

**SAN FAR PROPERTY LIMITED
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

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The independent 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 independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the consolidated financial statements of SAN FAR PROPERTY LIMITED as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, SAN FAR PROPERTY LIMITED and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: SAN FAR PROPERTY LIMITED
Chairman: Ting Chen, Chung
Date: March 3, 2026.



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Independent Auditors' Report

To the Board of Directors of SAN FAR PROPERTY LIMITED:

Opinion

We have audited the consolidated financial statements of SAN FAR PROPERTY LIMITED and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, 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, 2025 and 2024, 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 note 6(q) 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 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(h) to the Group's consolidated financial statement for 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 79% 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 valuations 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, 2025 and 2024, 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 (including the Audit Committee) 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)
March 3, 2026

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, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 1,376,713	8	2,151,518	13	2100	Short-term borrowings (Notes 6(h) and 8)	\$ 3,602,440	21	4,239,480	26
1150	Notes receivable, net (Notes 6(c) and (q))	414	-	549	-	2110	Short-term notes and bills payables (Notes 6(i) and 8)	-	-	402,000	2
1170	Accounts receivable, net (Notes 6(c) and (q))	59,072	-	2,087	-	2130	Current contract liabilities (Notes 6(k), (q), 7 and 9)	793,365	5	763,438	5
1300	Inventories, merchandising business, net (Note 6(d))	99	-	501	-	2150	Notes payable	7	-	7	-
1320	Inventories (for construction business), net (Notes 6(d), 7 and 8)	13,559,743	79	11,775,850	71	2170	Accounts payable	964,933	6	374,000	2
1410	Prepayment	141,281	1	131,266	1	2200	Other payables (Note 9(b))	191,379	1	168,489	1
1476	Other financial assets, current (Notes 6(e) and 8)	278,432	2	628,958	4	2230	Current tax liabilities	96,427	1	1,619	-
1479	Other current assets, others	23,717	-	30,024	-	2280	Lease liabilities	6,331	-	8,561	-
1480	Current assets recognized as incremental costs to obtain contract with customers (Note 6(e))	183,414	1	218,419	2	2321	Current portion of bonds payable (Notes 6(j) and 8)	599,832	3	-	-
		<u>15,622,885</u>	<u>91</u>	<u>14,939,172</u>	<u>91</u>	2399	Other current liabilities, others	74,971	-	27,830	-
								<u>6,329,685</u>	<u>37</u>	<u>5,985,424</u>	<u>36</u>
Non-current assets:						Non-current liabilities:					
1510	Non-current financial assets at fair value through profit or loss	4,542	-	5,246	-	2530	Bonds payable (Notes 6(j) and 8)	4,188,541	24	3,795,728	23
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(b))	216,105	1	302,630	2	2570	Deferred tax liabilities (Note 6(n))	89	-	295	-
1600	Property, plant and equipment (Notes 6(f) and 8)	75,903	-	76,554	-	2580	Lease liabilities, non-current	4,778	-	11,141	-
1755	Right-of-use assets	10,897	-	19,593	-	2645	Guarantee deposits received	6,864	-	6,138	-
1760	Investment property, net (Notes 6(g) and 8)	439,483	3	394,544	3			<u>4,200,272</u>	<u>24</u>	<u>3,813,302</u>	<u>23</u>
1780	Intangible assets	15,815	-	15,450	-		Total liabilities	<u>10,529,957</u>	<u>61</u>	<u>9,798,726</u>	<u>59</u>
1840	Deferred tax assets (Note 6(n))	4,601	-	61,769	-	Equity attributable to owners of parent (Note 6(o)):					
1980	Other financial assets, non-current (Notes 6(e) and 8)	862,862	5	683,821	4	3100	Common stock	3,265,542	19	3,265,542	20
1920	Guarantee deposits paid	10,124	-	8,226	-	3200	Capital surplus	35,740	-	35,740	-
		<u>1,640,332</u>	<u>9</u>	<u>1,567,833</u>	<u>9</u>	3300	Retained earnings	3,352,021	19	3,195,567	20
						3400	Other equity	124,905	1	211,430	1
						3500	Treasury stock	(44,948)	-	-	-
							Total equity	<u>6,733,260</u>	<u>39</u>	<u>6,708,279</u>	<u>41</u>
Total assets		<u>\$ 17,263,217</u>	<u>100</u>	<u>16,507,005</u>	<u>100</u>	Total liabilities and equity		<u>\$ 17,263,217</u>	<u>100</u>	<u>16,507,005</u>	<u>100</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 Comprehensive Income****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 6(l), (q) and 7)	\$ 1,787,734	100	2,030,854	100
5000	Operating cost (Notes 6(d) and (m))	<u>831,380</u>	<u>47</u>	<u>1,315,779</u>	<u>65</u>
5900	Gross profit from operations	<u>956,354</u>	<u>53</u>	<u>715,075</u>	<u>35</u>
6000	Operating expenses:				
6100	Selling expenses (Notes 6(e) and (m))	84,098	5	108,898	5
6200	Administrative expenses (Notes 6(m), (r) and 7)	<u>178,465</u>	<u>10</u>	<u>144,854</u>	<u>7</u>
		<u>262,563</u>	<u>15</u>	<u>253,752</u>	<u>12</u>
6900	Net operating income	<u>693,791</u>	<u>38</u>	<u>461,323</u>	<u>23</u>
7000	Non-operating income and expenses:				
7100	Interest income	33,863	2	23,353	1
7010	Other income (Note 6(b))	27,931	2	14,352	1
7020	Other gains and losses (note 6(s))	(5,616)	-	260	-
7050	Finance costs (Notes 6(s) and 7)	<u>(67,098)</u>	<u>(4)</u>	<u>(26,426)</u>	<u>(1)</u>
		<u>(10,920)</u>	<u>-</u>	<u>11,539</u>	<u>1</u>
7900	Profit before tax	682,871	38	472,862	24
7950	Less: Income tax expense (Note 6(n))	<u>188,632</u>	<u>11</u>	<u>97,546</u>	<u>5</u>
8200	Profit for the period	<u>494,239</u>	<u>27</u>	<u>375,316</u>	<u>19</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income (Notes 6(b) and (o))	(86,525)	(5)	82,681	4
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	Other comprehensive income	<u>(86,525)</u>	<u>(5)</u>	<u>82,681</u>	<u>4</u>
8500	Total comprehensive income	<u>\$ 407,714</u>	<u>22</u>	<u>457,997</u>	<u>23</u>
	Earnings per share (Note 6(p))				
9750	Basic earnings per share (NT dollars)	<u>\$ 1.52</u>		<u>1.15</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 1.52</u>		<u>1.15</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, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent					Total other equity interest	Treasury shares	Total equity
	Common stock	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			
Balance at January 1, 2024	\$ 3,265,542	185,955	616,845	2,281,648	2,898,493	128,880	-	6,478,870
Profit for the period	-	-	-	375,316	375,316	-	-	375,316
Other comprehensive income	-	-	-	-	-	82,681	-	82,681
Total comprehensive income	-	-	-	375,316	375,316	82,681	-	457,997
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	8,886	(8,886)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(78,373)	(78,373)	-	-	(78,373)
Other changes in capital surplus:								
Cash dividends from capital surplus	-	(150,215)	-	-	-	-	-	(150,215)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	131	131	(131)	-	-
Balance at December 31, 2024	3,265,542	35,740	625,731	2,569,836	3,195,567	211,430	-	6,708,279
Profit for the period	-	-	-	494,239	494,239	-	-	494,239
Other comprehensive income	-	-	-	-	-	(86,525)	-	(86,525)
Total comprehensive income	-	-	-	494,239	494,239	(86,525)	-	407,714
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	37,544	(37,544)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(337,785)	(337,785)	-	-	(337,785)
Purchase of treasury share	-	-	-	-	-	-	(44,948)	(44,948)
Balance at December 31, 2025	\$ 3,265,542	35,740	663,275	2,688,746	3,352,021	124,905	(44,948)	6,733,260

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 Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Profit before tax	\$ <u>682,871</u>	<u>472,862</u>
Adjustments:		
Adjustments to reconcile profit :		
Depreciation expense	14,819	9,509
Amortization expense	1,534	1,603
Expected credit gain	(22)	(86)
Net loss (gain) on financial assets at fair value through profit or loss	704	(333)
Interest expense	67,098	26,426
Interest income	(33,863)	(23,353)
Dividend income	(16,608)	(10,914)
Gain on lease modifications	(1)	(57)
Total adjustments to reconcile profit	<u>33,661</u>	<u>2,795</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in contract assets	-	79,786
Decrease in notes receivable (included related parties)	135	18,863
(Increase) decrease in accounts receivable (included related parties)	(56,963)	522
(Increase) decrease in inventories	(1,642,533)	239,699
Increase in other prepayments	(10,015)	(12,610)
Decrease (increase) other current assets	4,816	(6,395)
Decrease (increase) in other financial assets	95,261	(552)
Decrease (increase) in assets recognized as incremental costs to obtain contract with customers	35,005	(58,808)
Total changes in operating assets	<u>(1,574,294)</u>	<u>260,505</u>
Changes in operating liabilities:		
Increase in contract liabilities	29,927	203,325
Decrease in notes payable (included related parties)	-	(65,019)
Increase in accounts payable	590,933	52,271
Increase in other receivable	3,126	60,904
Increase (decrease) in other current liabilities	47,141	(18,572)
Total changes in operating liabilities	<u>671,127</u>	<u>232,909</u>
Total changes in operating assets and liabilities	<u>(903,167)</u>	<u>493,414</u>
Total adjustments	<u>(869,506)</u>	<u>496,209</u>
Cash (outflow) inflow generated from operations	(186,635)	969,071
Interest paid	(234,277)	(208,484)
Income taxes paid	(35,371)	(12,240)
Net cash flows (used in) from operating activities	<u>(456,283)</u>	<u>748,347</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, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(30,114)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,245
Acquisition of property, plant and equipment	(962)	(2,764)
Acquisition of investment property	-	(1,847)
Increase in refundable deposits	(1,898)	(2,838)
Acquisition of intangible assets	(1,899)	(1,702)
Decrease (increase) in other financial assets	76,224	(490,863)
Interest received	33,863	23,353
Dividends received	16,608	10,914
Net cash flows from (used in) investing activities	<u>121,936</u>	<u>(494,616)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	2,461,265	1,892,730
Decrease in short-term borrowings	(3,098,305)	(1,998,980)
Increase in short-term notes and bills payable	-	822,000
Decrease in short-term notes and bills payable	(402,000)	(420,000)
Proceeds from issuing bonds	989,105	1,198,389
Repayments of bonds	-	(1,200,000)
Repayments of lease liabilities	(8,516)	(4,250)
Increase in other non-current liabilities	726	2,598
Cash dividends paid	(337,785)	(228,588)
Payments to acquire treasury shares	(44,948)	-
Net cash flows (used in) from financing activities	<u>(440,458)</u>	<u>63,899</u>
Net (decrease) increase in cash and cash equivalents	(774,805)	317,630
Cash and cash equivalents at beginning of period	<u>2,151,518</u>	<u>1,833,888</u>
Cash and cash equivalents at end of period	<u>\$ 1,376,713</u>	<u>2,151,518</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

SAN FAR PROPERTY LIMITED (the “Company”) was incorporated in 1993 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries are hereinafter collectively referred to as the “Group”, are principally engaged in residential and building development, leasing and sales, real estate leasing, various music, media and information software production, publication and import and export trades.

The Company was renamed SAN FAR PROPERTY LIMITED in May 2012 by a resolution of the shareholders’ meeting. It was listed and traded on the Taiwan Stock Exchange since September 17, 2013.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 3, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.(hereinafter referred to “IFRS Accounting Standards” endorsed by the “FSC”)

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments measured at fair value through profit or loss are measured at fair value; and
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(c) Basis of consolidation

(i) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements:

Name of investor	Subsidiaries	Principal activity	Shareholding		Description
			December 31, 2025	December 31, 2024	
The Company	Jing Fu Xiang Construction Co., Ltd . (here in after referred to as Jing Fu Xiang Company)	Civil and building works	100.00 %	100.00 %	Note 1
"	Jingo International Records Co., Ltd . (here in after referred to as Jingo Company)	Various CD and DVD production, production, publication and import and export trades	100.00 %	100.00 %	Note 1
"	Jingo Asset Development Co.,Ltd . (here in after referred to as Jingo Asset)	Real estate development	100.00 %	100.00 %	Note 1 and 2

Note 1: Subsidiaries in which the Company holds more than 50% of its total outstanding common shares.

Note 2: The Company approved establishment of Jingo Asset Development Co., Ltd. in the Boards of Directors meeting held on December 17, 2024, and completed the registration on January 17, 2025.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(d) Foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of the Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the following differences which are recognized in other comprehensive income arising on the retranslation:

- (i) Fair value through other comprehensive income equity investment ;
- (ii) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective ; or
- (iii) Qualifying cash flow hedges to the extent the hedge are effective.

(e) Classification of current and non-current assets and liabilities

The Group classifies the assets as current under one of the following criteria, and all other assets are classified as non current.

- (i) It is expected to realized, or intended to be sold or consumed it, in the normal operating cycle (the construction operating cycle is normally longer than one year);
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It is expected to be settled the liability in its normal operating cycle (the construction operating cycle is normally longer than one year);
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost, FVTPL, and fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivables, other receivable, other financial assets and refundable deposits), debt investments measured at FVOCI and contract assets.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 1 year past due.

The Group's time deposits are considered to have low credit risk as the counterparties and settlement institutions are financial institutions with investment grade credit ratings.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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- a breach of contract such as a default or being more than 1 year past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventory

(i) Inventories, merchandising business

Inventories are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(ii) Construction

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. When the cost of inventory exceeds its net realizable value, the cost should be written down to the net realizable value and the amount of the write-down should be recognized as cost of goods sold. The net realizable value is estimated as follows:

1) Land held for construction

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

2) Construction-in-progress

Net realizable value is the estimated selling price (prevailing market condition) in the ordinary course of business, less the estimated costs and selling expenses.

3) Properties and land held

Net realizable value is the estimated selling price (prevailing market condition) in the ordinary course of business, less the estimated selling cost and expenses need to sell the real estate.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Rental income from investment property is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	50 years
2) Transportation equipment	5 years
3) Office equipment	3~5 years
4) Leasehold improvement	3 years

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(k) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as other non-current assets, other current liabilities, and other non-current liabilities in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of other facility that have a lease term of 12 months or less and leases of low value assets, and instead, recognize related lease payments as expenses on a straight-line basis during the lease period.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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For sale-and-leaseback transactions, the Group applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Group derecognizes the transferred asset, then measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Group applies the lessee accounting policy. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rental income'.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Intangible assets are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- | | |
|----------------------|--|
| 1) Computer software | 1 ~ 5 years |
| 2) Copyright | is subject to the term of the contract |

Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate;

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(n) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Land development and sale of real estate

The Group develops and sells residential properties and usually pre-sells such properties during or before the construction period. Revenue is recognized when control of the property is transferred to the customer, and when the legal title to the property has been transferred and the property has been physically delivered to the customer. Due to contractual restrictions, such properties generally have no alternative use to the Group. However, if only one of the conditions for revenue to be recognized has been met as of the reporting date and the other condition is subsequently fulfilled, revenue will also be recognized.

Revenue is measured under the agreed transaction price according to the contract. For sale of readily available house, in most cases, the payment is due when the legal title of a property has been transferred. While deferred payment terms may be agreed under rare circumstances, the deferral can never exceed twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the payment is usually received by installment during the period from contract inception until the property is transferred to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period using the specific borrowing rate of the construction project. Prepayments from customers is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property is transferred to the customer.

Certain contracts include multiple deliverables, such as sale of residential properties and interior designing services. The Group accounts for the interior designing service as a single performance obligation, wherein its transaction price is allocated on a relative stand alone selling price basis. If a stand alone selling price is not directly observable, it is estimated based on expected cost, plus margin. Revenue from providing the interior designing service is recognized in the accounting period in which the services are rendered and is determined based on the costs incurred to date as a proportion of the total estimated costs of the contract.

2) Rental income

Rental income generated from investment properties is recognized over the lease term on a straight-line basis. Lease incentives provided are considered an integral part of the total lease income and are recognized as a reduction in rental income on a straight-line basis throughout the lease term. Rental income generated from subleasing properties is recognized under operating income as rental income from investment properties.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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3) Construction contracts

The Group enters into contracts to build residential properties, commercial buildings and public constructions. Since the asset is controlled by customer as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, a penalty payment calculated based on delay days) the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

4) Revenue of services

The Group recognizes revenue from providing project and concert services in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the costs incurred to date as a proportion of the total estimated costs of the transaction.

Estimates of revenues, costs, or extent of progress toward completion, are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the management.

In case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

If the contract includes an hourly fee, revenue is recognized in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and a consideration is payable when invoiced.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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5) Financing components

The Group does not expect the time interval between the transfer of promised goods or services to customer and the payment made within any contract to exceeds more than one year. Therefore, the Group does not adjust any of the transaction price for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred, regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(ii) Short-term employee benefits

Short-term employee benefit are expensed as the related service is provided. A liability for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income Taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares. The Group's potentially diluted ordinary shares include dividends to employees based on share-based payment.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates about future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Inventory valuation

Inventories are measured at the lower of cost or net realizable value. The Group evaluate the selling price in the market is below the cost and write off the cost of inventory to net realizable value. The estimation of net realizable value is based on current market conditions. Please refer note 6(d) for inventory valuation.

Evaluation process

The Group's accounting policies include measuring financial and nonfinancial assets and liabilities at fair value through profit or loss. The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency's website or the close deal in similar district.

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Petty cash	\$ 575	465
Demand and checking account deposits	771,562	1,802,688
Time deposits	569,408	18,837
Cash equivalents	<u>35,168</u>	<u>329,528</u>
	<u>\$ 1,376,713</u>	<u>2,151,518</u>

Please refer to note 6(t) for the credit risk, interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial assets at fair value through other comprehensive income

	December 31, 2025	December 31, 2024
Equity investments at fair value through other comprehensive income:		
Listed common share of domestic company	\$ 216,105	302,630

- (i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.
- (ii) During the years ended December 31, 2025 and 2024, the dividends of \$16,608 thousand and \$10,914 thousand, respectively, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized by the Group.
- (iii) The Group did not dispose of any strategic investment in 2025, and accumulated profits and losses during the period were not transferred in equity. The Group sold part of the equity instrument measured as at fair value through other comprehensive income in 2024. The fair value at the time of disposal was \$1,245 thousand, and the Group transferred the foregoing cumulative gain on disposal of \$131 thousand from other equity to retained earnings.
- (iv) For credit risk and market risk, please refer to note 6(t).
- (v) The above financial assets have not been pledged as collateral for loans.

(c) Note and account receivables

	December 31, 2025	December 31, 2024
Notes receivable from operating activities	\$ 414	549
Accounts receivable	59,137	2,174
Less: loss allowance	(65)	(87)
	\$ 59,486	2,636

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the macroeconomic and related industrial information. The loss allowance provisions were determined as follows:

	December 31, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance Provision
Current	\$ 59,071	0%	-
1 to 30 days past due	1	1%	-
31 to 120 days past due	-	10%	-
121 to 300 days past due	-	100%	-
300 days past due	<u>65</u>	100%	<u>65</u>
	<u><u>\$ 59,137</u></u>		<u><u>65</u></u>
	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance Provision
Current	\$ 2,369	0%	-
1 to 30 days past due	95	1%	1
31 to 120 days past due	192	10%	19
121 to 300 days past due	1	100%	1
300 days past due	<u>66</u>	100%	<u>66</u>
	<u><u>\$ 2,723</u></u>		<u><u>87</u></u>

The movement in the allowance for notes and accounts receivable were as follows:

	2025	2024
Balance on January 1	\$ 87	173
Impairment reversed recognized	<u>(22)</u>	<u>(86)</u>
Balance on December 31	<u><u>\$ 65</u></u>	<u><u>87</u></u>

As of December 31, 2025 and 2024, accounts receivable of the Group did not have been pledged as collateral for long-term and short-term borrowings.

Please refer to note 6(t) for other credit risk information.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(d) Inventory

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Inventories, merchandising business		
Merchandise inventory	\$ <u>99</u>	<u>501</u>
Construction		
Prepayment for land purchases	\$ -	47,450
Land held for construction site	27,352	27,352
Construction in progress	7,397,015	9,923,148
Buildings and land held for sale	<u>6,135,376</u>	<u>1,777,900</u>
	<u>\$ 13,559,743</u>	<u>11,775,850</u>
Inventory that is expected to be recovered more than twelve months	<u>\$ 7,424,367</u>	<u>6,018,528</u>

- (i) The details of the cost of goods sold related to inventories recognized by the Group in 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Merchandising:		
Inventory that has been sold	\$ 1,836	2,864
Write-down of inventories	<u>161</u>	<u>80</u>
	<u>\$ 1,997</u>	<u>2,944</u>
Construction:		
Inventory that has been sold	<u>\$ 822,548</u>	<u>1,308,223</u>

- (ii) As of December 31, 2025 and 2024, please refer to note 8 for details of pledged inventory of the Group.

(e) Other financial assets and Incremental costs to obtaining a contract

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Other financial assets - current	\$ 278,432	628,958
Incremental costs to obtaining a contract	183,414	218,419
Other financial assets - non-current	<u>862,862</u>	<u>683,821</u>
	<u>\$ 1,324,708</u>	<u>1,531,198</u>

- (i) Other financial assets — current and non-current

Mainly consists of reserve accounts for pre-sale real estate borrowings, performance guarantees, sinking funds for corporate bonds, and construction security deposits.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(ii) Incremental costs to obtaining a contract

The Group expects to recover the commission paid to the agency company for obtaining the real estate sales contract, therefore, it is recognized as an asset. It is amortized when the revenue from the sale of real estate is recognized, and the amortization expenses of \$76,113 thousand and \$98,147 thousand, respectively, were recognized in 2025 and 2024 under selling expense.

(iii) Details of Guarantees

As of December 31, 2025 and 2024, please refer to note 8 for detail of information on pledged other financial assets – current and non-current of the Group.

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024, were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Leasehold improvements</u>	<u>Other equipment (including transportation and office equipment)</u>	<u>Total</u>
Cost:					
Balance on January 1, 2025	\$ 57,169	35,554	1,728	10,133	104,584
Addition	-	-	129	833	962
Balance on December 31, 2025	<u>\$ 57,169</u>	<u>35,554</u>	<u>1,857</u>	<u>10,966</u>	<u>105,546</u>
Balance on January 1, 2024	\$ 57,169	35,554	1,728	7,820	102,271
Addition	-	-	-	2,764	2,764
Disposal	-	-	-	(451)	(451)
Balance on December 31, 2024	<u>\$ 57,169</u>	<u>35,554</u>	<u>1,728</u>	<u>10,133</u>	<u>104,584</u>
Depreciation and Impairment:					
Balance on January 1, 2025	\$ -	19,229	1,728	7,073	28,030
Depreciation	-	697	11	905	1,613
Balance on December 31, 2025	<u>\$ -</u>	<u>19,926</u>	<u>1,739</u>	<u>7,978</u>	<u>29,643</u>
Balance on January 1, 2024	\$ -	18,532	1,679	6,240	26,451
Depreciation	-	697	49	1,284	2,030
Disposal	-	-	-	(451)	(451)
Balance on January 1, 2024	<u>\$ -</u>	<u>19,229</u>	<u>1,728</u>	<u>7,073</u>	<u>28,030</u>
Carrying amounts:					
Balance on December 31, 2025	<u>\$ 57,169</u>	<u>15,628</u>	<u>118</u>	<u>2,988</u>	<u>75,903</u>
Balance on January 1, 2024	<u>\$ 57,169</u>	<u>17,022</u>	<u>49</u>	<u>1,580</u>	<u>75,820</u>
Balance on December 31, 2024	<u>\$ 57,169</u>	<u>16,325</u>	<u>-</u>	<u>3,060</u>	<u>76,554</u>

As of December 31, 2025 and 2024, please refer to note 8 for detail of pledged property, plant and equipment of the Group.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(g) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 to 10 years. Some leases provide the lessees with options to extend at the end of the term. For all investment property leases, the rental income is fixed under the contracts.

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Cost:			
Balance on January 1, 2025	\$ 200,256	202,362	402,618
Transfer from inventory	<u>11,749</u>	<u>37,776</u>	<u>49,525</u>
Balance on December 31, 2025	<u>\$ 212,005</u>	<u>240,138</u>	<u>452,143</u>
Balance on January 1, 2024	\$ 106,361	128,336	234,697
Subsequent expenditures recognized as increase in carrying amount	-	1,847	1,847
Transfer from inventory	<u>93,895</u>	<u>72,179</u>	<u>166,074</u>
Balance on December 31, 2024	<u>\$ 200,256</u>	<u>202,362</u>	<u>402,618</u>
Depreciation and Impairment:			
Balance on January 1, 2025	\$ -	8,074	8,074
Depreciation	<u>-</u>	<u>4,586</u>	<u>4,586</u>
Balance on December 31, 2025	<u>\$ -</u>	<u>12,660</u>	<u>12,660</u>
Balance on January 1, 2024	\$ -	4,960	4,960
Depreciation	<u>-</u>	<u>3,114</u>	<u>3,114</u>
Balance on December 31, 2024	<u>\$ -</u>	<u>8,074</u>	<u>8,074</u>
Carrying amounts:			
Balance on December 31, 2025	<u>\$ 212,005</u>	<u>227,478</u>	<u>439,483</u>
Balance on January 1, 2024	<u>\$ 106,361</u>	<u>123,376</u>	<u>229,737</u>
Balance on December 31, 2024	<u>\$ 200,256</u>	<u>194,288</u>	<u>394,544</u>
Fair Value:			
Balance on December 31, 2025			<u>\$ 821,740</u>
Balance on December 31, 2024			<u>\$ 916,969</u>

Investment property includes the Company's own assets leased out by operating leases to third parties. Please refer to note 6(l) and (q) for other related information (including rental income and direct operating expense incurred).

The fair value of investment real estate refers to the recent transaction prices in similar locations and types on the Real Estate Transaction Real Price Inquiry Service Network of the Ministry of the Interior. The input values used in the fair value valuation technique are classified as Level 3.

As of December 31, 2025 and 2024, please refer to note 8 for detail of information on pledged investment properties of the Group.

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(h) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	\$ 337,000	263,000
Secured bank loans	3,265,440	3,976,480
Total	\$ 3,602,440	4,239,480
Unused short-term credit lines	\$ 4,794,470	3,676,930
Range of interest rates	2.40%~3.025%	1.98%~2.91%

(i) The increase in bank loan and repayment

For the years ended December 31, 2025 and 2024, the incremental amounts are \$2,461,265 thousand and \$1,892,730 thousand, respectively; the repayment amounts are \$3,098,305 thousand and \$1,998,980 thousand, respectively.

(ii) Collateral for bank loans

For the collateral for short-term borrowings, please refer to note 8.

(i) Short-term notes and bills payable

	December 31, 2024		
	Guarantee or acceptance institute	Range of interest rate	Amount
Commercial paper payable	Mega Bills Finance Co., Ltd.	2.8%~3.288%	\$ 402,000

(i) Issuance and repayment of short-term notes and bills payable

For the years ended December 31, 2025 and 2024, the incremental amounts are zero and \$822,000 thousand, respectively; the repayment amounts are \$402,000 thousand and \$420,000 thousand, respectively.

(ii) Collateral for short-term note payable

For the collateral for short-term borrowings, please refer to note 8.

(j) Bonds payable/ Bonds due or executed within one year or one business cycle

The details of secured ordinary bonds were as follows:

	December 31, 2025	December 31, 2024
Secured ordinary bonds, non-current	\$ 4,788,373	3,795,728
Less: Bonds due or executed with one year or one business cycle	(599,832)	-
	\$ 4,188,541	3,795,728

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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- (i) Please refer to note 6(s) for information of the Group's recognition on ordinary bonds and amortized interest expenses in 2025 and 2024.
- (ii) During 2025, the Group issued the first secured ordinary corporate of 2025 in the amount of \$1,000,000 thousand; During 2024, issued the first secured ordinary corporate bonds of 2024 in the amount of \$1,200,000 thousand and repaid the first secured ordinary corporate bond of 2019 in the amount of \$1,200,000 thousand. The principal information of the Group's secured bonds was as follows:

Item	First secured ordinary corporate bond in 2019
1)Total issuance	\$1,200,000 thousand
2)Issuance date	2019.01.07
3)Interest rate	0.96%
4)Period ended	2019.01.07~2024.01.07
5)Repayment	Due five years from the issuance date
6)Guarantee agency	Taiwan Cooperative Bank

Item	First secured ordinary corporate bond in 2021
1)Total issuance	\$600,000 thousand
2)Issuance date	2021.12.24
3)Interest rate	0.67%
4)Period ended	2021.12.24~2026.12.24
5)Repayment	Due five years from the issuance date
6)Guarantee agency	Agricultural Bank of Taiwan

Item	Second secured ordinary corporate bond in 2021
1)Total issuance	1,000,000 thousand
2)Issuance date	2022.01.10
3)Interest rate	0.68%
4)Period ended	2022.01.10~2027.01.10
5)Repayment	Due five years from the issuance date
6)Guarantee agency	Hua Nan Commercial Bank, Co. Ltd.

Item	First secured ordinary corporate bond in 2022
1)Total issuance	1,000,000 thousand
2)Issuance date	2022.09.14
3)Interest rate	1.70%
4)Period ended	2022.09.14~2027.09.14
5)Repayment	Due five years from the issuance date
6)Guarantee agency	Agricultural Bank of Taiwan

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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<u>Item</u>	<u>First secured ordinary corporate bond in 2024</u>
1)Total issuance	1,200,000 thousand
2)Issuance date	2024.07.18
3)Interest rate	2.08%
4)Period ended	2024.07.18~2029.07.18
5)Repayment	Due five years from the issuance date
6)Guarantee agency	Agricultural Bank of Taiwan

<u>Item</u>	<u>First secured ordinary corporate bond in 2024</u>
1)Total issuance	1,000,000 thousand
2)Issuance date	2025.01.13
3)Interest rate	2.01%
4)Period ended	2025.01.13~2030.01.13
5)Repayment	Due five years from the issuance date
6)Guarantee agency	Bank of Kaohsiung Co., Ltd.

Please refer to note 8 for details of pledged assets with guarantee.

(k) Contract liability

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Contract liability - Real Estate Sales	\$ <u>793,365</u>	<u>763,438</u>
Amount expected to be realized after twelve months	\$ <u>174,640</u>	<u>93,762</u>

Please refer to note 9(a) for the total price of the real estate of signed provisions listed above.

(l) Operating lease

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Less than one year	\$ 24,056	19,801
One to two years	23,664	19,808
Two to three years	23,399	19,464
Three to four years	22,525	19,199
Four to five years	21,524	18,245
More than five years	<u>78,872</u>	<u>76,635</u>
	<u>\$ 194,040</u>	<u>173,152</u>

Rental revenues from investment properties were \$21,535 thousand and \$12,310 thousand for the years ended December 31, 2025 and 2024, respectively.

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(m) Employee benefit

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contribution of the Bureau of Labor Insurance amounted to \$4,722 thousand and \$4,273 thousand for the years ended December 31, 2025 and 2024, respectively.

(n) Income tax

(i) The components of income tax for 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 99,530	5,893
Land value increment tax	<u>32,140</u>	<u>3,605</u>
	<u>131,670</u>	<u>9,498</u>
Deferred tax expense		
Change in reversal and unrecognized deductible temporary differences	<u>56,962</u>	<u>88,048</u>
Income tax expense	<u>\$ 188,632</u>	<u>97,546</u>

(ii) Reconciliation of income tax and profit before tax for 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Profit before tax	\$ <u>682,871</u>	<u>472,862</u>
Income tax using the Company's at domestic tax rate	136,574	94,572
Tax exempt for land transactions	(142,123)	(2,280)
Deductible land value increment under the integrated house and land tax	(6,848)	-
Tax differences arising from interest capitalization	(22,457)	(10,834)
Additional tax on undistributed earnings	272	197
Tax differences arising from the timing of revenue and cost recognition	201,427	-
Land value increment tax	32,140	3,605
Others	<u>(10,353)</u>	<u>12,286</u>
	<u>\$ 188,632</u>	<u>97,546</u>

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(iii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Changes in the amount of deferred tax assets and liabilities were as follows:

	December 31, 2025	December 31, 2024
Tax loss carryforward	\$ 5,039	6,097

The ROC Income Tax Act allows tax losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. The deferred tax assets have not been recognized in respect of these items because they are not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2025, the information of the Group's unused tax losses for which no deferred tax assets were recognized was as follows:

Year of loss	Unused tax losses	Expiry date
2021	\$ 25,197	2031

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	Deferred Tax Assets		
	Tax loss carryforward	Others	Total
Balance on January 1, 2025	\$ 59,397	2,372	61,769
Recognized in profit or loss	(58,809)	1,641	(57,168)
Balance on December 31, 2025	\$ 588	4,013	4,601
Balance on January 1, 2024	\$ 148,430	1,096	149,526
Recognized in profit or loss	(89,033)	1,276	(87,757)
Balance on December 31, 2024	\$ 59,397	2,372	61,769
			Deferred tax liabilities
			Unrealized exchange benefits
Balance on January 1, 2025			\$ 295
Recognized in profit or loss			(206)
Balance on December 31, 2025			\$ 89
Balance on January 1, 2024			\$ 4
Recognized in profit or loss			291
Balance on December 31, 2024			\$ 295

(Continued)

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As of December 31, 2025, the information of the Group's unused tax losses for which deferred tax assets were recognized was as follows:

Year of loss	Unused tax losses	Expiry date
2025	\$ <u><u>2,942</u></u>	2035

(iv) The Group has income tax returns approved by the Tax Authority were as follows:

Name	Approved year
The Company	2023
Jing Fu Xiang Construction Co., Ltd .	2023
Jingo International Records Co., Ltd .	2023

(o) Capital and other equity

As of December 31, 2025 and 2024, the total value of authorized ordinary shares were both amounted to \$4,500,000 thousand, with par value of \$10 per share. As of that date, the number of ordinary shares issued were both 326,554 thousand shares in December 31, 2025 and 2024. All issued shares were paid up upon issuance.

(i) Capital surplus

The balances of capital surplus as of December 31, 2025 and 2024, were as follows:

	December 31, 2025	December 31, 2024
Share premium	\$ 18,521	18,521
Employee share options	16,860	16,860
Other	<u>359</u>	<u>359</u>
	<u>\$ 35,740</u>	<u>35,740</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

The cash dividend of \$150,215 thousand by using the additional paid-in capital had been decided in the Boards of Directors meeting held on April 10, 2024, and had been approved in the shareholders' meeting held on May 29, 2024.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(ii) Retain earning

In accordance with the Company's articles of incorporation amended on May 27, 2025, the distribution of earnings or offsetting of losses may be carried out after the end of each quarter. When distributing earnings for the first three quarters of the fiscal year, the Company is required to estimate and retain provisions for its income taxes, remunerations to its employees and directors, offset its prior years' losses, and appropriate for legal reserve, in accordance with applicable laws and regulations. However, if the legal reserve has reached the amount of paid-in capital, no further appropriation is required.

Any proposal for the distribution of earnings or offsetting of losses for the first three quarters shall be submitted, along with the business report and financial statements, to the Audit Committee for review before the end of the following quarter, and subsequently resolved by the Board of Directors.

If there is a surplus after the annual accounts, it shall be distributed in the following order:

- 1) Tax payment;
- 2) Recovery of loss;
- 3) Attribute ten percent of the current net profit as a statutory surplus reserve unless the statutory surplus reserve has reached the paid-in capital.
- 4) The special surplus reserve shall be set aside or transferred as required by laws and regulations or operations.
- 5) If there is a balance, it will be combined with the accumulated undistributed surplus of the previous year. Then the board of directors shall decide to retain or distribute shareholder dividends according to the capital condition and economic development of the current year, and finally submit it to the shareholders meeting for approval.

To pursue sustainable and stable business development, the Company considers capital needs and long-term financial planning, set dividend policies, and considers retained earnings and future profitability comprehensively to determine the amount that can be allocated each year. Dividends are issued in two ways: stock dividends and cash dividends. The proportion of cash dividends shall not be less than 10% of the total dividends for the year by principle. However, when the cash dividend per share is less than \$0.5, issuing stock dividends is allowed.

If the Company's profit distribution is made in cash, it shall be handled by the resolution of the board of directors in accordance with the Company Act, Article 228-1 and Article 240, Paragraph 5 and reported during the shareholders' meeting, without submitting to the shareholders' meeting for approval.

1) Legal reserve

When a company incurs no loss it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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2) Earnings distribution

The amount of cash dividends on 2024 and 2023 earnings distribution had been approved, in the Board of Directors held on April 15, 2025 and April 10, 2024, respectively, and had been reported in the shareholders' meeting held on May 27, 2025 and May 29, 2024, respectively.

These earnings were appropriated as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Dividend per share (\$)</u>	<u>Total amount</u>	<u>Dividend per share (\$)</u>	<u>Total amount</u>
Dividends distributed to common shareholders:				
Cash	\$ 1.0411823	<u>337,785</u>	0.24	<u>78,373</u>

The amount of cash dividends on the 2025 earnings distribution had been proposed during the Board of Directors on March 3, 2026, as follows:

	<u>2025</u>	
	<u>Dividend per share (\$)</u>	<u>Total amount</u>
Dividends distributed to common shareholders:		
Cash	\$ 1.37	<u>444,815</u>

(iii) Treasury stock

In accordance with the requirements under section 28-2 of the Securities and Exchange Act, the Company repurchased a total of 2,130 thousand treasury shares, amounting to \$44,948 thousand, in 2025, for the purpose of transferring them to its employees, with 2,130 thousand shares that have yet to be cancelled as of the period.

In accordance with the Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold carry any shareholder rights prior to their transfer.

(iv) Other comprehensive income accumulated in reserves, net of tax

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2025	\$ 211,430
Unrealized losses from financial assets measured at fair value through other comprehensive income	<u>(86,525)</u>
Balance on December 31, 2025	<u>\$ 124,905</u>

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2024	\$ 128,880
Unrealized gains from financial assets measured at fair value through other comprehensive income	82,681
Disposal of equity instruments measured at fair value through other comprehensive income	(131)
Balance on December 31, 2025	<u>\$ 211,430</u>

(p) Earnings per share

The calculated of basic and earnings per share were as follows:

	2025	2024
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ <u>494,239</u>	<u>375,316</u>
Weighted average number of ordinary shares	<u>325,222</u>	<u>326,554</u>
Basic earnings per share (NTD)	\$ <u>1.52</u>	<u>1.15</u>
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company (after adjustment of potential dilutes ordinary shares)	\$ <u>494,239</u>	<u>375,316</u>
Weighted average number of ordinary shares	325,222	326,554
Effect of employee share compensation	766	230
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>325,988</u>	<u>326,784</u>
Diluted earnings per share(NT dollars)	\$ <u>1.52</u>	<u>1.15</u>

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	2025		
	Construction Department	Audio/video	Total
Primary geographical markets:			
Taiwan	\$ <u>1,769,178</u>	<u>18,556</u>	<u>1,787,734</u>
Major products/services lines:			
Sales of real estates	\$ 1,747,643	-	1,747,643
Rental income	21,535	14,209	35,744
Sale of goods	-	875	875
Other	-	3,472	3,472
	<u>\$ 1,769,178</u>	<u>18,556</u>	<u>1,787,734</u>

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2024		
	Construction Department	Audio/video	Total
Primary geographical markets:			
Taiwan	\$ 2,011,326	19,528	2,030,854
Major products/services lines:			
Sales of real estates	\$ 1,999,016	-	1,999,016
Rental income	12,310	14,586	26,896
Sale of goods	-	1,715	1,715
Other	-	3,227	3,227
	\$ 2,011,326	19,528	2,030,854

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable (including related parties)	\$ 414	549	19,412
Accounts receivable (including related parties)	59,137	2,174	2,696
Less: allowance for impairment	(65)	(87)	(173)
Total	\$ 59,486	2,636	21,935
Contract assets	\$ -	-	79,786
Contract liabilities-Sales of real estates	\$ 793,365	763,438	560,113

- 1) The amount of revenue recognized for years ended December 31, 2025 and 2024 that was included in the contract liabilities balance at the beginning of the period were \$270,800 thousand and \$242,772 thousand, respectively.
- 2) The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(r) Employee compensation and directors' and supervisors' remuneration

In accordance with the Company's Articles of Incorporation as amended on May 27, 2025, where there are profits for the year, the profit before tax before deduction of employees' and directors' remuneration shall first be used to offset accumulated losses, if any. If there is a remaining balance, no more than 5% shall be appropriated as directors' remuneration and no less than 1% as employees' remuneration. Of the total employees' remuneration, not less than 10% shall be allocated to employees whose salaries fall below a specified threshold. Employees' remuneration may be distributed in the form of shares or cash to employees of the Company and its subsidiaries who meet certain conditions, which shall be determined by the Board of Directors.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Under the Articles of Incorporation prior to the amendment, where there are profits for the year, the profit before tax before deduction of employees' and directors' remuneration shall first be used to offset accumulated losses, if any. If there is a remaining balance, no more than 5% shall be appropriated as directors' remuneration and no less than 1% as employees' remuneration. Employees eligible to receive such remuneration, whether in shares or cash, may include employees of the Company's subsidiaries who meet certain conditions, as determined by the Board of Directors.

The remunerations to employees amounted to \$14,128 thousand and \$4,778 thousand, as well as the remunerations to directors amounted to \$14,128 thousand and \$4,778 thousand for the years ended December 31, 2025 and 2024, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Company's Article of Association. These remunerations were expensed under operating expenses for each period. If there is a discrepancy between the actual distribution amount and the estimated amount in the next year, it will be treated as a change in accounting estimate, and the difference will be recognized as profit or loss for the next year. If the Board of Directors decides to issue stock compensation to employees, the basis for calculating the number of shares for stock compensation is based on the closing price of common stock on the day before the Board of Directors resolution.

The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2025 and 2024. Related information would be available at the Market Observation Post System website.

(s) Non-operating income and expenses

(i) Other gains and losses

The details of other gains and losses were as follows:

	<u>2025</u>	<u>2024</u>
Foreign currency exchange (losses) gains	\$ (1,219)	1,475
Compensation for losses	(3,059)	(705)
Other gains and losses	<u>(1,338)</u>	<u>(510)</u>
Other gains and losses, net	<u>\$ (5,616)</u>	<u>260</u>

(ii) Finance costs

The details of finance expenses were as follows:

	<u>2025</u>	<u>2024</u>
Interest expense:		
Bank loans	\$ 126,158	122,713
Interest on corporate bonds (Including discount and amortization expense)	130,898	78,727
Interest expense, others	525	333
Less: Capitalized interest	<u>(190,483)</u>	<u>(175,347)</u>
Finance costs, net	<u>\$ 67,098</u>	<u>26,426</u>
Average capitalized interest rate	<u>0.67%~3.02%</u>	<u>0.67%~2.92%</u>

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amounts of financial assets and contract assets represented the maximum amount exposed to credit risk.

2) Concentration of credit risk

As the Group has a large customer base, it does not significantly concentrate on transactions with a single customer and the sales scope scattered; hence, geographically, there was no concentration of credit risk. To reduce credit risk, the Group also regularly and continuously evaluates the financial situation of customers, and usually does not require customers to provide collateral.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
December 31, 2025					
Non derivative financial liabilities					
Floating-interest-rate instruments	\$ 3,602,440	3,679,546	91,147	3,215,559	372,840
Fixed-interest-rate instruments	4,788,373	5,009,627	672,803	4,336,824	-
Non-interest-bearing liabilities	1,163,183	1,163,183	1,157,459	646	5,078
Lease liability (including current portion and non-current)	<u>11,109</u>	<u>11,390</u>	<u>6,550</u>	<u>4,840</u>	<u>-</u>
	<u>\$ 9,565,105</u>	<u>9,863,746</u>	<u>1,927,959</u>	<u>7,557,869</u>	<u>377,918</u>
December 31, 2024					
Non derivative financial liabilities					
Floating-interest-rate instruments	\$ 4,239,480	4,529,497	1,131,287	1,906,894	1,491,316
Fixed-interest-rate instruments	4,197,728	4,383,958	455,502	3,928,456	-
Non-interest-bearing liabilities	548,634	548,634	543,930	646	4,058
Lease liability (including current portion and non-current)	<u>19,702</u>	<u>20,412</u>	<u>8,991</u>	<u>11,421</u>	<u>-</u>
	<u>\$ 9,005,544</u>	<u>9,482,501</u>	<u>2,139,710</u>	<u>5,847,417</u>	<u>1,495,374</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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(iii) Market risk

1) Exposure to foreign currency risk

The Group's significant financial assets and liabilities exposed to foreign currency risk whereas follows:

	December 31, 2025			December 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 3,444	31.429	108,241	2,348	32.79	76,991

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in foreign currency. If an appreciation (depreciation) 5% of NTD against USD as of December 31, 2025 and 2024, the Group's net (loss) profit before tax would have increased or decreased by \$5,412 thousand and \$3,850 thousand for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant.

2) Foreign exchange gain and loss on monetary items

The exchange gains and losses on the Group's monetary items (including realized and unrealized) arising from the translation into its functional currency, NTD (which is also the presentation currency of the Group), were as follows:

	2025		2024	
	Exchange gains and losses	Average exchange rate	Exchange gains and losses	Average exchange rate
USD	\$ (1,219)	32.11	1,475	31.75

3) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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If the interest rate had increased/decreased by 1%, the Group's interest expense would have increased/decreased by \$28,820 thousand and \$33,916 thousand for the years ended December 31, 2025 and 2024, respectively, with all other variable factors remaining constant. The Group's net income would have increased/decreased by \$7,507 thousand and \$4,442 thousand after considering interest capitalization for the years ended December 31, 2025 and 2024, respectively. This is mainly due to the Group's borrowing at variable rates.

4) Other market price risk

For the years ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

<u>Price of securities at reporting date</u>	<u>2025</u>		<u>2024</u>	
	<u>Other comprehensive income after tax</u>	<u>Net income</u>	<u>Other comprehensive income after tax</u>	<u>Net income</u>
Increasing 5%	\$ <u>10,805</u>	<u>227</u>	<u>15,132</u>	<u>262</u>
Decreasing 5%	\$ <u>(10,805)</u>	<u>(227)</u>	<u>(15,132)</u>	<u>(262)</u>

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, expect as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities disclosure of fair value information is not required:

	<u>December 31, 2025</u>				
	<u>Book Value</u>	<u>Fair Value</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Financial assets at fair value through other comprehensive income					
Listed stock	\$ <u>216,105</u>	<u>216,105</u>	<u>-</u>	<u>-</u>	<u>216,105</u>
Financial assets at fair value through profit or loss					
Privately offered fund	\$ <u>4,542</u>	<u>-</u>	<u>-</u>	<u>4,542</u>	<u>4,542</u>

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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	December 31, 2024				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 4,239,480	-	-	-	-
Short-term notes and bills payable	402,000	-	-	-	-
Bonds payable (incl. due within one year)	3,795,728	-	3,774,565	-	3,774,565
Notes and accounts payable (incl. related parties)	374,007	-	-	-	-
Other payables (incl. related parties)	168,489	-	-	-	-
Guarantee deposits	6,138	-	-	-	-
Lease liabilities (incl. non-current portion)	19,702	-	-	-	-
Total	\$ 9,005,544	-	3,774,565	-	3,774,565

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial liabilities measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted. The fair value of ordinary corporate bonds payable is measured by Level 2 input value, and the fair value is calculated based on the weighted average price of one hundred dollars at the reporting date of the Taipei Exchange.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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If the financial instruments held by the Group have an active market, the fair values are listed below according to their categories and attributes:

- The fair value of listed redeemable corporate bonds listed(counter) company stocks, bills of exchange and corporate bonds are financial assets and financial liabilities that coordinate standard terms and conditions, are determined with reference to market quotes.

Except for the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is based on evaluation techniques. technology or by referring to the counterparty's quotation. The fair value obtained through evaluation techniques may be calculated by reference to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other evaluation methods, including the use of models based on market information available at the reporting date (e.g., over-the-counter (OTC) reference yield curves, reuters average quoted commercial paper rates).

If the financial instruments held by the Group do not have an active markets, the fair values are listed below according to their categories and attributes:

- Equity instruments without public quotations: the fair value is estimated using the market comparable company method, the main assumption is based on the estimated earnings before tax, interest, depreciation, and amortization of the investee and the earnings multiplier derived from market quotations of comparable listed (over-the-counter) companies. The estimate has been adjusted for the effect of discount on the lack of marketability of the equity securities.

4) Transfers between Level 1 and Level 2

No transfers are made in 2025 and 2024.

(u) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the risks mentioned above. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks being faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

1) Accounts and other receivables

The credit risk of the Group is affected by its clients individually based on their conditions. Accounts receivable generated by selling real estate has a lower credit risk since the payment is completed mostly by individuals through transfers, checks, or loans from the bank. The Group's has full control on its construction quality and progress since all projects are contracted out to the conformed and reputable building contractors based on the Group's contracting operation methods.

The Group discloses the estimation of accounts receivables' and other receivables' loss with allowance for bad debt account. Allowance for bad debt account is composed with specific losses and batch of unrecognized losses components. Unrecognized losses components are determined by historically statistical data from similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's guarantee policy is implemented in accordance with the regulatory requirements governing endorsements and guarantees for public companies. As of December 31, 2025, the endorsements and guarantees provided by the Group are presented in note 13(a), schedule (ii). As of December 31, 2024, the Group did not provide any guarantees.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(v) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders or issue new shares.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

As of December 31, 2025, the Group's capital management strategy is consistent with the prior year as 2024, and the gearing ratio is maintained to ensure credit rating and ensure financing at reasonable cost. The Group's debt-to-equity ratio at the end of the reporting period as of December 31, 2025 and 2024, respectively, is as follows:

	December 31, 2025	December 31, 2024
Total liabilities	\$ 10,529,957	9,798,726
Less: cash and cash equivalents	<u>(1,376,713)</u>	<u>(2,151,518)</u>
Net liabilities	9,153,244	7,647,208
Total Equity	<u>6,733,260</u>	<u>6,708,279</u>
Adjusted equity	<u>\$ 15,886,504</u>	<u>14,355,487</u>
Debt-to-equity ratio	<u>58%</u>	<u>53%</u>

The increase in the debt-to-capital ratio for the current period was mainly due to the issuance of unsecured corporate bonds by the Group, which resulted in higher liabilities.

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Related-party transactions

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
San Fu Property Co., Ltd.	The chairman of San Fu Property Co., Ltd., as well as a board member
Allmind Holdings Corporation (Formerly: Pleasant Hotels International Inc.)	An entity with significant influence over the Group (Note)
Sanfar Education Foundation	Other related party
Maikeweid Marketing Co., Ltd.	Other related party
Zenfar Architecture Co., Ltd.	Other related party
Mingting Construction Co., Ltd.	Other related party
Min Far Real Estate Development Co., Ltd.	Other related party
Hoyi Construction Co., Ltd.	Other related party
Hua Sheng Construction Co., Ltd.	Other related party
Yueteng Advertising Co., Ltd.	Other related party
Dage Advertising Co., Ltd.	Other related party
Hong Tai Advertising Co., Ltd.	Other related party
ChunHao, Wu	Other related party
XianLing, Yang	Other related party

Note: The entity was previously classified as other related party of the Group, and after acquiring shares of the Group through a public tender offer in the first quarter of 2025, it has obtained significant influence over the Group.

(b) Significant transactions with related parties

(i) Operating Revenue—of real estates

In accordance with a resolution approved by the Board of Directors, the Group entered into a contract to sell real estate (pre-sold property) to the other related party, ChunHao Wu, for a total consideration of \$12,990 thousand (inclusive of tax). As of December 31, 2025, the Group had received the full contract consideration of \$1,400 thousand, which was recognized as a contract liability. The pricing and payment terms were determined in accordance with the Group's employee housing purchase policy.

In 2025, the Group recognized revenue of \$53,508 thousand from selling properties to its employees based on a contract amount of \$54,640 thousand. The pricing and payment terms were determined in accordance with the Group's employee housing purchase policy.

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Operating Revenue—Sales of Goods

<u>Relationship</u>	<u>2025</u>	<u>2024</u>
Other related parties	\$ <u>32</u>	<u>28</u>

(iii) Operating Revenue—Provision of Services

<u>Relationship</u>	<u>2025</u>	<u>2024</u>
Other related party	\$ <u>117</u>	<u>212</u>

The transaction price was determined based on the price negotiated between the parties, and the collection terms were in accordance with the contractual agreement. There were no comparable transactions with non-related parties.

(iv) Purchases

	<u>Purchasing (the amount of the current period)</u>		<u>Accumulated amount</u>	
	<u>2025</u>	<u>2024</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related party				
Min Far	\$ 19,048	-	19,048	-
XianLing, Yang	<u>931,600</u>	-	<u>931,600</u>	-
	<u>\$ 950,648</u>	-	<u>950,648</u>	-

In January 2025, the Group entered into a purchase agreement with the other related party, XianLing Yang, to acquire a parcel of land located at number 49 of Jincheng Section, Anping District, Tainan City, for construction purposes. The total contract consideration amounted to \$931,600 thousand and the transfer has been completed. The transaction price was determined with reference to a valuation report issued by a professional real estate appraiser and through negotiations between both parties. Payments are being made in accordance with the payment terms stipulated in the contract. The transaction price and payment terms were not more favorable than those available in comparable transactions with non-related parties.

In January 2025, the Group entered into a purchase agreement with the other related party, Min Far Real Estate Development Co., Ltd., acquire a building permit for the property located at number 49 of Jincheng Section, Anping District, Tainan City, for construction purposes. The total contract consideration amounted to \$20,000 thousand and the transfer has been completed. The transaction price was determined with reference to a valuation report issued by a professional real estate appraiser and through negotiations between both parties. Payments are being made in accordance with the payment terms stipulated in the contract. The transaction price and payment terms were not more favorable than those available in comparable transactions with non-related parties.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Rental (under administrative expenses)

The amounts of sharing warehouse situation between the Group and related parties were as follows:

<u>Relationship</u>	<u>2025</u>	<u>2024</u>
Other related party		
Allmind Holdings Corporation	\$ -	300
Hoyi Construction	544	-
Maikeweid	-	57
	<u>\$ 544</u>	<u>357</u>

(vi) Donation (under administrative expenses)

	<u>2025</u>	<u>2024</u>
Other related party – Sanfar Education Foundation	<u>\$ 1,200</u>	<u>1,500</u>

The Group's commitment to donate to Sanfar Education Foundation, please refer to note 9(c) for further details.

(vii) Guarantee

As of December 31, 2025 and 2024, the Group signed joint and several guarantees for pre-sale housing with other related parties—Sanfu Property Limited., and other related parties—Zenfar Architecture Co., Ltd. Contracts, respectively acted as the joint guarantee company for the pre-sale house sales contract of Liujiading Section (Grand Bridge), Yongkang District, Tainan City, and Chengde Section (Melody Forest), Renwu District, Kaohsiung City. The amounts of handling fee were both \$0 thousand for the years ended December 31, 2025 and 2024. Furthermore, the project located at Yongxing Section, Yongkang District, Tainan City (Dream Style) was completed on March 31, 2024, and the transfer of legal title and handover of units have been carried out progressively. As of December 31, 2024, Mingding Construction Co., Ltd. no longer holds any joint guarantee for pre-sale housing purchase agreements.

(c) Key management personnel compensation

The compensation of key management is as follows:

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 38,883	27,360
Post-employment benefits	456	506
	<u>\$ 39,339</u>	<u>27,866</u>

The short-term employee benefits include providing rented housing as employee dormitories for key management personnel. The depreciation expenses for these non-monetary benefits were \$2,298 thousand and \$383 thousand and the interest expenses were \$159 thousand and \$33 thousand for the years ended December 31, 2025 and 2024, respectively.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying amounts of the assets pledged as collateral are detailed below:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Inventories	Mortgage, bonds payable and short-term notes and bill payable	\$ 11,326,227	8,230,974
Other financial assets current and non-current	Mortgage, bonds payable, short-term notes and bills payable and joint construction performance guarantee	985,432	1,229,321
Property, plant and equipment	Short-term notes and bill payable	72,797	73,494
Investment property	Mortgage and bonds payable	371,300	325,589
		<u>\$ 12,755,756</u>	<u>9,859,378</u>

(9) Commitments and contingencies:

(a) The Group's unrecognized contractual commitments are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Signed contract</u>		
Sale of real estate	\$ <u>4,061,118</u>	<u>5,017,262</u>
Purchase of construction land	\$ <u>-</u>	<u>948,998</u>
<u>Received or paid contracts</u>		
Sale of real estate	\$ <u>793,365</u>	<u>763,348</u>
Purchase of construction land	\$ <u>-</u>	<u>47,450</u>

(b) The legal litigation cases related to the Group demanded an approximate amount totaling \$1,000 thousand, plus legal interest from the Group. Currently, the estimated liability provision amounted to \$184 thousand. All cases were still under court proceedings and remained in progress as of the reporting date.

(c) Pursuant to resolutions approved at the meetings of the Board of Directors held on December 23, 2025 and December 17, 2024, the Group made donations totaling \$1,200 thousand and approved an additional donation amount not exceeding \$2,500 thousand, to San Far Education Foundation for the purpose of supporting the Foundation's operations. Please refer to note 7(b)(vi) for the actual amount.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses due to major disasters:None

(11) Subsequent Events:None

(12) Other:

(a) Employee benefits, depreciation and amortization expenses categorized by function were as follows:

By item	By function	2025			2024		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salary		45,405	95,084	140,489	58,408	62,818	121,226
Labor and health insurance		4,666	4,870	9,536	4,921	3,607	8,528
Pension		2,412	2,310	4,722	2,491	1,782	4,273
Others		1,346	6,777	8,123	1,628	4,974	6,602
Depreciation		4,586	10,233	14,819	3,114	6,395	9,509
Amortization		632	902	1,534	560	1,043	1,603

(b) Other

The Ministry of Justice Investigation Bureau, Kaohsiung City has conducted an investigation on the group on February 17, 2022, wherein it seized the Company's subsidiary ledgers, as well as all the contracts entered into with, and the vouchers of commission paid to, the related three advertising companies. Since the case is still in progress, the group assessed that the above matter will not have an impact on its financial statements.

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current assets recognized as incremental costs to obtain contract with customers	\$ -	47,550	109,612	47,974	23,786	11,034	-
Notes payable	\$ -	2,694	7,282	8,743	8,494	-	-
Construction Retainage Received (account on Accounts Payable)	\$ 4,662	4,461	1,778	1,907	205	-	-
Other payables	\$ -	6,814	5,313	932	5,911	-	-
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Selling expense	\$ 66,062	204,103	24,076	47,693	77,332	-	995

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) On February 17, 2022, the Company was prosecuted and searched. Since it is still in the investigation stage and based on the principle of secret investigation, the general finding and legal liability will wait for the investigation by the Prosecutors Office and the Judiciary to clarify before taking relative measures. At present, according to the project audit accountants appointed by the audit committee of the Company, the project attorney appointed by the board of directors and the Company's own review, the consignment sales and construction transactions between the three advertising companies, Dage Advertising Co., Ltd., Yueteng Advertising Co., Ltd. and Hong tai Advertising Co., Ltd. and the Company are authentic. The transaction conditions have no significant unreasonable circumstances compared with the same industry in the market.
- (ii) In order to be conservative, although the case is still under investigation, the Company disclosed the above three advertising companies in the form of other related parties in the 2021 financial report based on protecting the rights and interests of investors. Due to the principle of secret investigation, the method of prior disclosure may not be the final result. The Company will deal with the case appropriately after the case is clarified by the judicial proceeding.
- (iii) At present, the Company's finance and business are normal, and the investigation case has no significant impact on the Company's operations.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Jingo Asset Development Co., Ltd.	2	8,079,912	1,000,000	1,000,000	759,700	-	14.85 %	8,079,912	Y	N	N
1	Jing Fu Xiang Construction Co., Ltd.	The Company	3、7	1,251,442	1,200,000	1,200,000	441,120	-	17.82 %	3,217,995	N	Y	N

Note 1: The relationship between the guarantee and the guarantor are as follows:

- 1) Transactions between the companies.
- 2) The Company directly or indirectly holds more than 50% voting right.
- 3) When other companies directly or indirectly hold more than 50% voting rights of the Company.
- 4) The Company directly or indirectly holds more than 90% voting right.
- 5) A company that is mutually protected under contractual requirements based on the needs of the contractor.
- 6) A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
- 7) Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

Note 2: SAN FAR PROPERTY LIMITED endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

- 1) The total amount of guarantee for external endorsement shall not exceed 120% of the net value of the Company.
- 2) The guarantee amount for a single enterprise endorsement shall not exceed 60% of the current net value of the Company. However, for subsidiaries in which the Company directly holds 90% or more of the voting shares, either individually or together with its subsidiaries, the guarantee amount shall not exceed 120% of the net value of the Company.

Note 3: Jin Fu Xiang Construction Co., Ltd endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

- 1) The total amount of guarantee for external endorsement shall not exceed 9 times of the net value of Jin Fu Xiang Construction Co., Ltd.
- 2) The guarantee amount for a single enterprise endorsement shall not exceed 3.5 times of the current net value of the company.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Stock - Allmind Holdings Corporation (Formerly: Pleasant Hotels International Inc.)	An entity with significant influence over the Group	Financial assets at fair value through other comprehensive income, non-current	3,600	186,480	4.11 %	186,480	4.11 %	
The Company	Stock - O-Bank Co., Ltd. Series B Convertible Preferred Stock	-	Financial assets at fair value through other comprehensive income, non-current	2,500	29,625	- %	29,625	- %	
The Company	Privately offered fund-Sparklabs Taipei Fund I	-	Financial assets at fair value through profit or loss, non-current	-	4,542	- %	4,542	- %	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Jin Fu Xiang Construction Co., Ltd.	Subsidiary Company	Contracting project	1,099,293	47.53 %	Pay by contract terms	-	-	(725,764)	(82.04)%	Note 1
Jin Fu Xiang Construction Co., Ltd.	The Company	Parent Company	Contracted project	(949,295)	(100.00)%	Pay by contract terms	-	-	725,764	100.00%	Note 1
The Company	O Ling, Yang	Other related parties	Land Purchase	931,600	40.26 %	Payments are made in line with the progress of title transfer procedures	-	-	-	-%	
The Company	Jingo Asset Development Co., Ltd.	Subsidiary Company	Land Sales	(1,903,000)	(56.79)%	Receives are made in line with the progress of title transfer procedures	-	-	-	-%	Note 1
Jingo Asset Development Co., Ltd.	The Company	Parent Company	Land Purchase	1,903,000	99.98 %	Payments are made in line with the progress of title transfer procedures	-	-	-	-%	Note 1

Note 1: The transactions were written off in the consolidated financial statements.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Jin Fu Xiang Construction Co., Ltd.	The Company	Parent Company	725,764 (Note)	1.87 times	-		71,954	-

Note: The transactions were written off in the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Jingo Asset Development Co., Ltd.	1	Sale revenue	1,903,000	As agreed in the agreement	127.90%
1	Jin Fu Xiang Construction Co., Ltd	The Company	2	Sale revenue	949,295	"	63.80%
			2	Receivables	725,764	"	4.16%

Note 1: The numbering is as follows:

1. "0" represents the parent company.
2. Subsidiaries are sequentially numbered from 1 by company.

Note 2: Relation between related parties are as follows:

1. Parent company to subsidiaries.
2. Subsidiaries to parent company.
3. Between subsidiaries.

Note 3: All intra-group transactions were eliminated when preparing the consolidated financial statements.

Note 4: It is calculated by dividing the transaction amount by consolidated operating income or consolidated total assets.

Note 5: The transactions were written off in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	Jing Fu Xiang Construction Co., Ltd.	Taiwan	Construction industry	295,875	295,875	30,000	100.00 %	248,815	100.00 %	20,592	(4,683)	
"	Jingo International Records Co., Ltd.	Taiwan	Record industry	22,529	22,529	2,000	100.00 %	27,614	100.00 %	4,356	4,356	
"	Jingo Asset Development Co., Ltd.	Taiwan	Construction industry	1,200,000	-	120,000	100.00 %	434,403	100.00 %	(15,838)	(15,838)	Note 1

Note: The transactions were written off in the consolidated financial statements.

Note 1: The carrying amount at the end of the period includes unrealized gains of NT\$749,758 thousand arising from downstream transactions with the Company.

(c) Information on investment in mainland China: None

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

(a) General information

The Group has two reportable segments, which are the Group's strategic divisions. The Group's strategic divisions provide different products and services, and are managed separately because they require different technology and marketing strategies. Operating results of the strategic divisions are quarterly reviewed by the Group's chief operating decision maker. The four reportable segments are described as follows:

- (i) Construction department: Mainly responsible for residential development, building, construction, civil and construction business.
- (ii) The AV department: Mainly responsible for CD and DVD production, Production, publication and import and export trading.

(b) Information about reportable segments and their measurement and reconciliations

	Construction Department	Audio/ video	Adjustment and Elimination	Total
For the year ended December 31, 2025				
Revenue:				
Revenue from external customers	\$ 1,769,178	18,556	-	1,787,734
Intersegment revenues	2,852,588	197	(2,852,785)	-
Interest income	33,130	733	-	33,863
Total revenue	<u>\$ 4,654,896</u>	<u>19,486</u>	<u>(2,852,785)</u>	<u>1,821,597</u>
Interest expenses	<u>\$ 66,939</u>	<u>159</u>	<u>-</u>	<u>67,098</u>
Depreciation and amortization	<u>\$ 13,023</u>	<u>3,444</u>	<u>(114)</u>	<u>16,353</u>
Reportable segment net operating income (loss)	<u>\$ 687,517</u>	<u>4,464</u>	<u>(9,110)</u>	<u>682,871</u>
Reportable segment assets	<u>\$ 19,512,534</u>	<u>46,401</u>	<u>(2,295,718)</u>	<u>17,263,217</u>
Reportable segment liabilities	<u>\$ 11,242,187</u>	<u>18,788</u>	<u>(731,018)</u>	<u>10,529,957</u>
For the year ended December 31, 2024				
Revenue:				
Revenue from external customers	\$ 2,011,326	19,528	-	2,030,854
Intersegment revenues	801,979	354	(802,333)	-
Interest revenue	22,780	573	-	23,353
Total revenue	<u>\$ 2,836,085</u>	<u>20,455</u>	<u>(802,333)</u>	<u>2,054,207</u>
Interest expenses	<u>\$ 26,391</u>	<u>35</u>	<u>-</u>	<u>26,426</u>
Depreciation and amortization	<u>\$ 9,518</u>	<u>1,735</u>	<u>(141)</u>	<u>11,112</u>
Reportable segment net operating income (loss)	<u>\$ 490,144</u>	<u>6,213</u>	<u>(23,495)</u>	<u>472,862</u>
Reportable segment assets	<u>\$ 17,128,129</u>	<u>51,479</u>	<u>(672,603)</u>	<u>16,507,005</u>
Reportable segment liabilities	<u>\$ 10,071,134</u>	<u>22,775</u>	<u>(295,183)</u>	<u>9,798,726</u>

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(c) Product information

Revenue from the external customers of the Group's continuing operations please refer to note 6(q).

(d) Geographic information

The Group did not set up department overseas for the years ended December 31, 2025 and 2024.