

- (3) Where an audit committee has been established, the stipulation or amendment of procedures for the acquisition or disposal of assets, shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.
- (4) If the preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the directors' meeting.
- (5) "All audit committee members" as used in paragraph 3, and "all directors" as used in preceding paragraph, shall mean the actual number of persons currently holding those positions.

8. Internal Control:

- (1) The personnel shall not concurrently engage in confirmation and settlement of the derivative transactions.
- (2) The derivative transactions positions of the Company shall be evaluated at least once every week, provided that the hedge transactions for business need shall be evaluated at least twice a month and the evaluation report shall be submitted to the senior decision-making officer authorized by the board of directors.
- (3) The chairman shall pay continuous attention to the monitoring and controlling of derivative transaction risk every now and then, and evaluate periodically whether derivative transactions performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance, and evaluate periodically whether the current risk management procedures are conducted appropriately in accordance with the relevant provisions of this Procedure.
- (4) If there is any abnormal situation in the market price evaluation report (such as when the position held has exceeded the loss limit), it shall report to the board of directors and take necessary countermeasures.

9. Internal Auditing:

Internal auditing personnel shall periodically review the appropriateness of internal controls for derivative transactions; make monthly checks of the financial unit's compliance with the "Procedures engaging in derivative transactions" and analyze the transactions, and make the audit report. If any serious violation is found, shall inform the supervisor (or audit committee) of such violation in writing.

10. When engaging in derivative transactions, the supervision, and management principles for the board of directors.

- (1) The board of directors shall designate senior management personnel to pay continuous attention to the monitoring and controlling of derivative transaction risk every now and then. The management principles are as follows:
 1. Periodically evaluate whether the current risk management measures are

conducted appropriately and faithfully in accordance with this standard and the Procedure for engaging in derivative transactions stipulated by the Company.

2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors. If the position of independent director has been created in the Company, an independent director shall be present at the meeting and express an opinion.

(2) Periodically evaluate whether derivative transactions performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

(3) When the Company engages in the derivative transactions, if any personnel is authorized to handle derivative transactions in accordance with the Procedure for engaging in derivative transactions, shall be reported to the most recent board of directors afterwards.

(4) When the Company engages in the derivative trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated shall be recorded in detail in the log book.

11. Risk management:

(1) Credit risk management: The trading partners are mainly banks and legitimate brokers with frequent interaction. For each financial institution, a trading quota is set in advance, which is controlled by the director of the financial unit. It should not be excessively concentrated on a few institutions and flexibly adjust the transaction quota of each financial institution in accordance with the changes in the market conditions.

(2) Market risk management: Limited to open centralized trading market and OTC trading market.

(3) Liquidity risk management: Choose commodities with long trading time, high liquidity, and relatively stable market prices.

(4) Operation risk management: The authorized amount, operation process and internal auditing set by the company shall be followed to avoid operation risks, and the personnel engaging in derivative transactions shall not concurrently engage in confirmation and settlement of the derivative transactions. The delivery personnel need to track the transactions due within the next week and inform the traders to ensure the correct delivery.

(5) Legal risk management: Non-standard transaction contract documents must be reviewed by legal counsel before being formally signed to avoid legal risks.

Article 13: Procedures for handling Merger, demerger, acquisition, or transfer of shares.

1. Procedure of Evaluation and Operation:

(1) CPA, attorney, and securities underwriter shall be engaged to schedule project timetables and a task force shall be formed to execute the project according to statutory rules and regulations. Prior to convening the Board of Directors to resolve on the matter, a CPA, attorney, or securities underwriter shall give an

opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash to the shareholders or other property, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

- (2) The Company shall issue a public report to shareholders detailing important contractual content and matters relevant to the merger, spin-off, or acquisition prior to the shareholders' meeting. The report shall include the expert's opinion referred to in the subparagraph 1 of paragraph 1 of this Article when sending shareholders' meeting notification provided. Where a provision of another Act exempts the Company from convening a shareholders' meeting to approve the merger, spin-off, or acquisition, this restriction shall not apply. Where the shareholders' meeting of any one of the companies participating in a merger, spin-off, or acquisition fails to convene or pass a resolution, due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, spin-off or acquisition shall immediately make public announcement regarding their reasons, the follow-up measures, and the preliminary date of the next shareholders' meeting.

2. Other matters that shall be precautions

- (1) Board of Director meeting date: Companies participating in a merger, spin-off, or acquisition shall convene a Board of Directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, spin-off, or acquisition, unless another Act provides otherwise, or the FSC is notified in advance of extraordinary circumstances and grants consent. Companies participating in a share transfer shall call a Board of Directors meeting on the day of the transaction, unless another Act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum

of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the paragraphs 3 and 4.

- (2) Non-disclosure commitment: Every person participating in or privy to the plan for merger, spin-off, acquisition, or share transfer shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, spin-off, acquisition, or transfer of shares
- (3) Pricing principles for transfer or acquisition of shares: Companies participating in a share transfer shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders' meeting. Acquisition or share transfer may not arbitrarily alter the share exchange ratio or acquisition price unless the conditions for alteration have been stipulated in the contract and have been disclosed to the public. The circumstances permitting alteration in the contract for the merger, spin-off, acquisition, or transfer of shares as follows:
 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
 2. An action, such as a disposal of major assets that affects the Company's financial operations.
 3. An event, such as a major disaster or major change in technology that affects equity or share price.
 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 5. An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares.
 6. Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (4) Content of contract: In addition to rights and liabilities stipulated in the

contract, the companies participating in the merger, spin-off, acquisition, or share transfer shall also record the followings:

1. Handling of breach of contract.
 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or its spin-off.
 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 4. The manner of handling changes in the number of participating entities or companies
 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 6. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (5) Changes of companies participating in mergers, spin-off, acquisition and share transfer: After public disclosure of the information, if any company participating in the merger, spin-off, acquisition, or share transfer intends further to carry out a merger, spin-off, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.
- (6) Where any of the companies participating in a merger, spin-off, acquisition, or share transfer is not a public company, the Company shall sign an agreement with the counterparty whereby the latter is required to abide by the subparagraph 1- Board of Director meeting date, subparagraph 2- Non-disclosure commitment, subparagraph 5- Changes of companies participating in mergers, spin-off, acquisition and share transfer, of paragraph 2 of this Article.

Article 14: Procedure for Public Disclosure of Information

1. Items Required for Public Announcement and Report and its Standards
 - (1) In acquiring or disposing the real property or right-of-use assets thereof from or to a connected party, or acquiring or disposing the assets other than real property or right-of-use assets thereof from or to a connected party and the transaction amount reaches 20 percent or more of the company's paid-in capital, 10% or more of the Company's total assets, or NT \$300 million or more. Except for the trading of R.O.C. government bonds or bonds under repurchase and resale agreements, and subscription or redemption of money market funds issued by domestic securities investment trust enterprises
 - (2) Merger, spin off, acquisition, or transfer of shares.

- (3) Losses from derivative products trading reaching the limits on aggregate losses or losses on individual contracts set out in these Procedures.
- (4) The type of asset acquired or disposed is equipment for operational use or right-of-use assets thereof, the trading counterparty is not a connected party, and the transaction amount reaches NT\$500 million or more.
- (5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore, the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.
- (6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:
 1. Trading of domestic government bonds.
 2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (8) The calculation of the transaction amounts referred to in the preceding paragraph is as follows, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been announced in accordance with the rule need not be counted toward the transaction amount.
 1. The amount of any individual transaction.
 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year
 3. The cumulative transaction amount of real estate or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.

4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year
2. Timeline and standards for public disclosure of information

Should acquisition or disposal of assets meet the standards for public disclosure of information in accordance with paragraph 1 of this Article, the Company needs to file and make a public announcement within two days from the date of the event.
3. Disclosure procedures
 - (1) The Company shall disclose information on the reporting website designated by the FSC in accordance with the statutory regulations.
 - (2) The Company and on behalf of its non-public subsidiaries shall compile monthly reports on the status of derivatives trading up to the end of the preceding month and enter the information in the prescribed format into the reporting website designated by the FSC by the tenth day of each month
 - (3) Where an error or omission occurs at the time of public announcement, it is required to correct the error, and all the items shall be publicly announced again within two days upon acknowledgement.
 - (4) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, reference books, appraisal reports and CPA, attorney, and securities underwriter's opinions at the Company headquarters, where they shall be retained for five years except where another Act provides otherwise.
 - (5) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the this Article, a public report of relevant information shall be made on the reporting website designated by the FSC within two days from the date of occurrence:
 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 2. The merger, spin-off, acquisition, or share transfer is not completed by the scheduled date set forth in the contract.
 3. Change of the publicly disclosed information.

Article 15: The subsidiaries of the Company shall comply with the following:

1. The subsidiaries shall establish the Procedure in accordance with the "Regulation Governing the Acquisition and Disposal of Assets by Public Companies" and obtain approval from the subsidiaries' Board of Directors and its shareholders' meetings. Where there are amendments to the Procedure, the same approvals shall also be applied.
2. The Company shall disclose information on behalf of subsidiaries that are not publicly listed in the domestic market when the subsidiary acquires or disposes of assets meet the notification and reporting standards set out in the " Regulation Governing the Acquisition and Disposal of Assets by Public Companies."
3. Provisions regarding reporting standards making announcements to report the paid-in capital or total assets for the subsidiaries shall be subject to the paid-in capital or total assets of the Company.

4. The Company shall urge the subsidiaries to check whether the acquisition or disposal of assets stipulated is handled in accordance with the stipulated handling procedures.
5. The internal audit shall review the subsidiary's self-inspection report and other related matters.

Article 16: Penalties

Where the employees of the Company violate the provisions set forth, appropriate penalties shall be carried out in accordance with the working rules of the Company.

Article 17: Implementation and amendment

The Company's "procedures for the acquisition or disposal of assets" is approved by the board of directors, sent to the supervisors (or the audit committee), and submitted to the shareholders' meeting for approval. Where there are amendments to The Procedures, the same approvals shall also be applied. If a director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor (or audit committee). Where the position of independent director has been created in the Company, when the "Procedure for acquisition or disposal of assets" is submitted for discussion by the board of directors, each independent director's opinions shall be taken into full consideration, and their opinions and reasons for agreeing or disagreeing with the Procedure shall be recorded in the minutes of the meeting.

Article 18: Records of the amendments

The date of amendment: June 18th, 2001

The 1st amendment: June 8th, 2002.

The 2nd amendment: June 15th, 2006

The 3rd amendment: June 25th, 2010

The 4th amendment: June 25th, 2011

The 5th amendment: May 25th, 2012

The 6th amendment: May 31st, 2013

The 7th amendment: June 20th, 2014

The 8th amendment: June 2nd, 2015.

The 9th amendment: May 22nd, 2017

The 10th amendment: June 24th, 2019.

Appendix 4: Shareholding of all the board directors

Sanfar Property Limited
Shareholding of all the board directors

Base date: May 2nd, 2022. Unit: shares

Job title	Name	Shareholder Registry on the book closure date Number of shares booked
Director	Sanfar Property Limited Representative: Ding-sheng Chung, Min-hsien Kao, Din-hsin Chung	13,183,004
Director	Cheng-nan Huang	0
Independent Director	Chin-Chang Wu	0
Independent Director	Hsu-hui Hsu	0
Independent Director	Yanfend Wu	0
Shareholding of all the directors		13,183,004

Note: As of May 2nd, 2022, the Company's paid-in capital was NT\$3,265,541,500 and the number of issued shares is 326,554,150 shares. According to the provisions of Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies:" the shareholding of the company's board directors has met the specifications.

1. The legal number of shares held by all directors of the Company is 13,062,166 shares, and the actual number of shares held by all directors is 13,183,004 shares.
2. The company has set up an Audit Committee in accordance with the Securities and Exchange Act; therefore, the company is not subject to the requirement that the supervisor's shareholding may not be less than a specific ratio.