

Stock Code: 9946

**Sanfar Property Limited**

**Handbook for the 2024 Annual Meeting of Shareholders**

**TIME: 9:00 a.m., May 29 (Wednesday), 2024**

**PLACE: 16F, No.98, Yanchang Rd., Xinyi Dist., Taipei City,  
Taiwan(eslite hotel)**

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# **Sanfar Property Limited**

## **2024 Regular Shareholders' Meetings Agenda**

Meeting format: Face-to-face shareholders' meeting

Meeting time: May 29, 2024 (Wednesday) 9:00 a.m.

Meeting location: 16th Floor, No. 98, Yanchang Road, Xinyi District, Taipei  
City (Eslite Hotel)

I. Call the meeting to order

II. Chair speech

III. Report items

No. 1: The Company's 2023 Business Report.

No. 2: Audit Committee Report on the 2023 final accounting reports including the business report, financial statements and earnings distribution proposal

No. 3: Distribution of the Company's 2023 remuneration to directors and employees.

No. 4: Report on the 2023 profit sharing allocation, additional paid-in capital and cash allocation.

No. 5: The Company's 2023 offering and issuance of secured ordinary corporate bonds.

No. 6: The Company's 2023 major related party transaction report.

IV. Ratification

No. 1: The Company's 2023 Business Report and financial statements

No. 2: The Company's 2023 earnings distribution proposal

V. Discussion:

No.1: Resolution on amendment of the "Articles of Incorporation."

No. 2: Discussion on the Company's plan to issue 2024 "new employee restricted stocks."

- VI. Elections Items: Proposal for overall re-election of the directors of the Company.
- VII. Other matters: Proposal for lifting the non-compete clause for the Company's new directors and the representatives.
- VIII. Motions
- IX. Meeting adjourned

## Report Items

### Proposal 1

Subject: The Company's 2023 Business Report.

Description: For the Company's 2023 Business Report, please refer to Attachment 1 of this Handbook.

### Proposal 2

Subject: Audit Committee Report on the 2023 final accounting reports including the business report, financial statements and earnings distribution proposal.

Description: Please refer to Attachment 2 of this Handbook for the Audit Committee Report on the 2023 final accounting reports including the business report, financial statements and earnings distribution proposal.

### Proposal 3

Subject: Distribution of the Company's 2023 remuneration to directors and employees.

Description: Please refer to Attachment 3 of this Handbook for distribution of the Company's 2023 remuneration to directors and employees.

### Proposal 4

Subject: Report on the Company's 2023 profit sharing allocation, additional paid-in capital and cash allocation.

Note:

- I. In accordance with Article 23-2 and 23-3 of the Company's Articles of Incorporation, the Board of Directors shall resolve if the Company's profit sharing and additional paid-in capital shall be distributed in cash, and report to the shareholders' meeting.
- II. The Board of Directors resolved on April 10, 2024 to distribute dividends to shareholders in the amount of NT\$78,373,000 from the accumulated earnings available for distribution in 2023, with NT\$0.24 per share to be distributed in cash. Additional paid-in capital distributed in cash is NT\$150,215,000 with NT\$0.46 per share, totaling NT\$0.7 of cash dividend. The fractional amounts less than NT\$1 is rounded off and the sum of the fractional amounts less than NT\$1 is included in other income of the Company. The chairperson is authorized to set the base date and payment date for dividend distribution and other related matters.

- III. If there is any change in the number of outstanding shares of the Company before the base date, the chairperson is authorized to adjust the dividend distribution percentage.

Proposal 5

Subject: The Company's 2023 offering and issuance of secured ordinary corporate bonds.

Note:

On August 10, 2023, the Board of Directors resolved to issue 2023 secured ordinary corporate bonds. However, the bonds were not issued due to overall environmental factors and business planning considerations in the second half of 2023.

Proposal 6

Subject: The Company's 2023 major related party transaction report.

Description: Please refer to Attachment 4 of this Handbook for the Company's 2023 related party transactions.

## Ratification

No. 1 [Proposed by the Board of Directors]  
Subject: The Company's 2023 Business Report and financial statements are hereby presented for your ratification.

- Note:
- I. The Company has prepared 2023 Business Report and financial statements and CPAs Yi-Lien Han and Hsin-Ting Huang from KPMG has audited the financial statements and issued the independent auditors' report with unqualified opinion and emphasis of matter paragraph. The business report and financial statements have been submitted to the Audit Committee for review and approved.
  - II. Please refer to Attachment 1 and Attachment 5 of this Handbook for the Business Report and financial statements, respectively.

Resolutions:

No. 2 [Proposed by the Board of Directors]  
Subject: The Company's 2023 earnings distribution proposal is hereby presented for your ratification.

- Note:
- I. The Company's 2023 earnings distribution table is as follows:

**Sanfar Property Limited**  
2023 earnings distribution table

Unit: NT\$

Item	Amount
Unappropriated earnings - beginning	2,192,792,087
Net income	88,855,652
Set aside 10% as legal reserve	(8,885,565)
Distributable earnings - ending	2,272,762,174
Distribution item:	
Cash dividends (NT\$0.24 per share)	(78,373,000)
Unappropriated earnings - ending	2,194,389,174

Description: First to distribute 2023 earnings.

Chairperson: Ting-Cheng Chung

Manager: Ti-Chuan Yang

Accounting Officer: Wen-Ling Tsai

Resolutions:

### **Discussions**

No. 1 [Proposed by the Board of  
Directors]

Subject: Resolution on amendment of the “Articles of Incorporation” are hereby presented for your ratification.

Note:

- I. To accommodate the amendments to the “Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board’s Exercise of Powers” and to strengthen corporate governance, it is proposed to amend some provisions of the Company’s “Articles of Incorporation.”
- II. Please refer to Attachment 6 for Comparison of current and amended provisions of the Company’s “Articles of Incorporation.”
- III. For your resolution.

Resolutions:

No. 2 [Proposed by the Board of  
Directors]

Subject: Discussion on the Company’s plan to issue 2024 “new employee restricted stocks” is hereby presented for your discussion.

Note:

- I. The Company intends to issue 2024 new employee restricted stocks in accordance with Paragraph 9, Article 267 of the Company Act and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” issued by the Financial Supervisory Commission, in order to recruit and retain professionals needed by the Company and to motivate employees and enhance their commitment to the Company, so as to jointly create the interests of the Company and its shareholders.
- II. The total amount issued and the issue terms and conditions are as

follows:

- (I) total amount issued: Not more than 5% of the total number of common shares issued by the Company, which is tentatively 1,600,000 shares, each share having a par value of NT\$10, for a total amount of NT\$ 16,000,000. The actual date of issuance of such awards and related logistical matters shall be determined by the authorized Chairman of the Company.
- (II) Issue terms and conditions:
  - 1. Scheduled issue price: Gratuitous issue (including employees of a company which has a controlling or subordinate relationship with the Company, and these employees have met certain criteria).
  - 2. Vesting conditions: Those who meet the criteria on service years and performance appraisal criteria set forth in the Measures for the Issuance of 2024 New Employee Restricted Stocks and have not violated relevant regulations.
  - 3. Class of issued shares: Common shares.
  - 4. In case employees do not meet the vesting conditions: All of the new employee restricted stocks of employees who fail to meet the vesting conditions will be retrieved by the Company without compensation.
  - 5. All shares under each restricted stock award under the measures shall be deposited in a security trust account governed by the trust agreement immediately after the granting of the award and execution of Company-required documentation.
- III. Employee eligibility and entitled quantity of shares:
  - (I) Limited to full-time employees of the Company and a company which has a controlling or subordinate relationship with the Company.
  - (II) The actual number of shares allocated to employees who are granted new restricted employee stocks shall be determined based on factors such as seniority, job level, performance evaluation, overall contribution, special achievements, and other conditions of management need being referred to. After the Chairman approves the allocation criteria, it shall be submitted to the board of directors for approval. However, any grant of the restricted shares to a director who also serves as a

managerial officer and/or an employee requires a prior submission to the Compensation Committee and approval from the Board before issuance, and any grant of the restricted shares to non-manager directors requires a prior approval from the Audit Committee and the Board.

- (III) The maximum number of new restricted employee shares a single employee is entitled to shall be as specified in the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
- IV. Causes necessitating this issue of new restricted employee shares are: to attract and retain requisite professional talent; to motivate employees and enhance their cohesion; and to jointly create benefits for the Company and shareholders.
- V. Amount likely to be recognized as expenses, the dilution of the Company's earnings per share, and any other impact on shareholders' equity:
  - (I) Amount likely to be recognized as expenses:  
In 2024, it is proposed to issue 1,600,000 shares of new restricted employee shares at the annual general meeting, at NT\$0 per share. The estimation is based on the vesting period and conditions. Possible expenses in 2025 through 2027 are estimated to be NT\$7,347 thousand, NT\$14,693 thousand, and NT\$22,040, respectively (pro forma estimation based on the closing price of NT\$27.55 on April 8, 2024).
  - (II) The dilution of the Company's earnings per share, and any other impact on shareholders' equity:  
Company's 326,554,150 shares in issuance, the dilution of earnings per share in 2025 through 2027 is estimated to be NT\$0.0225, NT\$0.0450, and NT0.0675, respectively. This should pose no significant impact on shareholders' equity.
- VI. With regard to the Measures for the Issuance of 2024 New Employee Restricted Stocks, please refer to Attachment 7. The Measures shall be approved by a majority of the directors in a Board Meeting attended by two-thirds or more of directors and become effective after approval by the competent authority. The Chairman is authorized to make revisions upon receipt of any request based on the review of the competent authority during the application, then submit the revisions to the Board for approval before issuing the Measures. If there are any matters not covered by the Measures, unless otherwise

provided by law, the Board of Directors shall authorize the Chairman to amend or implement in accordance with relevant laws. After the Measures have been approved, unless otherwise provided by law, where the Regulations do not provide for, it is intended to submit to the shareholders' meeting, and the Board of Directors shall be exclusively authorized to execute related matters, or amend the Regulations, in accordance with applicable laws.

VII. For your resolution.

Resolutions:

## **Elections**

Cause of action: The company's election of the board directors is hereby proposed

**【Proposed by the board of directors】**

Note:

- I. The term of office of the Company's directors ended on July 26th, 2024. All directors will be re-elected at the shareholders' general meeting in 2024. According to the Articles of Incorporation of the Company, seven directors (including four independent directors) will be elected this time, and they will take office immediately after the election. The term of office is three years from May 29, 2024 to May 28, 2027.
- II. According to the Articles of Incorporation of the Company, the election of directors shall be based on the candidate nomination system under Article 192-1 of the Company Act, and shareholders shall elect the candidates from the list of director candidates.
- III. The independent directors' professional qualification, shareholding, restrictions on concurrent positions, methods of nomination and election and other matters for compliance shall be subject to the requirements of the competent authority. Please refer to Attachment 8 of this Handbook for the list of director candidates.
- IV. Please proceed with the election.

Result of election:

## **Other proposals**

Subject: Proposal for lifting the non-compete clause for the Company's new directors and the representative is hereby presented for your discussion. 【Proposed by the board of directors】

Note:

- I. It is to be handled in accordance with the “directors who act for themselves or others within the business scope of the company shall explain the important contents of their actions and obtain permission in the shareholders’ meeting” stated in Article 209 of the Company Act.
- II. 2. Based on investment or other business development considerations, without prejudice to the interests of the Company, it is intended to propose to the shareholders’ meeting to approve the release of the Company’s new directors and their representatives from any restriction on their participation in serving as directors/managers of other companies engaged in competing industries, and to explain the contents of engagement in competing industries on the site before this proposal is discussed at the shareholders’ meeting.
- III. Proposal for resolutions

Resolutions:

**Extempore motion**

**Meeting adjourned**

## Attachments

### Attachment 1: 2023 Business Report

Sanfar Property Limited

2023 Operating Results

#### (I) Implementation results of 2023 business plan

Unit: NT\$ Thousand

Item	2023	2022	Increase or decrease
Operating	963,121	2,273,704	(1,310,583)
Gross profit	266,698	386,993	(120,295)
Total profit	162,656	133,377	29,279

In 2023, the main sales and completions booked in the revenue of the Company are mainly the construction projects regarding Fuduxin 235 and Qiyan sections. The difference in operating revenue is mainly due to the higher operating revenue recognized in the previous period of the new construction project in Linkou Lilin Section than this period. The overall housing market in 2023 is affected by interest rate increase due to inflation, and the transaction volume shrank significantly, but the general evaluation shows that, although the central bank's interest rate increase added burdens to customers, the magnitude of interest rate increase was still under control. Housing prices remained stable due to factors such as the inelastic demand for self-occupancy and high costs pushing up housing prices. As the impact of the epidemic gradually faded away, the pace of sharp interest rate hikes in the United States gradually slowed down, the pressure of interest rate hikes in Taiwan gradually went away, the tourism and real estate industries recovered after the bearish information is watered down. The Company maintains a stable proposal, actively sells newly-built houses, and grasps the pulse of operation, it also continues to promote the Company's various plans and creates performance and growth to meet the expectations of shareholders and investors with the vision of "sustainable operation" and "customer satisfaction."

#### (II) Budget execution

It is not required to prepare the Company's 2023 financial forecasts based on the "Regulations Governing the Publication of Financial Forecasts of Public Companies."

(III) Financial income and expenditure Unit: NT\$ Thousand

Item	2023	2022
Net operating income	115,475	175,148
Non-operating income and expense	(21,361)	(29,881)
Net profit before tax from continuing operations	94,114	145,267
Net income	88,856	139,677
Total profit and loss	162,656	133,377

## (IV) Profitability analysis

Item		2023	2022
Return on assets (%)		1.56	1.77
Return on equity (%)		1.37	2.15
As a percentage of paid-in capital (%)	Operating profit	3.54	5.36
	Net income before tax	2.88	4.45
Net profit rate (%)		9.23	6.14
Basic earnings per share (NT\$)		0.27	0.43

## (V) Research and Development

## 1. Key projects development:

Projects at Yongxing Section, Chengde Section, Lioujiading Section, Fuduxin Section No. 18, Xingzuan Section, Xingbang Section, Wukuaicuo Section

## 2. Sustainable operation and customer satisfaction:

Adhering to the core concept of the Company's sustainable operation, the concept of sustainability is integrated into construction, starting from the four major aspects of energy conservation and carbon reduction, pollution reduction, increasing green coverage, and purifying the air, the Company treats the ecological environment with forward-looking thinking and values the management and communication with consumers, continues to improve product quality, and launches projects that meet consumer needs and expectations while demonstrating financial and non-financial performance. Implement the vision of sustainable operation with the spirit of "courage, water-friendly, and waterproof."

## 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:

Achieve structural safety of buildings, and introduce third-party verification mechanisms to enhance building quality and market value to ensure product advantages and on-site safety through construction quality management, building materials assurance and strict selection of high-quality manufacturers.

Chairperson: Ting-Cheng Chung

Manager: Shu-Hung Liu

Accounting Officer: Wen-Ling Tsai

Attachment 2: Audit Committee Report

Sanfar Property Limited

Audit Committee Report

The Board of Directors of the Company prepared the business report, financial statements and for the year ended December 31, 2023, which have been audited and completed by CPAs Yi-Lien Han and Hsin-Ting Huang from KPMG and the independent auditors' report has been issued. The aforesaid financial statements, and business reports have been audited by the Audit Committee, and no discrepancy was found. A report is prepared and submitted for examination pursuant to Article 14 of the Securities and Exchange Act and Article 219 of the Company Act.

Best Regards

Sanfar Property Limited 2024 General Shareholders' meeting

Convener of Audit Committee: Chin-Chang Wu

April 10, 2024

Attachment 3: Distribution of remuneration to directors and employees for 2023

Sanfar Property Limited

Distribution of remuneration to directors and employees for 2023

- I. If there is any remaining balance from the Company's pre-tax net profit for the current year before distributing remuneration to employees and directors and after making up for losses, the Company shall set aside not more than five percent of the remaining balance as remuneration to directors, and not less than one percent of the remaining balance as remuneration to employees, which include employees of subordinate companies who meet certain criteria set by the Board of Directors, in the form of cash or stock. The distribution of remuneration to employees in the form of stock or cash shall be resolved by the Board of Directors with the presence of at least two-thirds of the directors and the approval of a majority of the directors present and reported to the shareholders' meeting.
- II. The amounts of the Company's 2022 remuneration to directors and employees approved by the Board of Directors were as follows:

The distribution of the Company's 2023 remuneration to directors and employees was approved by the Board of Directors at its meeting on February 20, 2024, as follows:

It was resolved to distribute remuneration to directors by NT\$919,140; remuneration to employees by NT\$2,757,419.

Unit: NT\$

Distribution category	The amount to be distributed approved by the Board of Directors ①	The amount estimated in the year in which expenses were recognized ②	Difference ①-②	Reasons and adjustments
Remuneration to directors (Cash)	919,140	919,140	0	None
Remuneration to employees (Cash)	2,757,419	2,757,419	0	

Attachment 4: Material transactions with related parties in 2023

Sanfar Property Limited

Material transactions with related parties in 2023

Time of Meeting	Description of related party transactions	Implementation status
<p>April 18, 2023 Audit Committee, Board of Directors</p>	<p>Additional contracted construction amount of “Yongxing section 181 and 182” for the Company’s subsidiary Jing Fu Xiang Construction Co., Ltd.</p>	<p>The total amount for the original contract is NT\$392,352,000. The 1st additional construction payment on March 15, 2021 is NT\$81,970,000. The payment for this additional construction is NT\$41,800,000. The total contract amount after the addition is NT\$516,122,000. After the approval of the Audit Committee and the Board of Directors, the contracting process was processed accordingly.</p>
	<p>Additional contracted construction amount of “Liu Jia Ding 528” for the Company’s subsidiary Jing Fu Xiang Construction Co., Ltd.</p>	<p>The total amount for the original contract is NT\$288,318,000. The payment for this additional construction is NT\$25,300,000. The total contract amount after the addition is NT\$313,618,000. After the approval of the Audit Committee and the Board of Directors, the contracting process was processed accordingly.</p>
<p>June 5, 2023 Audit Committee, Board of Directors</p>	<p>Resolution on Contracting New Construction Project of the Company to the Subsidiary, Jing Fu Xiang Construction Co., Ltd.</p>	<p>The construction project of Land No. 18, Subsection 1, Fuduxing Section, Xinzhuang District, was contracted to the subsidiary Jing Fu Xiang Construction Co., Ltd. The Board of Directors authorized the Chairman to have full discretion on the estimated contracting amount of NT\$277,723,009, within 5% increase and decrease. After the approval of the Audit Committee and the Board of Directors, the contracting process was processed accordingly.</p>

## 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 sheet as of December 31, 2023 and 2022, the consolidated statement 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 material 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, 2023 and 2022, 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 12 (b) of the consolidated 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 12 (b) 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 the 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. Appropriateness of the period of revenue recognition from the sales of real estate

Please refer to note 4(n) for the Group's consolidated financial statement on revenue recognition, and 6(p) for detailed revenue from contract with customers.

Description of key audit matter:

The main income of the Group derived from selling real estate, wherein the sales revenue is recognized upon the transfer of ownership of the real estate and the actual delivery of the housing unit. In order to meet the market demand of construction industry, wherein the validity of the timing of sales revenue recognition plays a crucial role, the Group needs to thoroughly examine the transfer of ownership and delivery housing data for each transaction to recognize the sales revenue, which usually involves tremendous manual efforts. Thus, we considered the revenue recognition as one of our key audit matters.

Audit procedures performed:

- Understanding the control of real estate sales revenue and the revenue collection process, as well as testing the control effectiveness of revenue recognition on system design and implementation.
- Performing substantive tests, as well as sampling of sale contracts, real estate ownership transfer documents and deliverable sheets of house, and comparing the sales data and general ledger.
- Evaluating the period of revenue recognition by testing the sale transactions before and after the reporting date to confirm its consistency with the relevant documents.

### 2. Inventory valuation

Please refer to note 4(h) for Group's consolidated financial statement on inventory valuation policy, to note 5 for assumptions and uncertainties, and to note 6(d) for detailed inventory.

Description of key audit matter:

The key asset of the Group is its inventories, with a portion of 76% of the total assets. Inventory evaluation of the Group 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. The real estate for sale is compared with the latest nearby transaction price or the contract price of the recent sale, and the uncertainty of the future investment cost of the land for construction and the land under construction is higher, and it is difficult to obtain a comparable sales price. Therefore, the judgment of net realizable value of the land for construction and the land under construction depends on the subjective judgment or estimation of the management. Thus, the valuation of the land for construction and the land under construction is one of the most important valuation in performing our audit procedures.

Audit procedures performed:

Through reviewing the recent selling price of the premises, or by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website.

## **Other Matter**

San Far Property Limited has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified plus emphasis of matter 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 auditor's 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Han, Yi-Lien and Huang, Hsin-Ting.

KPMG

Taipei, Taiwan (Republic of China)

February 20, 2024

#### **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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6(a))	\$ 1,833,888	12	2,426,747	16	2100	Short-term borrowings (Notes 6(h) and 8)	\$ 4,345,730	28	4,366,060	29
1140	Current contract assets (Notes 6(p) and 7)	79,786	1	172,951	1	2130	Current contract liabilities (Notes 6(j), (p) and 9)	560,113	4	354,081	2
1150	Notes receivable, net (Notes 6(c) and (p))	2,822	-	173	-	2150	Notes payable (Note 7)	65,026	-	149,942	1
1160	Notes receivable due from related parties, net (Notes 6(c), (p) and 7)	16,590	-	-	-	2170	Accounts payable	321,729	2	227,092	1
1170	Accounts receivable, net (Notes 6(c) and (p))	2,523	-	4,519	-	2200	Other payables (Note 9(b))	115,648	1	98,323	1
1180	Accounts receivable due from related parties, net (Notes 6(c), (p) and 7)	-	-	16,590	-	2230	Current tax liabilities	2,808	-	3,935	-
1300	Inventories, merchandising business, net (Note 6(d))	2,187	-	4,787	-	2321	Current portion of puttable bonds (Notes 6(i) and 8)	1,199,995	8	-	-
1320	Inventories (for construction business), net (Notes 6(d) and 8)	12,004,591	76	11,352,790	73	2399	Other current liabilities, others	48,759	-	26,674	-
1410	Prepayment (Note 7)	118,656	1	88,653	1			<u>6,659,808</u>	<u>43</u>	<u>5,226,107</u>	<u>34</u>
1476	Other financial assets-current (Note 8)	389,907	2	116,193	1	<b>Non-Current liabilities:</b>					
1479	Other current assets, others	22,076	-	20,042	-	2530	Bonds payable (Notes 6(i) and 8)	2,595,993	16	3,794,540	25
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 6(e))	<u>159,611</u>	<u>1</u>	<u>123,423</u>	<u>1</u>	2570	Deferred tax liabilities (Note 6(m))	4	-	-	-
		<u>14,632,637</u>	<u>93</u>	<u>14,326,868</u>	<u>93</u>	2600	Other non-current liabilities	6,034	-	3,867	-
<b>Non-current assets:</b>								<u>2,602,031</u>	<u>16</u>	<u>3,798,407</u>	<u>25</u>
1510	Non-current financial assets at fair value through profit or loss (Note 6(s))	4,913	-	4,914	-		<b>Total liabilities</b>	<u>9,261,839</u>	<u>59</u>	<u>9,024,514</u>	<u>59</u>
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(b) and (s))	191,080	1	117,280	1	<b>Equity attributable to owners of parent (Note 6(n)):</b>					
1600	Property, plant and equipment (Notes 6(f) and 8)	75,820	1	77,068	-	3100	Common stock	3,265,542	21	3,265,542	21
1760	Investment property (Notes 6(g) and 8)	229,737	1	115,799	1	3200	Capital surplus	185,955	1	185,955	1
1780	Intangible assets	15,351	-	15,507	-	3300	Retained earnings	2,898,493	18	2,949,314	19
1840	Deferred tax assets (Note 6(m))	149,526	1	133,654	1	3400	Other equity	<u>128,880</u>	<u>1</u>	<u>55,080</u>	<u>-</u>
1980	Other non-current financial assets (Note 8)	431,457	3	680,090	4		<b>Total equity</b>	6,478,870	41	6,455,891	41
1990	Other non-current assets, others	<u>10,188</u>	<u>-</u>	<u>9,225</u>	<u>-</u>						
		<u>1,108,072</u>	<u>7</u>	<u>1,153,537</u>	<u>7</u>						
<b>Total assets</b>		<u>\$ 15,740,709</u>	<u>100</u>	<u>15,480,405</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 15,740,709</u>	<u>100</u>	<u>15,480,405</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, 2023 and 2022

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

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Operating revenue (Notes 6(p) and 7)</b>	\$ 963,121	100	2,273,704	100
5000	<b>Operating cost (Notes 6(d) and (l))</b>	<u>696,423</u>	<u>72</u>	<u>1,886,711</u>	<u>83</u>
5900	<b>Gross profit from operations</b>	<u>266,698</u>	<u>28</u>	<u>386,993</u>	<u>17</u>
6000	<b>Operating expenses (Notes 6(e), (l), (q) and 7):</b>				
6100	Selling expenses	43,214	4	107,994	5
6200	Administrative expenses	<u>108,009</u>	<u>11</u>	<u>103,851</u>	<u>5</u>
		<u>151,223</u>	<u>15</u>	<u>211,845</u>	<u>10</u>
6900	<b>Net operating profit</b>	<u>115,475</u>	<u>13</u>	<u>175,148</u>	<u>7</u>
7000	<b>Non-operating income and expenses:</b>				
7100	Interest income	17,973	2	5,611	-
7010	Other income (Note 6(k))	6,777	1	5,222	-
7020	Other gains and losses	(8,188)	(1)	(2,611)	-
7050	Finance costs (Note 6(r))	<u>(37,923)</u>	<u>(4)</u>	<u>(38,103)</u>	<u>(1)</u>
		<u>(21,361)</u>	<u>(2)</u>	<u>(29,881)</u>	<u>(1)</u>
7900	<b>Profit before tax</b>	94,114	11	145,267	6
7950	<b>Less: Income tax expense (Note 6(m))</b>	<u>5,258</u>	<u>1</u>	<u>5,590</u>	<u>-</u>
8200	<b>Profit</b>	<u>88,856</u>	<u>10</u>	<u>139,677</u>	<u>6</u>
8300	<b>Other comprehensive income (loss):</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Notes 6(b) and (n))	73,800	8	(6,300)	-
8349	Less: Income tax related to items that will not be reclassified to profit or loss	-	-	-	-
8300	<b>Other comprehensive income</b>	<u>73,800</u>	<u>8</u>	<u>(6,300)</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 162,656</u>	<u>18</u>	<u>133,377</u>	<u>6</u>
	<b>Basic earnings per share (Note 6(o))</b>				
9750	Basic earnings per share	<u>\$ 0.27</u>		<u>0.43</u>	
9850	Diluted earnings per share	<u>\$ 0.27</u>		<u>0.43</u>	

See accompanying notes to consolidated financial statements.

(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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent					Total other equity interest	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
				Unappropriated retained earnings	Total retained earnings		
<b>Balance at January 1, 2022</b>	\$ 3,265,542	185,955	594,244	2,437,450	3,031,694	61,380	6,544,571
Profit for the period	-	-	-	139,677	139,677	-	139,677
Other comprehensive income	-	-	-	-	-	(6,300)	(6,300)
Total comprehensive income	-	-	-	139,677	139,677	(6,300)	133,377
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	8,633	(8,633)	-	-	-
Cash dividends of ordinary share	-	-	-	(222,057)	(222,057)	-	(222,057)
Balance at December 31, 2022	3,265,542	185,955	602,877	2,346,437	2,949,314	55,080	6,455,891
Profit for the period	-	-	-	88,856	88,856	-	88,856
Other comprehensive income	-	-	-	-	-	73,800	73,800
Total comprehensive income	-	-	-	88,856	88,856	73,800	162,656
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	13,968	(13,968)	-	-	-
Cash dividends of ordinary share	-	-	-	(139,677)	(139,677)	-	(139,677)
<b>Balance at December 31, 2023</b>	\$ 3,265,542	185,955	616,845	2,281,648	2,898,493	128,880	6,478,870

(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, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 94,114	145,267
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit :</b>		
Depreciation expense	6,838	7,925
Amortization expense	1,978	2,583
Expected credit loss	134	-
Net loss (gain) on financial assets at fair value through profit or loss	1	(485)
Gain on disposal of property, plan and equipment	-	(2)
Interest expense	37,923	38,103
Interest income	(17,973)	(5,611)
Profit from lease modification	(33)	-
<b>Total adjustments to reconcile profit</b>	<u>28,868</u>	<u>42,513</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in contract assets	93,165	(133,058)
(Intereased) decrease in notes receivable (included related parties)	(19,239)	183
Decrease in accounts receivable (included related parties)	18,452	42,511
(Increase) decrease in inventories	(609,222)	551,405
Increase in other prepayments	(30,004)	(20,986)
(Increase) decrease other current assets	(643)	12,570
Increase in other financial assets	(21,133)	(90,738)
Decrease in deferred debits	-	5,636
(Increase) decrease in assets recognised as incremental costs to obtain contract with customers	(36,188)	5,504
<b>Total changes in operating assets</b>	<u>(604,812)</u>	<u>373,027</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in contract liabilities	206,032	(67,771)
(Decrease) increase in notes payable (included related parties)	(84,915)	62,471
Increase in accounts payable	94,637	37,781
Increase (decrease) in other receivable	7,966	(30,039)
Increase (decrease) in other current liabilities	23,471	(253)
<b>Total changes in operating liabilities</b>	<u>247,191</u>	<u>2,189</u>
<b>Total changes in operating assets and liabilities</b>	<u>(357,621)</u>	<u>375,216</u>
<b>Total adjustments</b>	<u>(328,753)</u>	<u>417,729</u>
Cash (outflow) inflow generated from operations	(234,639)	562,996
Interest paid	(182,731)	(156,562)
Income taxes paid	(23,643)	(27,079)
<b>Net cash flows (used in) generated from operating activities</b>	<u>(441,013)</u>	<u>379,355</u>

(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, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(1,000)
Acquisition of property, plant and equipment	(708)	(732)
Proceeds from disposal of property, plant and equipment	-	2
Decrease in refundable deposits	(1,066)	-
Acquisition of intangible assets	(1,822)	(1,411)
Increase in other financial assets	(3,948)	(148,501)
Decrease in other non-current assets	-	1,113
Interest received	17,973	5,611
<b>Net cash flows generated from (used in) investing activities</b>	<b>10,429</b>	<b>(144,918)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	778,870	410,460
Decrease in short-term borrowings	(799,200)	(1,012,292)
Decrease in short-term notes and bills payable	-	(140,000)
Proceeds from issuing bonds	-	1,994,787
Repayments of bonds	-	(1,000,000)
Payment of lease liabilities	(3,172)	(4,789)
Increase in other non-current liabilities	904	423
Cash dividends paid	(139,677)	(222,057)
<b>Net cash flows (used in) generated from financing activities</b>	<b>(162,275)</b>	<b>26,532</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(592,859)</b>	<b>260,969</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,426,747</b>	<b>2,165,778</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,833,888</b>	<b>2,426,747</b>

See accompanying notes to consolidated financial statements.



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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 sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material 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, 2023 and 2022, 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 12 (b) 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 12 (b) 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 parent company only 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 should provide a separate opinion on these matters. The key audit matters that in our professional judgment should be communicated are as follows:

## 1. Appropriateness of the period of revenue recognition from the sales of real estate

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

### Description of key audit matter:

The main income of the Company derived from selling real estate, wherein the sales revenue is recognized upon the transfer of ownership of the real estate and the actual delivery of the housing unit. In order to meet the market demand of construction industry, wherein the validity of the timing of sales revenue recognition plays a crucial role, the Company needs to thoroughly examine the transfer of ownership and delivery housing data for each transaction to recognize the sales revenue, which usually involves tremendous manual efforts. Thus, we considered the revenue recognition of our cutoff building and land sales as one of our key audit matters.

### Audit procedures performed:

- Understanding the control of real estate sales revenue and the revenue collection process, as well as testing the control effectiveness of revenue recognition on system design and implementation.
- Performing substantive tests, as well as sampling of sale contracts, real estate ownership transfer documents and deliverable sheets of house, and comparing the sales data and general ledger.
- Evaluating the period of revenue recognition by testing the sale transactions before and after the reporting date to confirm its consistency with the relevant documents.

## 2. Inventory valuation

Please refer to note 4(f) of individual financial statement for inventory valuation policy, to note 5 for assumptions and uncertainties, and to note 6(c) for detailed inventory.

### Description of key audit matter:

The key asset of the Company is its inventories, with a portion of 76% 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. The real estate for sale is compared with the latest nearby transaction price or the contract price of the recent sale, and the uncertainty of the future investment cost of the land for construction and the land under construction is higher, and it is difficult to obtain a comparable sales price. Therefore, the judgment of net realizable value of the land for construction and the land under construction depends on the subjective judgment or estimation of the management. Thus, the valuation of the land for construction and the land under construction is one of the most important valuation in performing our audit procedures.

### Audit procedures performed:

Through reviewing the recent selling price of the premises, or by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website.

## **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 auditor's 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 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 Han, Yi-Lien and Huang, Hsin-Ting.

KPMG

Taipei, Taiwan (Republic of China)

February 20, 2024

#### **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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6(a))	\$ 1,744,980	11	2,262,432	15	2100	Short-term borrowings (Notes 6(h) and 8)	\$ 4,310,730	28	4,366,060	28
1150	Notes receivable, net (Note 6(p))	2,500	-	-	-	2130	Current contract liabilities (Notes 6(j), (p) and 9)	560,113	4	354,081	2
1170	Accounts receivable, net (Note 6(p))	-	-	100	-	2151	Notes payable	64,847	-	101,659	1
1320	Inventories (for construction business), net (Notes 6(c), 7 and 8)	11,835,487	76	11,345,441	74	2161	Notes payable to related parties (Note 7)	80,916	-	36,336	-
1410	Prepayment	107,525	1	79,602	-	2170	Accounts payable	33,594	-	43,166	-
1476	Other financial assets-current (Note 8)	381,656	2	109,678	1	2180	Accounts payable to related parties (Note 7)	183,659	1	145,919	1
1479	Other current assets, others	19,848	-	16,872	-	2200	Other payables (Notes 7 and 9(b))	103,325	1	84,839	1
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 6(d))	<u>159,611</u>	<u>1</u>	<u>123,423</u>	<u>1</u>	2321	Current portion of puttable bonds (Notes 6(i) and 8)	1,199,995	8	-	-
		<u>14,251,607</u>	<u>91</u>	<u>13,937,548</u>	<u>91</u>	2399	Other current liabilities, others	<u>29,668</u>	<u>-</u>	<u>9,691</u>	<u>-</u>
								<u>6,566,847</u>	<u>42</u>	<u>5,141,751</u>	<u>33</u>
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>					
1510	Non-current financial assets at fair value through profit or loss	4,913	-	4,914	-	2530	Bonds payable (Notes 6(i) and 8)	2,595,993	17	3,794,540	25
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(b))	191,080	1	117,280	1	2600	Other non-current liabilities	<u>4,650</u>	<u>-</u>	<u>2,462</u>	<u>-</u>
1550	Investments accounted for using equity method, net (Note 6(e))	305,212	2	325,681	2			<u>2,600,643</u>	<u>17</u>	<u>3,797,002</u>	<u>25</u>
1600	Property, plant and equipment (Notes 6(f) and 8)	74,726	-	75,789	-		<b>Total liabilities</b>	<u>9,167,490</u>	<u>59</u>	<u>8,938,753</u>	<u>58</u>
1760	Investment property, net (Notes 6(g) and 8)	229,737	2	115,799	1		<b>Equity (Note 6(n)):</b>				
1780	Intangible assets	181	-	339	-	3100	Common stock	3,265,542	21	3,265,542	21
1840	Deferred tax assets (Note 6(m))	148,712	1	132,733	1	3200	Capital surplus	185,955	1	185,955	1
1920	Guarantee deposits paid	3,935	-	2,108	-	3300	Retained earnings	2,898,493	18	2,949,314	20
1980	Other non-current financial assets (Note 8)	431,457	3	680,090	4	3400	Other equity (Note 6(b))	<u>128,880</u>	<u>1</u>	<u>55,080</u>	<u>-</u>
1990	Other non-current assets, others	<u>4,800</u>	<u>-</u>	<u>2,363</u>	<u>-</u>		<b>Total equity</b>	6,478,870	41	6,455,891	42
		<u>1,394,753</u>	<u>9</u>	<u>1,457,096</u>	<u>9</u>						
<b>Total assets</b>		<u>\$ 15,646,360</u>	<u>100</u>	<u>15,394,644</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 15,646,360</u>	<u>100</u>	<u>15,394,644</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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note 6(p))	\$ 817,169	100	1,977,670	100
5000	Operating cost (Notes 6(c) and (l))	<u>585,222</u>	<u>72</u>	<u>1,658,053</u>	<u>84</u>
5900	<b>Gross profit from operations</b>	<u>231,947</u>	<u>28</u>	<u>319,617</u>	<u>16</u>
6000	<b>Operating expenses :</b>				
6100	Selling expenses (Notes 6(d) and 7)	33,316	4	92,359	5
6200	Administrative expenses (Notes 6(l), (q) and 7)	<u>89,371</u>	<u>11</u>	<u>76,359</u>	<u>4</u>
		<u>122,687</u>	<u>15</u>	<u>168,718</u>	<u>9</u>
6900	<b>Net operating income</b>	<u>109,260</u>	<u>13</u>	<u>150,899</u>	<u>7</u>
7000	<b>Non-operating income and expenses:</b>				
7100	Interest income	17,177	2	5,279	-
7010	Other income (Notes 6(k) and 7)	6,055	1	4,633	-
7020	Other gains and losses	(6,719)	(1)	(1,160)	-
7050	Finance costs (Note 6(r))	(37,858)	(5)	(38,016)	(2)
7070	Share of profit (loss) of subsidiaries accounted for using equity method	<u>323</u>	<u>-</u>	<u>17,795</u>	<u>1</u>
		<u>(21,022)</u>	<u>(3)</u>	<u>(11,469)</u>	<u>(1)</u>
7900	<b>Profit before tax</b>	88,238	10	139,430	6
7950	Less: Income tax profits (Note 6(m))	<u>(618)</u>	<u>-</u>	<u>(247)</u>	<u>-</u>
8200	<b>Profit</b>	<u>88,856</u>	<u>10</u>	<u>139,677</u>	<u>6</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(n))	73,800	9	(6,300)	-
8349	Less : income tax related to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	<b>Other comprehensive income</b>	<u>73,800</u>	<u>9</u>	<u>(6,300)</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u>\$ 162,656</u>	<u>19</u>	<u>133,377</u>	<u>6</u>
	<b>Basic earnings per share (Note 6(o))</b>				
9750	Basic earnings per share(NT dollars)	<u>\$ 0.27</u>		<u>0.43</u>	
9850	Diluted earnings per share(NT dollars)	<u>\$ 0.27</u>		<u>0.43</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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Total other equity interest	Total equity
				Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
<b>Balance at January 1, 2022</b>	\$ 3,265,542	185,955	594,244	2,437,450	3,031,694	61,380	6,544,571
Profit for the period	-	-	-	139,677	139,677	-	139,677
Other comprehensive income	-	-	-	-	-	(6,300)	(6,300)
Total comprehensive income	-	-	-	139,677	139,677	(6,300)	133,377
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	8,633	(8,633)	-	-	-
Cash dividends of ordinary share	-	-	-	(222,057)	(222,057)	-	(222,057)
Balance at December 31, 2022	3,265,542	185,955	602,877	2,346,437	2,949,314	55,080	6,455,891
Profit for the period	-	-	-	88,856	88,856	-	88,856
Other comprehensive income	-	-	-	-	-	73,800	73,800
Total comprehensive income	-	-	-	88,856	88,856	73,800	162,656
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	13,968	(13,968)	-	-	-
Cash dividends of ordinary share	-	-	-	(139,677)	(139,677)	-	(139,677)
<b>Balance at December 31, 2023</b>	\$ <b>3,265,542</b>	<b>185,955</b>	<b>616,845</b>	<b>2,281,648</b>	<b>2,898,493</b>	<b>128,880</b>	<b>6,478,870</b>

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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ <u>88,238</u>	<u>139,430</u>
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit :</b>		
Depreciation expense	4,958	3,113
Amortization expense	651	664
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	1	(485)
Interest expense	37,858	38,016
Interest income	(17,177)	(5,279)
Share of profit of subsidiaries accounted for using equity method	<u>(323)</u>	<u>(17,795)</u>
<b>Total adjustments to reconcile profit (loss)</b>	<u>25,968</u>	<u>18,234</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
(Increase) decrease in notes receivable	(2,500)	30
Decrease (increase) in accounts receivable	100	(100)
(Increase) decrease in inventories	(450,067)	572,734
Increase in prepayments	(27,923)	(21,974)
(Increase) decrease in other current assets	(1,587)	1,630
Increase in other financial assets	(19,997)	(82,125)
(Increase) decrease in assets recognised as incremental costs to obtain contract with customers	<u>(36,188)</u>	<u>5,504</u>
<b>Total changes in operating assets</b>	<u>(538,162)</u>	<u>475,699</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in contract liabilities	206,032	(64,440)
Increase (decrease) in notes payable	7,768	(22,707)
Increase in accounts payable	28,168	68,641
Increase (decrease) in other payable	9,155	(29,952)
Increase (decrease) in other current liabilities	<u>18,770</u>	<u>(1,494)</u>
<b>Total changes in operating liabilities</b>	<u>269,893</u>	<u>(49,952)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(268,269)</u>	<u>425,747</u>
<b>Total adjustments</b>	<u>(242,301)</u>	<u>443,981</u>
Cash (outflow) inflow generated from operations	(154,063)	583,411
Interest paid	(182,694)	(156,475)
Income taxes paid	<u>(16,750)</u>	<u>(21,881)</u>
<b>Net cash flows (used in) generated from operating activities</b>	<u>(353,507)</u>	<u>405,055</u>

(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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(1,000)
Acquisition of investments accounted for using equity method	-	(140,000)
Acquisition of property, plant and equipment	(113)	(398)
Increase in refundable deposits	(1,827)	1,230
Acquisition of intangible assets	(493)	(287)
Increase in other financial assets	(3,348)	(148,501)
Interest received	17,177	5,279
Dividends received	20,792	13,197
<b>Net cash flows from generated (used in) investing activities</b>	<u>32,188</u>	<u>(270,480)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	743,870	410,460
Decrease in short-term borrowings	(799,200)	(1,012,292)
Decrease in short-term notes and bills payable	-	(140,000)
Proceeds from issuing bonds	-	1,994,787
Repayments of bonds	-	(1,000,000)
Increase in other non-current liabilities	925	396
Cash dividends paid	(139,677)	(222,057)
Payment of lease liabilities	(2,051)	(783)
<b>Net cash flows (used in) generated from financing activities</b>	<u>(196,133)</u>	<u>30,511</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(517,452)</u>	<u>165,086</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>2,262,432</u>	<u>2,097,346</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,744,980</u>	<u>2,262,432</u>

See accompanying notes to parent company only financial statements.

Attachment 6: Comparison of current and amended provisions of the “Articles of Incorporation”

Sanfar Property Limited

Comparison of current and amended provisions of the “Articles of Incorporation”

Article No.	Original Article	Amended Article	Explanation of amendment
Article 14	<p>The Company shall have seven to nine directors, and the actual number of directors to be elected is authorized to be decided by the Board of Directors. The election of directors shall be based on the candidate nomination system under Article 192-1 of the Company Act, and shareholders shall elect the candidates from the list of director candidates.</p> <p>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</p> <p>The number of directors in the preceding paragraph shall include at least three independent directors (at least one of them shall have accounting or financial expertise), the total number of Independent directors shall amount to <u>one-third</u> or more of the total number of the directors.</p>	<p>The Company shall have seven to nine directors, and the actual number of directors to be elected is authorized to be decided by the Board of Directors. The election of directors shall be based on the candidate nomination system under Article 192-1 of the Company Act, and shareholders shall elect the candidates from the list of director candidates.</p> <p>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</p> <p>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 <del>one-fifth</del> of the number of directors.</p>	<p>Article 4 of Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board’s Exercise of Powers</p>
Article 25	<p>The Articles of Incorporation were established on September 1, 1993.</p> <p>The 1st amendment was made on</p>	<p>The Articles of Incorporation were established on September 1, 1993.</p> <p>The 1st amendment was made on</p>	<p>New amendments Date</p>

	<p>September 16, 1993.</p> <p>The 2nd amendment was made on April 10, 1998.</p> <p>The 3rd amendment was made on May 16, 1998.</p> <p>The 4th amendment was made on May 20, 1999.</p> <p>The 5th amendment was made on July 2, 1999.</p> <p>The 6th amendment was made on November 8, 1999.</p> <p>The 7th amendment was made on April 8, 2000.</p> <p>The 8th amendment was made on August 17, 2000.</p> <p>The 9th amendment was made on October 20, 2000.</p> <p>The 10th amendment was made on November 13, 2000.</p> <p>The 11th amendment was made on June 6, 2001.</p> <p>The 12th amendment was made on June 8, 2002.</p> <p>The 13th amendment was made on June 20, 2004.</p> <p>The 14th amendment was made on June 20, 2004.</p> <p>The 15th amendment was made on June 20, 2005.</p> <p>The 16th amendment was made on June 15, 2006.</p> <p>The 17th amendment was made on June 21, 2007.</p> <p>The 18th amendment was made on May 13, 2008.</p> <p>The 19th amendment was made on June 19, 2009.</p> <p>The 20th amendment was made on June 25, 2010.</p> <p>The 21st amendment was made on May 27, 2011.</p> <p>The 22nd amendment was made</p>	<p>September 16, 1993.</p> <p>The 2nd amendment was made on April 10, 1998.</p> <p>The 3rd amendment was made on May 16, 1998.</p> <p>The 4th amendment was made on May 20, 1999.</p> <p>The 5th amendment was made on July 2, 1999.</p> <p>The 6th amendment was made on November 8, 1999.</p> <p>The 7th amendment was made on April 8, 2000.</p> <p>The 8th amendment was made on August 17, 2000.</p> <p>The 9th amendment was made on October 20, 2000.</p> <p>The 10th amendment was made on November 13, 2000.</p> <p>The 11th amendment was made on June 6, 2001.</p> <p>The 12th amendment was made on June 8, 2002.</p> <p>The 13th amendment was made on June 20, 2004.</p> <p>The 14th amendment was made on June 20, 2004.</p> <p>The 15th amendment was made on June 20, 2005.</p> <p>The 16th amendment was made on June 15, 2006.</p> <p>The 17th amendment was made on June 21, 2007.</p> <p>The 18th amendment was made on May 13, 2008.</p> <p>The 19th amendment was made on June 19, 2009.</p> <p>The 20th amendment was made on June 25, 2010.</p> <p>The 21st amendment was made on May 27, 2011.</p> <p>The 22nd amendment was made</p>	
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	<p>on May 25, 2012.</p> <p>The 23rd amendment was made on May 31, 2013. The 24th amendment was made on June 2, 2015.</p> <p>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. The 29th amendment was made on June 30, 2022.</p> <p><u>The 30th amendment was made on May 29, 2024.</u></p>	<p>on May 25, 2012.</p> <p>The 23rd amendment was made on May 31, 2013. The 24th amendment was made on June 2, 2015.</p> <p>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. The 29th amendment was made on June 30, 2022.</p>	
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Attachment 7: Measures for the Issuance of “New Employee Restricted Stocks” in 2024

Sanfar Property Limited  
Measures for the Issuance of 2024 New Employee  
Restricted Stocks

- I. Purpose of issuance  
The Company established the 2024 new employee restricted stocks in accordance with Paragraph 9, Article 267 of the Company Act and the Article 4 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” issued by the Financial Supervisory Commission, in order to recruit and retain professionals needed by the Company and to motivate employees and enhance their commitment to the Company, so as to jointly create the interests of the Company and its shareholders.
- II. Filing for registration and issue period  
Within one year from the date of the shareholders’ resolution, the Company may register the employee restricted shares in one or multiple issues, and may issue in one or more tranches within two years from the date of receipt of the competent authority’s approval of the plan.
- III. Eligible employees and the number of the restricted shares to be granted
- (I) Limited to full-time employees of the Company and a company which has a controlling or subordinate relationship with the Company. For the preceding “subordinate company” shall have the meaning given in accordance with Articles 369-2, 369-3, 369-9 Paragraph 2, and 369-11 of the R.O.C. Company Act pursuant to Jin Guan Zheng Fa Tzu No. 1070121068 promulgated by the FSC are eligible participants of the plan. For the purpose of this plan, a full-time employee is defined as follows:  
Full-time employee means a person employed by the Company or a company which has a controlling or subordinate relationship with the Company, who undertakes the assignment and gets paid regularly according to his/her employment contract.
- (II) The actual number of shares that can be allocated to employees who are granted shares shall be determined based on factors such as seniority, job level, performance evaluation, overall contribution, special achievements, and other conditions of management need being referred to. After the Chairman approves the allocation criteria, it shall be submitted to the board of directors for approval by more than two-thirds of the attending directors and a majority of the attending directors, except that those who hold the status of director and/or manager should first obtain the consent of the Remuneration Committee; non-director or non-manager employees should first obtain the consent of the Audit Committee. The nomination and grant of the number of the restricted stocks shall be subject to the satisfaction of the following performance criteria that such employee:
1. Scores above the average during annual performance review.
  2. Has outstanding job performance in assigned projects or makes significant contribution to the Company.
  3. Has been recommended by the heads of his/her department for contributing to the operation and future development of the Company.
  4. Possesses specialized working skills, know-how and knowledge required by the Company.
- (III) The accumulative number of the restricted shares obtained by each employee, in combination with the accumulative number of options granted to such employee

under Article 56-1, paragraph 1 of the Criteria Governing the Offering and Issuance of Securities by Securities Issuers (the “Criteria”), shall not exceed 0.3% of the total issued shares of the Company. And the above in combination with the accumulative number of options granted to each employee under Article 56, paragraph 1 of the Criteria, shall not exceed 1% of the total issued shares of the Company.

- IV. Total number of restricted shares to be issued  
The total number of the restricted shares to be issued will be 1,600,000 common shares of the Company. The par value of the Share is NT\$10 and the total amount will be NT\$16,000,000.
- V. Terms and conditions of the restricted shares awards
- (I) Issue Price: The restricted shares shall be issued at NT\$0 per share, which means the eligible employee will receive the restricted shares gratuitously.
- (II) Vesting Schedule: As long as an eligible employee being granted the restricted shares still stays employed, the percentage of the restricted shares awards shall vest in accordance with the following schedule:
1. First anniversary of the grant date: The employee has served for one consecutive year after being granted new restricted employee shares. If the employee is granted B and above in the performance appraisal in the first year, he is granted 50% of the shares.
  2. Second anniversary of the grant date: The employee has served for two consecutive years after being granted new restricted employee shares. If the employee is granted B and above in the performance appraisal in the second year, he is granted 30% of the shares.
  3. Third anniversary of the grant date: The employee has served for three consecutive years after being granted new restricted employee shares. If the employee is granted B and above in the performance appraisal in the third year, he is granted 20% of the shares.
- The grant date and the first day of vesting schedule referred to under these measures means the record date of the capital increase.
- (III) Types of shares: The shares underlying the restricted shares shall be the common shares of the Company.
- (IV) Methods to handle the unvested restricted shares or in the event of inheritance:
1. Voluntary termination or discharge based on the causes not attributable to the Company:  
The Company shall forfeit and cancel unvested restricted shares without the payment of any consideration pursuant to laws in the event that the employee has terminated his/her employment with the Company. Such unvested restricted shares will be deemed not meeting vesting schedule as of the effective date of such employment termination.
  2. Retirement:  
The Company shall forfeit and cancel unvested restricted shares without the payment of any consideration pursuant to laws in the event that the employee terminates his/her employment with the Company. Such unvested restricted shares will be deemed as not meeting the vesting schedule as of the retirement date of such employment termination.
  3. Temporary leave without pay:  
For employees who have been approved by the Company to be on temporary leave without pay pursuant to the laws and regulations, or due to

critical illness, family incidents or overseas study plan, etc., their rights to unvested restricted shares will resume from the date of return to their positions. However, the vesting schedule will be deferred for a period of time where the employee has been approved to be on temporary leave without pay.

4. Death:

The Company shall forfeit and cancel unvested restricted shares without the payment of any consideration pursuant to laws as of the date of the employee's death. Such unvested restricted shares will be deemed not meeting vesting schedule as of the date of the employee's death.

5. Disability or death caused by work injury:

(1) In the event that the employee is physically disabled and cannot continue his/her employment due to work injury, all of the restricted shares awards will be deemed vested as of the effective date of such employment termination.

(2) In the event of the employee's death due to work injury, all of the restricted shares awards inherited by the heir(s) will be deemed vested as of the date of the employee's death.

6. Severance or termination of employment contract due to causes attributable to the Company: The Company shall forfeit and cancel all unvested restricted shares awards without the payment of any consideration pursuant to laws in the event that the employee is laid off by the Company. Such unvested restricted shares awards will be deemed not meeting vesting schedule as of the effective date of such layoff or such employment termination.

7. Transfer:

To facilitate the Company's business operation needs, an employee who is approved by the Chairman of the Company (the "Chairman") or his/her delegate to be transferred by the Company to a company which has a controlling or subordinate relationship with the Company (or within subsidiaries), the rights and obligations of all unvested restricted shares awards shall not be affected.

8. For the reasons not mentioned above, the Chairman is authorized to approve vested percentage and vesting schedule, and shall be further submit to the Board for ratification.

9. The cause of termination prescribed in this Plan shall be defined in accordance with the application law of the employee's employment contract.

VI. Grant of the restricted stock awards

(I) After granting the restricted stock awards, the Company will enter in the Register of Members the granted number of the restricted stock on the record date for the capital increase pursuant to applicable laws and regulations, and deliver the newly issued common shares through the book-entry system.

(II) After issuing the restricted shares based on the measures, the Company shall file for registration of changes pursuant to laws.

VII. Restricted rights of unvested restricted shares granting after the grant date

The rights to the restricted shares issued based on this plan will be restricted as follows:

(I) The employee shall not sell, hypothecate, assign, give to others as a present, pledge or dispose of restricted shares until they have been vested, except in the case of inheritance.

- (II) The employee will have rights to attend, submit proposals, make a speech, and vote at any meeting of shareholders according to an applicable trust or custodian agreement.
  - (III) The employee shall not exercise the rights as a shareholder of common shares with respect to the restricted shares, whether vested or unvested, including but not limited to any rights to receive dividends, premiums, additional paid-in capital, and pre-emptive right to subscribe new shares issued for cash capital increase.
- VIII. Miscellaneous (including trust and custody)

The Company shall put the restricted shares issued into a trust established for the benefit of the employees.
- IX. Tax

Tax associated with new restricted employee shares granted by these Regulations shall be subject to the R.O.C. tax laws.
- X. Confidentiality and restrictions
  - (I) The employee receiving restricted stock awards in accordance with the Regulations shall be subject to applicable law and as provided in the rules set by the Company regarding the confidentiality of compensation. The employee shall keep confidential the contents of the plan, the number of shares granted to him/her under the plan and shall not inquiry shares have granted to others. If an employee violates the rules above to an extent considered material by the Company, the Company has the right to retrieve the unvested new restricted employee shares in the employee's possession and retire such shares.
  - (II) If after being granted restricted shares in accordance with the Regulations, an employee violates the employment contract or the Work Rules to an extent considered material by the Company, the Company has the right to retrieve the unvested new restricted employee shares in the employee's possession without any compensation and retire such shares by law.
- XI. Implementation rules

For the procedures of the list of employees received the restricted stocks and document signing specified in these measures and the detailed operation time regarding the procedures, the undertaker of the Company shall notify the employees receiving restricted stock awards separately.
- XII. Others

The Regulations for Issuance of Restricted Employee Shares and any revision thereof shall take effect upon approval by a majority vote at a Board meeting attended by two-thirds of all directors and further approval by the competent authority. The Chairman is authorized to make revisions upon receipt of any request based on the review of the competent authority during the application, then submit the revisions to the Board for approval before issuing the Measures. If there are any matters not covered by the Measures, unless otherwise provided by law, the Board of Directors shall authorize the Chairman to amend or implement in accordance with relevant laws.

## Attachment 8: List of Director Candidates

**Sanfar Property Limited****List of Director (Including Independent Director) Candidate Nominees**The list of **director** candidates is as follows:

Candidate Name	Education	Experience	Shareholdings (unit: shares)
Good Ease Investment Limited Representative: Ding-Sheng Zhong	Duke University/ Bachelor of Electrical Engineering and Information Science	Zenfar Architecture Organization Ltd./Chairman Jinfuxing Construction Co., Ltd./Manager	1,301,250 shares
Shang Shan Industrial Limited Representative: Chun-Jung Chung	Wenzao Ursuline University of Languages	Sanfar Property Limited/Chairman Jingo International Records Co., Ltd./ Chairman	13,183,004 shares
Shang Shan Industrial Limited Representative: Ding-Shing Zhong	Tamkang University / Department of Architecture	Minfar Real Estate Development Co., Ltd./Chairman	13,183,004 shares
Kang-Chi Lu	BA of English Department of Soochow University	Jingo International Records Co., Ltd./ Chairman Herbalife Taiwan General Manager	69,336 shares

The list of **independent director** candidates is as follows:

Nominees Name	Education	Experience	Shareholding (Unit: Shares)
Hsu-hui Hsu	National Chengchi University / EMBA Tulane University / MBA	The 25th Model of Entrepreneurial Youth President of the ROC National Innovation and Entrepreneurship Association Supervisor of Taiwan Chamber of Commerce & Industry Board of Director of Taiwan International Logistics & Supply Chain Association	0 shares
Yanfend Wu	Tunghai University / Bachelor of Law	T.Y.T. Law Offices / Attorney Taiwan Tea Corporation / Director Shengshan Finance Co., Ltd. / Director	0 shares
Ling-Ling Chang	BA of Accounting Department of Soochow University	President of Zonta Club of Kaohsiung Finance and tax accounting consultant of Export Processing Zone Administration, M.O.E.A. Invigilator and marker for the skill test of technician for accounting Member of Public Welfare Lottery Surplus Fund Committee, Kaohsiung City Government	0 shares

## Appendixes

### Appendix 1: Articles of Incorporation

#### Sanfar Property Limited

#### Articles of Incorporation (before amendment)

Approved by the shareholders' meeting on June 30, 2022.

#### 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 Residential and building development, lease, and sale business
2. H701020 Industrial factories development, lease, and sale business
3. H701040 Specific professional zones development business
4. H701050 Public construction investment business
5. H701060 New towns and communities development business
6. H701070 Sectional expropriation and municipal rezoning agency business
7. H701080 Urban renewal and reconstruction business
8. H702010 Construction management business
9. H703090 Real estate trading business
10. H703100 Real estate leasing business
11. H703110 Seniors home business
12. E801010 Interior decoration business
13. F106020 Daily necessities wholesale business
14. F111090 Building materials wholesale business
15. F113010 Machinery wholesale business
16. F211010 Building materials retail business
17. F213080 Machinery appliance retail business
18. F301010 Department store business
19. F301020 Supermarket business
20. F501060 Restaurant business
21. G202010 Parking lot business
22. I102010 Investment consulting business
23. I103060 Management consulting business
24. I301010 Information software service business
25. I503010 Landscape and interior design business
26. J503010 Radio broadcasting production business
27. J503020 TV programs production business

28. J503030 Radio broadcasting and television program distribution business
29. J503040 Radio broadcasting and television advertising business
30. J503050 Video tape business
31. J701020 Amusement park business
32. J701040 Entertainment square business
33. J801010 Golf course business
34. J901020 General hotel business
35. JD01010 Industrial and commercial credit check service business
36. D401010 Thermal energy supply business
37. F199990 Other wholesale businesses
38. F501030 Beverage store business
39. F401010 International trade business
40. F113050 Computer and office machinery and equipment wholesale business
41. F213030 Computer and office machinery and equipment retail business
42. E605010 Computer equipment installation business
43. IE01010 Telecommunications service and phone number agency business
44. F113070 Telecommunications equipment wholesale business
45. F213060 Telecommunications equipment retail business
46. F119010 Electronic materials wholesale business
47. I401010 General advertising services business
48. J301010 Newspaper business
49. J303010 Magazine (periodical) publishing business
50. ZZ99999 All business items 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 total capital of the Company is set at NT\$4,500 million, divided into 450 million shares, all of which are common shares with NT\$10 each, and the unissued portion is authorized to be issued by the Board of Directors 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 9-1: The shareholders' meeting may be held by video or other means announced by the Ministry of Economic Affairs.

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 shall have seven to nine directors, and the actual number of directors to be elected is authorized to be decided by the Board of Directors. The election of directors shall be based on the candidate nomination system under Article 192-1 of the Company Act, and shareholders shall elect the candidates from the list of director candidates. 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 Board of Directors' meetings shall be convened by giving seven days' notice to the directors, stating the reasons for convening the meetings. 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 re-election of directors is effected after expiration of the term of office of original directors, the term of office of original directors shall be extended until the time new directors have been elected and assumed their office.
- Article 20-1: In performing the business of the Company, directors shall be paid salaries and attendance fees at the usual rate in the industry, regardless of the profit or loss of the Company.
- Article 20-2: The Company may purchase liability insurance for directors who are legally liable for compensation during their term of office for the scope of business they perform.

#### Chapter 5 Manager

- 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: The Board of Directors of the Company shall prepare the following reports at the end of each fiscal year and submit them to the Audit Committee for review 30 days prior to the regular shareholders' meeting and submit them to the regular shareholders' meeting for ratification.
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: The Company's earnings distribution in cash, shall be resolved by the Board of Directors in accordance with Paragraph 5, Article 240 of the Company Act and reported to the shareholders' meeting without the need for the ratification by the shareholders' meeting.

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 Supplementary 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 2, 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.

The 29th amendment was made on June 30, 2022.

Appendix 2: Rules of Procedure for Shareholders' Meetings

**Rules of Procedures for Shareholders' meeting**

**Chapter I General Principles**

Article 1 In order to establish a good governance system for the Company's shareholders' meeting, improve the supervisory function and strengthen the management function, the Company has set forth the rules in accordance with Article 5 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" for the purpose of compliance.

Article 2 The procedure for shareholders' meetings of the Company should be governed by the rules unless otherwise required by laws and regulations.

Article 3 Unless otherwise provided by law, the Company's shareholders' meetings should be convened by the Board of Directors.  
The Company shall convene a shareholders' meeting by video means, unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, as set forth in the Articles of Incorporation and by a resolution of the Board of Directors with the presence of at least two-thirds of the directors and the approval of a majority of the directors present.

Changes in the format of the Company's shareholders' meetings shall be resolved by the Board of Directors and shall be made at the latest prior to the mailing of the notice of the shareholders' meeting.

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 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 shareholders' meeting:

- I. For physical shareholders' meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

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.

A shareholder proposal that is approved by a shareholders' meeting is limited to 300 words. If the number exceeds 300 words, the proposal will not be included in the agenda; the proposing shareholders should attend the general shareholders' meeting in person or entrust an agent to attend and participate in the discussion of the proposal.

When shareholders submit proposals for discussion at an annual general meeting, shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. Shareholders making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of 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

A shareholder may appoint a proxy to attend a shareholders' meeting at each shareholders' meeting by presenting the proxy form issued by the Company, stating the scope of 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. After the power of attorney is delivered to the company, shareholders who wish to attend the shareholders' meeting by video conferencing shall notify the company in writing of the revocation of the proxy two days before the shareholders' meeting.

Article 5

The location for a shareholders' meeting should 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. The location and time of the meeting shall take into full consideration the opinions of the independent directors.

When the Company convenes a video conference shareholders' meeting, it is not subject to the restriction on the venue of the preceding paragraph.

Article 6

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "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 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. 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 as having attended the shareholders' meeting in person.

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. In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders' meeting, the 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.

Article 6-1

The Company shall specify the following in the shareholders' meeting notice if the shareholders' meeting shall be held by video means: I. The way shareholders participate in the video conference and exercise their rights.

II. The handling of obstacles to the video conferencing platform or video participation due to natural disasters, events or other force majeure circumstances shall include at least the following:

(I) The time when the aforementioned obstacles continue and cannot be removed, and the date when the meeting must be postponed or reconvened

(II) Shareholders who have not registered to participate in the original meeting by video conference shall not participate in the postponed or reconvened meeting.

(III) If a video-assisted shareholders' meeting cannot be reconvened by video conference, the shareholders' meeting shall continue if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video conference,

(IV) and the number of shares attending the shareholders' meeting by video conference shall be counted in the total number of shares present for the shareholders' meeting, and shall be deemed abstain from all motions for that shareholders' meeting.

(V) In the event that the results of all motions have been announced and no extempore motion has been made, the handling method.

III. The Company shall, when convening a video shareholders' meeting, state the appropriate alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video means. Except for the circumstances specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall, at a minimum, provide shareholders with connection equipment and necessary assistance, and set forth the period during which shareholders may apply to the Company for such assistance and other relevant matters to be noted.

Article 7

If a shareholders' meeting is convened by the Board of Directors, the chairperson of the board shall chair the meeting. When the chairperson is on leave or for any reason unable to exercise the powers of office, 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 office, 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 the 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 the 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

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

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.

Where a shareholders' meeting is held online, the 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.

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 handle matters of the virtual meeting.

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.

Article 9

Attendance in a shareholders' meeting should be calculated based on 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 shares checked in on the virtual meeting platform, in addition to the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. 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 issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform. 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. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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 extempore motions and amendments to the original proposals of that meeting). The meeting should proceed in the order set by 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 the subject of the speech on a speaker slip, his or her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the meeting 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.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing on the virtual meeting platform from the chair declaring the meeting open until the chair declares the meeting adjourned. No more than two questions on the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. 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 the questions be disclosed to the public at the virtual meeting platform.

Article 12 Voting in a shareholders' meeting should be calculated based on numbers 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 have one voting right per share, except when the shares are restricted shares or have no voting rights under Paragraph 2, Article 179 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.

After a shareholder has exercised voting rights by correspondence or electronic means, if they intend to attend the shareholders' meeting in person or online, they must retract the voting rights already exercised under the preceding paragraph. This must be done by a written declaration of intent, which should be made known to this Corporation 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. 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. When the Company convenes a virtual shareholders' 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.

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.

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.

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 original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

- Article 14 In the event of an election of directors in a shareholders' meeting, the election results, including the list of elected directors and the number of their elected rights, should be announced on the spot in accordance with the relevant election regulations established by the Company.  
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 of a shareholders' meeting should be recorded in the meeting minutes, which shall be signed or sealed by the meeting chair and distributed to each shareholder within 20 days after 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.  
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 dealt with shall also be included in the minutes.  
When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.
- Article 16 On the day of the shareholders' meeting, the Company shall prepare a statistical report in the prescribed format on the number of shares acquired by solicitors and the number of shares represented by proxies and the number of shares represented by shareholders in the meeting venue. If a shareholders' meeting is held by video conference, the Company shall upload the aforementioned information to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting and continue to disclose the information until the end of the meeting.  
When announcing the video conference of the shareholders' meeting, the Company shall disclose the shareholders' attendance rights on the video conference platform. The same applies if the number of attendance rights is also counted during the 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 The personnel administering the shareholders' meeting should wear identification cards or armbands.  
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 meeting chair may announce a break based on time considerations. If a force majeure event occurs, the meeting 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 18-1 If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and election results on the video conference platform of the shareholders' meeting immediately after the close of voting in accordance with the regulations, and shall continue to disclose the results for at least fifteen minutes after the Chairman announces the adjournment of the meeting.
- Article 18-2 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.
- Article 18-3 If a shareholders' meeting is held by video means, the Company may provide a simple connection test for shareholders before the meeting and provide relevant services immediately before and during the meeting to assist in handling technical problems of communication.  
In the event of a virtual shareholders' meeting, the chair shall declare the meeting open. 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 this case, Article 182 of the Company Act shall not apply.  
For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

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 postponed or resumed session, at the affected shareholders' meeting, shall be counted toward the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. 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.

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 virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

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 toward 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 the meeting agenda of that shareholders' meeting.

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.

For dates or periods 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 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, this Corporation shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

The Company shall, when convening a video shareholders' meeting, provide the appropriate alternative measures for shareholders who have difficulties attending the shareholders' meeting by video means. Except for the circumstances specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall, at a minimum, provide shareholders with connection equipment and necessary assistance, and set forth the period during which shareholders may apply to the Company for such assistance and other relevant matters to be noted.

Article 19 These Rules shall be effective upon approval by the shareholders' meeting and the same applies to amendments.  
The "Rules of Procedures for Shareholders' meetings" was enacted on May 20, 1999.  
The 1st amendment was made on June 18, 2001.  
The 2nd amendment was made on June 8, 2002.  
The 3rd amendment was made on June 15, 2006.  
The 4th amendment was made on June 25, 2010.  
The 5th amendment was made on May 25, 2012.  
The 6th amendment was made on May 31, 2013.  
The 7th amendment was made on June 2, 2015.  
The 8th amendment was made on May 22, 2017.  
The 9th amendment was made on June 24, 2019.  
The 10th amendment was made on June 29, 2020.  
The 11th amendment was made on June 30, 2022.  
The 12th amendment was made on May 29, 2023.

Appendix 3: Rules Governing Election of Board Directors

**Sanfar Property Limited**  
**Regulations Governing Election of Directors**

- Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of independent and non-independent directors shall be conducted in accordance with these Rules.
- Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include but not limited to the following two general standards:
- I. Basic requirements and values: Gender, age, nationality, and culture.
  - II. Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
- All board directors shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
- I. The ability to make judgments about operations
  - II. Accounting and financial analysis ability
  - III. Business management ability
  - IV. Crisis management ability
  - V. Knowledge of the industry
  - VI. An international market perspective
  - VII. Leadership
  - VIII. Decision-making ability
- More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The company's board of directors shall consider adjusting its composition based on the results of performance evaluation.

Article 4 The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of the company's independent directors must comply with Article 5, Article 6, Article 7, Article 8, and Article 9 of the "Regulations Governing Election of Independent Directors and Compliance Matters for Public Companies." The election should be handled in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Article 5 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed in the company's Articles of Incorporation, the company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent director falls below the quorum under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, the provisions of the "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings," and "Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX" Section 8, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When all the independent directors are dismissed, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 The cumulative voting method shall be used for election of the directors of this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

The election of the company's directors may be carried out in person or by electronic voting. If shareholders use electronic voting to exercise their voting rights in the preceding paragraph, they shall exercise it on the electronic voting platform designated by the company.

Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. If two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

If electronic voting is adopted, the votes referred to in the preceding paragraph shall be calculated based on the votes cast at the shareholders' meeting plus e-votes. For the e-voting result referred to in the preceding paragraph, an entity which meets Article 44-6 of the Regulations Governing the Administration of Shareholder Services of Public Companies shall be commissioned to verify the shareholders' identity and votes and certify the statistics of votes prior to the shareholders' meeting.

Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences. The ballot boxes shall be prepared by the board of directors and publicly checked by the monitoring personnel before voting commences.

Article 10 When the candidate is a shareholder, please enter his/her account name and account number in the candidate field on the ballot; otherwise, please enter the candidate's name and ID No. However, when the government or corporate shareholder is a candidate, the government or corporate title should be filled in the "Candidate" column of the ballot with the name of its representative stated. If there are several representatives appointed, their names should be filled in respectively.

Article 11 A ballot is invalid under any of the following circumstances:

- I. The ballot is not prepared by the company.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and unreadable or the ballot has been altered.
- IV. The candidate whose name is entered in the ballot is a shareholder and his/her account name and account number do not conform to the information on the shareholders registry; the candidate whole name is entered in the ballot is not a shareholder and his/her and identity card number provided are with discrepancy found.
- V. Other words or marks are entered in addition to the account name (full name) of the candidate and the shareholder number (or ID card number) and voting rights allocated.
- VI. The candidate's name is the same as other shareholders, and there is no shareholder account number or the ID card number available for identification.

Article 12 The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel for safekeeping. If electronic voting is adopted, the monitoring personnel shall seal the on-site voting ballots together with the electronic voting materials with a signature affixed for safekeeping. And should be 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 13 The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 14 Matters not provided for in these Rules shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 15 These Rules, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

Article 16 These Rules were established on June 2, 2015.  
The 1st amendment was made on May 22, 2017.  
The 2nd amendment was made on June 29, 2020.

Appendix 4: Shareholding by the entire bodies of directors

## Sanfar Property Limited

### Shareholding of all the board directors

Base date: March 30, 2024, Unit: Shares

Job title	Name	The shareholding listed on the shareholders name list as of the book closure date
Director	Sanfar Property Limited Representative: Ting-Cheng Chung, Ming-Hsien Kao, Ting-Hsing Chung	13,183,004
Director	Cheng-Nan Huang	0
Independent Director	Chin-Chang Wu	0
Independent Director	Hsu-Hui Hsu	0
Independent Director	Yan-Feng Wu	0
Shareholding of all the directors		13,183,004

Note: The Company's paid-in capital as of March 31, 2024 was \$3,265,541,500 with 326,554,150 shares in issuance. 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 number of shares legally required to be held by the entire bodies of directors of the Company is 13,062,166, and the actual number of shares held by the entire bodies of directors is 13,183,004.
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.