Stock Code:9946

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

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Representation Letter

The entities that are required to be included in the combined financial statements of San Far Property Limited as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, San Far Property Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: San Far Property Limited
Chairman: Ting Chen, Chung
Date: February 22, 2023

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Independent Auditors' Report

To the Board of Directors of San Far Property Limited:

Opinion

We have audited the consolidated financial statements of San Far Property Limited and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 group on February 17, 2022 and seized its subsidiary ledgers, as well as all the contracts entered into with, and the vouchers of commission paid to, the related three advertising companies, Yueteng Advertising Co., Ltd., Dage Advertising Co., Ltd., and Hong Tai Advertising Co., Ltd., within 2014 to 2020. Please refer to note 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

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

   Description of key audit matter:

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

   Audit procedures performed:

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

2. Valuation of inventories

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

   Description of key audit matter:

   The key asset of Sanfa real Estate Company Limited and its subsidiaries is its inventories, with a portion of 73% of the total assets. Inventory evaluation of the Company is in accordance with International Accounting Standards for Report No. 2. There may be a misstatement of financial report when the net realizable value is inappropriate.The real estate for sale is compared with the latest nearby transaction price or the contract price of the recent sale, and the uncertainty of the future investment cost of the land for construction and the land under construction is higher, and it is difficult to obtain a comparable sales price. Therefore, the judgment of net realizable value of the land for construction and the land under construction depends on the subjective judgment or estimation of the management. Thus, the valuation of the land for construction and the land under construction is one of the most important valuation in performing our audit procedures.

   Audit procedures performed:

   Analysis tables of investment return by cases are also acquired to compare with the market condition and evaluate whether the assessment data of the net realizable value of inventories are fairly measured and presented.

Other Matter

San Far Property Limited has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Yilien Han and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2023

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 2,426,747	16	2,165,778	14
1140	Current contract assets (notes 6(q) and 7)	172,951	1	39,893	-
1150	Notes receivable, net (notes 6(c) and (q))	173	-	356	-
1170	Accounts receivable, net (notes 6(c) and (q))	4,519	-	3,203	-
1180	Accounts receivable due from related parties, net (notes 6(c), (q) and 7)	16,590	-	60,417	-
1300	Inventories, merchandising business, net (note 6(d))	4,787	-	4,702	-
1320	Inventories (for construction business), net (notes 6(d), 7, 8 and 9)	11,352,790	73	11,801,569	77
1410	Prepayment	88,653	1	67,667	1
1476	Other financial assets-current (notes 6(k), 7 and 8)	116,193	1	185,461	1
1479	Other current assets, others	20,042	-	31,791	-
1480	Current assets recognised as incremental costs to obtain contract with customers (note 6(e))	123,423	1	128,927	1
		14,326,868	93	14,489,764	94
	Non-current assets:				
1510	Total non-current financial assets at fair value through profit or loss	4,914	-	4,429	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	117,280	1	122,580	1
1600	Property, plant and equipment (notes 6(f) and 8)	77,068	-	78,277	1
1760	Investment property (notes 6(g) and 8)	115,799	1	91,568	1
1780	Intangible assets	15,507	-	16,679	-
1840	Deferred tax assets (note 6(n))	133,654	1	112,481	1
1975	Net defined benefit asset, non-current (note 6(m))	-	-	5,636	-
1980	Other non-current financial assets (note 8)	680,090	4	371,583	2
1990	Other non-current assets, others	9,225	-	12,552	-
		1,153,537	7	815,785	6
	Total assets	$ 15,480,405	100	15,305,549	100

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(i) and 8)	$ 4,366,060	29	4,967,892	32
2110	short-term transaction instrument payables (notes 6(n) and 8)	-	-	140,000	1
2130	Current contract liabilities (notes 6(k), (q), 7 and 9)	354,081	2	421,852	3
2150	Notes payable	149,942	1	87,471	1
2170	Accounts payable (note 11)	227,092	1	189,311	1
2200	Other payables (notes 6(r) and 7)	98,323	1	119,973	1
2230	Current tax liabilities	3,935	-	3,430	-
2321	Current Portion of puttable bonds (notes 6(i) and 8)	-	-	999,808	7
2399	Other current liabilities, others	26,674	-	27,487	-
		5,226,107	34	6,957,224	46
	Non-Current liabilities:				
2530	Bonds payable (notes 6(j) and 8)	3,794,540	25	1,798,644	12
2600	Total other non-current liabilities	3,867	-	5,110	-
		3,798,407	25	1,803,754	12
	Total liabilities	9,024,514	59	8,760,978	58
	Equity attributable to owners of parent (note 6(o)):				
3100	Common stock	3,265,542	21	3,265,542	21
3200	Capital surplus	185,955	1	185,955	1
3300	Total retained earnings	2,949,314	19	3,031,694	20
3400	Other equity	55,080	-	61,380	-
	Total equity	6,455,891	41	6,544,571	42
	Total liabilities and equity	$ 15,480,405	100	15,305,549	100

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, 2022 and 2021

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

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (notes 6(q) and 7)**	$ 2,273,704	100	1,715,968	100
5000	**Operating cost (notes 6(d) and (m))**	1,886,711	83	1,297,251	76
5900	**Gross profit from operations**	386,993	17	418,717	24
6000	**Operating expenses (notes 6(e), (m), (r), 7 and 11):**				
6100	Selling expenses	107,994	5	96,118	6
6200	Administrative expenses	103,851	5	101,711	6
		211,845	10	197,829	12
6900	**Operating profit**	175,148	7	220,888	12
7000	**Non-operating income and expenses:**				
7100	Total interest income	5,611	-	3,503	-
7010	Other income (notes 6(l), (m) and 7)	5,222	-	9,151	1
7020	Other gains and losses (note 6(s))	(2,611)	-	(262)	-
7050	Finance costs, net	(38,103)	(1)	(18,160)	(1)
		(29,881)	(1)	(5,768)	-
7900	**Profit from continuing operations before tax**	145,267	6	215,120	12
7950	**Less: Income tax expense (note 6(n))**	5,590	-	(7,158)	-
8200	**Profit**	139,677	6	222,278	12
8300	**Other comprehensive income (loss):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized (losses) gain from investments in equity instruments measured at fair value through other comprehensive income (notes 6(b) and (o))	(6,300)	-	42,660	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8300	**Other comprehensive income (net of tax)**	(6,300)	-	42,660	2
8500	**Total comprehensive income**	**$ 133,377**	**6**	**264,938**	**14**
	Basic earnings per share (note 6(p))				
9750	Basic earnings per share	**$**	**0.43**		**0.68**
9850	Diluted earnings per share	**$**	**0.43**		**0.68**

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							
			Retained earnings			Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Balance at January 1, 2021	$ 3,309,030	196,752	575,954	2,618,211	3,194,165	18,720	(178,324)	6,540,343
Profit	-	-	-	222,278	222,278	-	-	222,278
Other comprehensive income (net for tax)	-	-	-	-	-	42,660	-	42,660
Comprehensive income	-	-	-	222,278	222,278	42,660	-	264,938
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	18,290	(18,290)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(93,301)	(93,301)	-	-	(93,301)
Stock dividends of ordinary share	155,502	-	-	(155,502)	(155,502)	-	-	-
Other changes in capital surplus:								
Purchase of treasury share	-	-	-	-	-	-	(167,409)	(167,409)
Retirement of treasury share	(198,990)	(10,797)	-	(135,946)	(135,946)	-	345,733	-
Balance at December 31, 2021	3,265,542	185,955	594,244	2,437,450	3,031,694	61,380	-	6,544,571
Profit	-	-	-	139,677	139,677	-	-	139,677
Other comprehensive income	-	-	-	-	-	(6,300)	-	(6,300)
Comprehensive income	-	-	-	139,677	139,677	(6,300)	-	133,377
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	8,633	(8,633)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(222,057)	(222,057)	-	-	(222,057)
Balance at December 31, 2022	**$ 3,265,542**	**185,955**	**602,877**	**2,346,437**	**2,949,314**	**55,080**	**-**	**6,455,891**

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 145,267	215,120
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	7,925	7,041
Amortization expense	2,583	2,439
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(485)	79
Gain on disposal of property, plan and equipment	(2)	-
Interest expense	38,103	18,160
Interest income	(5,611)	(3,503)
Pension	-	(3,294)
Total adjustments to reconcile profit (loss)	42,513	20,922
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in contract assets	(133,058)	(18,913)
Decrease in notes receivable - related parties	183	39,612
Decrease(increase) in accounts receivable - related parties	42,511	(41,122)
Decrease (increase) in inventories	551,405	(4,342,512)
Increase in other prepayments	(20,986)	(18,635)
Decrease (increase) other current assets	12,570	(11,851)
(Increase) decrease in other financial assets	(90,738)	33,957
Decrease in deferred debits	5,636	-
Decrease (increase) in assets recognised as incremental costs to obtain contract with customers	5,504	(54,798)
Total changes in operating assets	373,027	(4,414,262)
Changes in operating liabilities:		
(Decrease) Increase in contract liabilities	(67,771)	192,585
Increase in notes payable	62,471	32,873
Increase in accounts payable	37,781	48,491
(Decrease) increase in other receivable	(30,039)	25,183
(Decrease) increase in other current liabilities	(253)	6,739
Total changes in operating liabilities	2,189	305,871
Total changes in operating assets and liabilities	375,216	(4,108,391)
Total adjustments	417,729	(4,087,469)
Cash inflow generated from operations	562,996	(3,872,349)
Interest paid	(156,562)	(114,975)
Income taxes paid	(27,079)	(58,859)
Net cash flows from (used in) operating activities	379,355	(4,046,183)

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,000)	(4,508)
Acquisition of property, plant and equipment	(732)	(1,526)
Disposal of property, plant and equipment	2	-
Acquisition of intangible assets	(1,411)	(1,437)
Increase in other financial assets	(148,501)	(221,630)
Decrease in other non current assets	1,113	2,280
Interest received	5,611	3,503
Net cash flows from (used in) investing activities	(144,918)	(223,318)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	410,460	4,878,770
Decrease in short-term borrowings	(1,012,292)	(1,451,088)
(Decrease) increase in short-term notes and bills payable	(140,000)	140,000
Proceeds from issuing bonds	1,994,787	599,155
Repayments of bonds	(1,000,000)	-
Payment of lease liabilities	(4,789)	(4,226)
Increase in other non-current liabilities	423	402
Cash dividends paid	(222,057)	(93,301)
Payments to acquire treasury shares	-	(167,409)
Net cash flows from used in financing activities	26,532	3,902,303
Net increase (decrease) in cash and cash equivalents	260,969	(367,198)
Cash and cash equivalents at beginning of period	2,165,778	2,532,976
Cash and cash equivalents at end of period	$ **2,426,747**	**2,165,778**

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, 2022 and 2021

(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 major business activities are residential and building development, leasing and sales, and real estate leasing.

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:

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on February 22, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") 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, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued 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, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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

(c) The impact of IFRS 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
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability' s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. 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 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"

(Continued)

- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized as below. The significant accounting policies have been applied consistently to all periods presented in these 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 IFRSs, IASs, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect 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;

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.

(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.

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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 December 31, 2022	Shareholding December 31, 2021	Description
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)	VariousCDandDV Dproduction, prod uction, publication and import and export trades	100.00 %	100.00 %	Note 1

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

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

(d) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of each subsequent reporting period (hereinafter referred to as the reporting date) are retranslated to the functional currency at 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；

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(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

An asset is classified as current under one of the following criteria, and all other assets are classified as non current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as noncurrent.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(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 an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(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.

(Continued)

(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 Company 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 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.

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.

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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. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. 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 financial assets and refundable deposits), debt investments measured at FVOCI and contract assets.

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.

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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 time deposits held by the Group was determined as low credit risk since the trading and performing parties are the financial institutions above the investment grade.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan 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 and debt securities at FVOCI 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;
- 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.

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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.

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).

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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.

(ii) Construction

The cost of inventories shall comprise all costs of purchase and other costs incurred in bring the inventories to their present location and condition. When the cost of inventories is higher than the net realizable value, it should be offset against the cost to net realizable value, and the amount of inventory should be recognized as cost of goods sold in the current period. The methods of determining the net realizable value are as follows:

1) Construction Site: 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).

(Continued)

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 needed to complete.

3) Real estate for sale: Net realizable value is the estimated selling price (refer to the market condition estimated by authority) 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 initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss.

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 as other revenue 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) Propery, 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.

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 straightline 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

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2) Transportation equipment	5 years
3) Office equipemnt	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 leasee

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.

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 a separate line item respectively 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 machinery, and instead, recognize related lease payments as expenses on a straight-line basis during the lease period.

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.

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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 ‘other income’.

(l) Intangible assets

(i) Recognition and measurement

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

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(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 of significant items of property, plant and equipment has an unlimited useful life and therefore 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 the end of each financial period, and adjusted if needed.

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(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, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) 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 from 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. 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.

(n) Revenue

(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 acustomer. 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 sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer or when the real property is actually delivered.

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Revenue is measured under the agreed transaction price according in 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 a decoration service. The Group accounts for the decoration service as a single performance obligation, and the transaction price is allocated to the decoration service 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 decoration 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) 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.

3) Construction contracts

The Group enters into contracts to build residential properties, commercial buildings and public constructions. Because its customer controls the asset 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) 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.

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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.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(Continued)

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

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognized 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.

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 that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(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 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.

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.

(Continued)

(q) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the consolidated financial statements. Basic earnings per share is calculated as the profit attributable to the 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 dilutive potential common shares are profit sharing for employees to be settled in the form of common stock.

(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:

The preparation of the consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Regulations and the IFRSs endorsed by the FSC, requires management to make judgments, estimates, and assumptions 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.

The Company may face economic uncertainties, such as politics, reform of the real estate tax system and inflation. The following accounting estimates made by the Company may be significantly affected because these estimates involve forecasting the future.

Uncertainties in the following assumptions and estimates have the effect of causing the carrying amount of assets and liabilities to be adjusted in the next financial year, and have reflected the impact of the Covid-19, the relevant information of which is as follows:

(a) Valuation of inventories

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.

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.

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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.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. For assumptions used in measuring fair value.Please refer notes as follows:

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Petty cash	$	520	620
Demand deposits		2,421,186	2,160,118
Checking account deposits		41	40
Time deposits		5,000	5,000
Cash and cash equivalents in the consolidated statement of cash flows	**$**	**2,426,747**	**2,165,778**

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

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

		December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:			
Listed common share of domestic company	$	116,280	122,580
Unlisted common share of domestic company		1,000	-
Total	**$**	**117,280**	**122,580**

(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) The Group did not dispose any strategic investment in 2022 and 2021, and the accumulated profits and losses during the period were not transferred in equity.

(iii) For credit risk (including the impairment of debt investments) and market risk, please refer to Note 6(t).

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(iv) The above financial assets have not been used as guarantees for long-term and short-term loans and financing collateral.

(c) Note and account receivables

	December 31, 2022	December 31, 2021
Notes receivable from operating activities	$ 173	356
Accounts receivable	21,148	63,635
Less: loss allowance	(39)	(15)
	$ 21,282	**63,976**

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, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	$ 20,896	0%	-
1 to 30 days past due	319	1%	3
31 to 120 days past due	45	10%	5
121 to 300 days past due	37	20%	7
300 days past due	24	100%	24
	$ 21,321		**39**

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	$ 63,686	0%	-
1 to 30 days past due	168	1%	2
31 to 120 days past due	137	10%	13
	$ 63,991		**15**

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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The movement in the allowance for notes and accounts receivable was as follows：

	For the years ended December 31	
	2022	2021
Balance on January 1	$ 15	6
Impairment losses recognized	24	9
Balance on December 31	**$ 39**	**15**

As of December 31, 2022 and 2021,the investment property of the Group had been pledged as collateral for long-term and short-term borrowings.

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

(d) Inventory

	December 31, 2022	December 31, 2021
Inventories, merchandising business		
Merchandise inventory	**$ 4,787**	**4,702**
Construction		
Construction in progress	$ 6,512,787	6,490,923
Buildings and land held for sale	2,126,868	2,597,511
Land held for construction site	2,713,135	2,713,135
	$ 11,352,790	**11,801,569**
Inventory that is expected to be recovered more than 12 months later	**$ 8,127,559**	**8,155,557**

(i) The details of the cost of goods sold related to inventories recognized by The Group in 2022 and 2021 are as follows

	For the years ended December 31	
	2022	2021
Mmerchandising:		
Inventory that has been sold	$ 6,252	6,644
Write-down of inventories (Reversal of write-downs)	129	817
	$ 6,381	**7,461**
Construction:		
Inventory that has been sold	**$ 1,630,862**	**1,054,137**

(ii) Please refer to note 8 for details of pledged inventory during the year ended December 31, 2022 and 2021.

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(e) 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 $91,326 thousand and $74,634 thousand were recognized in 2022 and 2021 under selling expense.

(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, 2022 and 2021, were as follows:

	Land	Buildings and construction	Leasehold improvements	Other equipment (including transportation and office equipment)	Total
Cost:					
Balance on January 1, 2022	$ 57,169	35,554	1,728	7,992	102,443
Additions	-	-	-	732	732
Disposal	-	-	-	(20)	(20)
Balance on December 31, 2022	$ 57,169	35,554	1,728	8,704	103,155
Balance on January 1, 2021	$ 57,169	35,554	1,116	7,952	101,791
Additions	-	-	612	914	1,526
Disposal	-	-	-	(874)	(874)
Balance on December 31, 2021	$ 57,169	35,554	1,728	7,992	102,443
Depreciation and Impairment:					
Balance on January 1, 2022	$ -	17,138	1,271	5,757	24,166
Depreciation	-	697	204	1,040	1,941
Disposal	-	-	-	(20)	(20)
Balance on December 31, 2022	$ -	17,835	1,475	6,777	26,087
Balance on January 1, 2021	$ -	16,441	1,116	5,734	23,291
Depreciation for the year	-	697	155	897	1,749
Disposal	-	-	-	(874)	(874)
Balance on December 31, 2021	$ -	17,138	1,271	5,757	24,166
Carrying amounts:					
Balance on December 31, 2022	$ 57,169	17,719	253	1,927	77,068
Balance on January 1, 2021	$ 57,169	19,113	-	2,218	78,500
Balance on December 31, 2021	$ 57,169	18,416	457	2,235	78,277

Please refer to note 8 for more information on pledged inventories and financing collateral.

(g) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 5 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.

	Land	Buildings and construction	Total
Cost:			
Balance on January 1, 2022	$ 40,310	53,313	93,623
Transfer from inventory	6,035	19,403	25,438
Balance on December 31, 2022	**$ 46,345**	**72,716**	**119,061**
Balance on January 1, 2021	$ 24,267	43,615	67,882
Transfer from inventory	16,043	9,698	25,741
Balance on December 31, 2021	**$ 40,310**	**53,313**	**93,623**
Depreciation and Impairment:			
Balance on January 1, 2022	$ -	2,055	2,055
Depreciation	-	1,207	1,207
Balance on December 31, 2022	**$ -**	**3,262**	**3,262**
Balance on January 1, 2021	$ -	1,041	1,041
Depreciation	-	1,014	1,014
Balance on December 31, 2021	**$ -**	**2,055**	**2,055**
Carrying amounts:			
Balance on December 31, 2022	**$ 46,345**	**69,454**	**115,799**
Balance on January 1, 2021	**$ 24,267**	**42,574**	**66,841**
Balance on December 31, 2021	**$ 40,310**	**51,258**	**91,568**
Fair Vulue：			
Balance on December 31, 2022			**$ 195,859**
Balance on December 31, 2021			**$ 107,755**

Investment property includes the company's own assets leased out by operating leases to third parties, and other relevant information (Chartered rental income and direct operating expenses incurred) Please refer to Note 6 (l) or details.

The fair value of investment real estate refers to similar regions and categories of real estate transaction real price inquiry service network of the Ministry of the Interior The model is based on the transaction price in the near future. The input value used in its fair value assessment technique is third-class class.

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Please refer to note 8 for more information on pledged Investment properties and financing collateral.

(h) Short-term notes and bills payable

	December 31, 2021		
	Guarantee or acceptance institute	**Range of interest rate**	**Amount**
Commercial paper payable	Financial institute	1.94%	**$ 140,000**

(i) Issuance and repayment of short-term notes

For the years ended December 31, 2022 and 2021, the incremental amounts are $80,000 thousand and $140,000 thousand, respectively; the repayment amounts are $220,000 thousand and $0, respectively.

(ii) Collateral for short-term notes

For collaterals of short-term notes pledged by the Company's assets, please refer to note 8.

(i) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2022	**December 31, 2021**
Unsecured bank loans	$ 222,000	-
Secured bank loans	4,144,060	4,967,892
Total	**$ 4,366,060**	**4,967,892**
Unused credit time	**$ 5,765,180**	**5,315,900**
Range of interest rates	**2.10%~2.67%**	**0.94%~2.25%**

(i) The issue of bank loan and repayment

For the years ended December 31, 2022 and 2021, the incremental amounts are $410,460 thousand and $4,878,770 thousand, respectively; the repayment amounts are $1,012,292 thousand and 1,451,088 thousand, respectively.

(ii) Collateral for Bank Loans

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

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

The details of unsecured convertible bonds were as follows:

	December 31, 2022	December 31, 2021
Secured convertible bonds, non-current	$ 3,794,540	2,798,452
Less: Bonds due or executed with one year or one business cycle	-	(999,808)
	$ 3,794,540	**1,798,644**

(i) Please refer to note 6(s) for information of the Group's recognition on ordinary bonds and amortized interest expenses in 2022 and 2021.

(ii) Information of Group's secured corporate bonds were as follows:

Item	First secured ordinary corporate bond in 2017
1)Total issuance	$1,000,000 thousand
2)Issuance date	2017.09.14
3)Interest rate	0.97%
4)Period ended	2017.09.14~2022.09.14
5)Repayment	Due five years from the issuance date
6)Guarantee agency	Agricultural Bank of Taiwan

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

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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

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

(k) Contract liability

	December 31, 2022	December 31, 2021
Land	$ 61,350	48,514
Buildings	292,731	370,007
Construction	-	3,331
	$ 354,081	**421,852**
Amount expected to be realized after twelve months	**$ 138,117**	**198,331**

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

(l) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

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

	December 31, 2022	December 31, 2021
Less than one year	$ 5,615	3,934
One to two years	5,784	4,091
Two to three years	5,812	4,164
Three to four years	4,479	4,180
Four to five years	3,536	2,807
More than five years	4,788	7,349
	$ 30,014	**26,525**

Rental revenues from investment properties was $4,364 thousand and $3,271 thousand for the years ended December 31, 2022 and 2021, , respectively.

(m) Employee benefit

(i) Defined benefit plans

The present value of the defined benefit obligations and fair value of plan assets were as follows:

	December 31, 2021
Fair value of plan asset	$ (5,636)
Net defined benefit liability	**$ (5,636)**

The Group makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension benefits for its employees upon retirement. The plans entitle a retired employee to receive a payment based on years of service and average salary for the six months prior to the employee's retirement.

1) Composition of plan assets

The Group set aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Under these regulations, the minimum earnings from these pension funds shall not be less than the earnings from two year time deposits with the interest rates offered by local banks.

As of December 31, 2022, the merged company had no employees who qualified for the defined benefit plan. In the 2021, the special account for retirement preparation was completed, and the relevant procedures ended in the 2022.

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2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Group were as follows:

	For the year ended December 31, 2021
Defined benefit obligations at January 1	$ 5,181
Remeasurement on the net defined benefit liabilities (assets):	
—Actuarial losses (gains) arising from experience adjustments	132
Past service credit	20
Benefits paid	(2,039)
Contributions paid by the employer	(3,294)
Defined benefit obligations at December 31	**$ -**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	For the years ended December 31	
	2022	**2021**
Fair value of plan assets at January 1	$ 5,636	7,523
Remeasurements loss (gain):		
—Return on plan assets excluding interest income	-	132
Benefits paid	-	20
Contributions paid by the employer	-	(2,039)
The amount to be returned when the plan is settled	(5,636)	-
Fair value of plan assets at December 31	**$ -**	**5,636**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

	For the year ended December 31, 2021
Current service costs	$ 18
Net interest of net liabilities for defined benefit obligations	-
	$ 18

(Continued)

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	For the year ended December 31, 2021
Selling expense	$ **18**

Note: Gain on clean-up pension planis $3,294 thousands (account on other income).

5) Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Group's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the year ended December 31, 2021, was as followed:

	For the year ended December 31, 2021
Balance as of January 1	$ 1,703
Balance as of December 31	$ **1,703**

(ii) Defined contribution plans

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 cost of the pension contributions to the Bureau of Labor Insurance for the years ended December 31, 2022 and 2021 amounted to $4,848 thousand and $4,727 thousand, respectively.

(n) Income tax

(i) The components of income tax expense were as follows:

	For the years ended December 31	
	2022	2021
Current tax expense		
Current period	$ 5,808	4,123
Adjustment for prior periods	(417)	-
Land value increment tax	21,372	10,502
	26,763	14,625
Deferred tax expense		
Change in reversal and unrecognized deductible temporary differences	(21,173)	(5,996)
Recognition of previously unrecognized tax losses	-	(15,787)
	(21,173)	(21,783)
Income tax (benefit) expense	$ **5,590**	**(7,158)**

(Continued)

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(ii) The reconciliation of income tax expense and income before income tax was as follows:

	For the years ended December 31	
	2022	**2021**
Profit excluding income tax	$ 145,267	215,120
Income tax expense at domestic statutory tax rate	29,053	43,024
Tax exempt income	-	(256)
Land tax exempt income	(54,395)	(48,929)
Book-tax difference of capitalization	(22,547)	(15,011)
Non-deductible expenses	49	5
Unrecognized tax losses from the previous period	-	(15,787)
Current-year losses for which no defferred tax asset was recognized	-	7,109
Change in unrecognized temporary differences	-	(7,088)
Adjustment for prior periods	(417)	-
Land value increment tax	21,372	10,502
Other	32,475	19,273
	$ 5,590	**(7,158)**

(iii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

	December 31, 2022	**December 31, 2021**
Tax loss carryforward	**$ 8,588**	**9,044**

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 the these items because they are not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2022, the information of the Group’s unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	**Unused tax losses**	**Expiry date**
2017	$ 4,932	2027
2019	1,126	2029
2020	1,140	2030
2021	35,741	2031
	$ 42,939	

(Continued)

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

	Deferred Tax Assets		
	Tax loss carryforward	Other	Total
Balance on January 1, 2022	$ 109,986	2,495	112,481
Recognized in profit or loss	22,481	(1,308)	21,173
Balance on December 31, 2022	**$ 132,467**	**1,187**	**133,654**
Balance on January 1, 2021	$ 87,801	3,365	91,166
Recognized in profit or loss	22,185	(870)	21,315
Balance on December 31, 2021	**$ 109,986**	**2,495**	**112,481**

	Deferred tax liabilities
	Other
Balance on January 1, 2021	$ 468
Recognized in profit or loss	(468)
Balance on December 31, 2021	**$ -**

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

Name	Approved year
The Company	2020
Jing Fu Xiang Construction Co., Ltd .	2020
Jingo International Records Co., Ltd .	2020

(o) Capital and other equity

As of December 31, 2022 and 2021, the total value of authorized ordinary shares were amounted to 4,500,000 thousand, with par value of $10 per share.As of that date, the number of ordinary shares issued were 326,554 thousand in December 31, 2022 and 2021. All issued shares were paid up upon issuance.

(i) Ordinary shares

A resolution was passed during the shareholder's meeting held on 27 July, 2021, for the issuance of capital surplus transferred to common stock with a 15,550 thousand shares , amounted to $155,502 thousand . The related registration procedures were completed.

A resolution was passed during the shareholder's meeting held on 19, April, 2021, for the cancellation of the treasury stock 10,000 thousand, amounting to $100,000 thousand. The related registration procedures were completed.

(Continued)

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(ii) Capital surplus

TThe balances of capital surplus as of December 31, 2022 and 2021, were as follows:

		December 31, 2022	December 31, 2021
Capital surplus－premium from issuance of stock	$	168,736	168,736
Employee share options		16,860	16,860
Other		359	359
	$	**185,955**	**185,955**

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.

(iii) Retain earning

According to the company’ s articles of association, 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.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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1) Legal reserve

When a company incurs no loss for the year, 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.

2) Earnings distribution

Earnings distribution for 2021 was decided by the resolution of the shareholder' s meeting on 6 May, 2022 and 19 April, 2021 for that of 2020. In addition, the Company was approved by the shareholder's meeting on June 30, 2022 and July 27, 2021 to allocate cash with capital reserve in 2021 and 2020.

The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31			
	2021		2020	
	Dividend per share ($)	Total amount	Dividend per share ($)	Total amount
Dividends distributed to common shareholders:				
Cash	$ 0.68	222,057	0.30	93,301
Shares	-	-	0.50	155,502
		$ 222,057		248,803

(iv) Treasury shares

In 2021, in accordance with the requirements under section 28(2) of the Securities Exchange Act, the Group repurchased and 10,000 thousand shares, amounted to $167,409 thousand, as treasury shares in order to protect the Group' s integrity and shareholders' equity. As of December 31, 2021, a total of 19,899 thousand shares were cancelled, total amount $345,733 thousand, the related registration produres were completed.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Group should not be pledged, and do not hold any shareholder rights before their transfer.

(v) 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, 2022	$ 61,380
Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	(6,300)
Balance on December 31, 2021	$ 55,080

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2021	$	18,720
Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		42,660
Balance on December 31, 2021	$	**61,380**

(p) Earnings per share

The Group's earnings per share are calculated as follows:

		For the years ended December 31	
		2022	2021
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	$	**139,677**	**222,278**
Weighted average number of ordinary shares outstanding (shares in thousands)		**326,554**	**328,698**
Basic earnings per share	$	**0.43**	**0.68**
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company (diluted)	$	**139,677**	**222,278**
Weighted average number of ordinary shares (thousand shares)		326,554	328,698
Effect of employee share bonus		156	170
Weighted average number of ordinary shares outstanding (diluted)		**326,710**	**326,706**
Diluted earnings per share	$	**0.43**	**0.68**

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

		For the year ended December 31, 2022		
		Construction Department	Audio/video	Total
Primary geographical markets:				
Taiwan	$	**2,241,046**	**32,658**	**2,273,704**
Major products/services lines:				
Sales of real estates	$	1,977,670	-	1,977,670
Sale of goods		-	11,802	11,802
Servicing rights		263,376	-	263,376
Other		-	20,856	20,856
	$	**2,241,046**	**32,658**	**2,273,704**

(Continued)

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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	For the year ended December 31, 2021		
	Construction Department	Audio/video	Total
Primary geographical markets:			
Taiwan	$ 1,680,911	35,057	1,715,968
Major products/services lines:			
Sales of real estates	$ 1,438,416	-	1,438,416
Sale of goods	-	14,892	14,892
Servicing rights	242,495	-	242,495
Other	-	20,165	20,165
	$ 1,680,911	35,057	1,715,968

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable due from related parties	$ 173	356	39,968
Accounts receivable due from related parties	21,148	63,635	22,504
Less: allowance for impairment	(39)	(15)	(6)
Total	$ 21,282	63,976	62,466
Contract assets	$ 172,951	39,893	20,980
Contract liabilities-Sales of real estates	$ 354,081	418,521	229,267
Contract liabilities-Construction	-	3,331	-
	$ 354,081	421,852	229,267

1) The amount of revenue recognized for years ended December 31, 2022 and 2021,, that were included in the contract liabilities balance at the beginning of the period were $223,521 thousand and $37,525 thousand, respectively.

2) The 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

According to the Articles of Association of the Company, the profit before tax not included in the employees' and Directors' remuneration during the year, if there is a surplus after making up for the losses, no more than 5% should be provided for directors' remuneration, and no less than 1% for employees' remuneration. The recipients of shares and cash may include the employees of affiliated companies who meet certain conditions, such conditions shall be stipulated by the Board of Directors.

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SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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The remunerations to employees amounted to $1,423 thousand and $2,164 thousand, as well as the remunerations to directors amounted to $1,423 thousand and $2,164 thousand for the years ended December 31, 2022 and 2021, 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. The related information can be accessed from market observation post system website. There were no differences between the amounts of employees' and directors' remuneration allocated by the aforesaid Board resolutions and the amounts in the consolidated financial statements of 2022 and 2021.

(s) Finance costs

The details of finance expenses were as follows:

	For the years ended December 31	
	2022	**2021**
Bank loan	$ 87,785	67,302
Other expenses		
Interest on corporate bonds	78,333	48,106
Interest expense, others	134	178
Less: Capitalized interest	(128,149)	(97,426)
Finance costs, net	**$ 38,103**	**18,160**
Average capitalized interest rate	**0.67%~2.67%**	**0.67%~2.25%**

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amounts of financial assets and contract assets represented the maximum credit risk exposure of the Group.

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.

	Carrying amount	Contractual cash flows	1 year	1-5 years	Over 5 years
December 31, 2022					
Non derivative financial liabilities					
Floating-interest-rate instruments	$ 4,366,060	4,633,005	721,601	3,911,404	-
Fixed-interest-rate instruments	3,794,540	3,935,176	39,340	3,895,836	-
Non-interest-bearing liabilities	477,992	477,992	476,773	752	467
Lease liability (including current portion and non-current)	4,974	5,052	3,800	1,252	-
	$ 8,643,566	**9,051,225**	**1,241,514**	**7,809,244**	**467**
December 31, 2021					
Non derivative financial liabilities					
Floating-interest-rate instruments	$ 5,107,892	5,405,042	777,071	4,627,971	-
Fixed-interest-rate instruments	2,798,452	2,852,840	1,025,240	1,827,600	-
Non-interest-bearing liabilities	398,998	398,998	398,175	357	466
Lease liability (including current portion and non-current)	7,200	7,312	4,396	2,916	-
	$ 8,312,542	**8,664,192**	**2,204,882**	**6,458,844**	**466**

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

(iii) Currency risk: None

(iv) 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.

If the interest rate had increased/decreased by 1% basis points, the Group's interest expense would have increased/decreased by $43,661 thousands and $51,079 thousands for the years ended December 31, 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the Company's borrowing at variable rates and investment in variable-rate bills. The Company' s other comprehensive income would have increased/decreased by $10,006 thousands and $8,025 thousands for the years ended December 31, 2022 and 2021 respectively.

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(v) Other market price risk

For the years ended December 31, 2022 and 2021, 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:

	For the years ended December 31			
	2022		2021	
Price of securities at reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 5%	$ 5,864	197	6,129	177
Decreasing 5%	$ (5,864)	(197)	(6,129)	(177)

(vi) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

The Group is not required to disclose fair value information for loans, receivables, and financial liabilities measured at amortized cost whose carrying amount is reasonably close to the fair value and financial assets measured at cost that cannot be measured reasonably are not quoted in the active market. The Group disclosure of fair value information of financial assets and liabilities were as follows:

	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 116,280	116,280	-	-	116,280
unquoted equity instruments	1,000	-	-	1,000	1,000
Subtotal	117,280	116,280	-	1,000	117,280
Financial assets at fair value through profit or loss					
Privately offered fund	$ 4,914	-	-	4,914	4,914
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,426,747	-	-	-	-
Notes and accounts receivable	21,282	-	-	-	-
Other financial assets, current	116,193	-	-	-	-
Other financial assets- non-current	680,090	-	-	-	-
Refundable deposits	4,322	-	-	-	-
Subtotal	3,248,634	-	-	-	-
Total	$ 3,370,828	116,280	-	5,914	122,194

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	December 31, 2022				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term loans	$ 4,366,060	-	-	-	-
Corporate bonds payable	3,794,540	-	3,738,989	-	3,738,989
Notes payable, accounts payable (incl. related parties)	377,034	-	-	-	-
Other payables to related parties	98,323	-	-	-	-
Guarantee deposits	2,635	-	-	-	-
Lease liabilities	4,974	-	-	-	-
Total	**$ 8,643,566**	**-**	**3,738,989**	**-**	**3,738,989**

	December 31, 2021				
		Fair Value			
	Book amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	$ 122,580	122,580	-	-	122,580
Financial assets at fair value through profit or loss					
Privately offered fund	$ 4,429	-	-	4,429	4,429
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 2,165,778	-	-	-	-
Notes and accounts receivable	63,976	-	-	-	-
Other current financial assets	185,461	-	-	-	-
Other non-current financial assets	371,583	-	-	-	-
Refundable deposits	15,106	-	-	-	-
Subtotal	2,801,904	-	-	-	-
Total	**$ 2,928,913**	**122,580**	**-**	**4,429**	**127,009**
Financial liabilities measured at amortized cost					
Short-term loans	$ 4,967,892	-	-	-	-
Bonds due or executed with one year or one business cycle	140,000	-	-	-	-
Bonds payable	2,798,452	-	2,815,448	-	2,815,448
Notes and Accounts receivable (included related parties)	276,782	-	-	-	-
Other payables to related parties	120,003	-	-	-	-
Guarantee deposits	2,213	-	-	-	-
Lease liabilities	7,200	-	-	-	-
Total	**$ 8,312,542**	**-**	**2,815,448**	**-**	**2,815,448**

(Continued)

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.

If the financial instruments held by the company have an active market, the fair values are listed below according to their categories and attributes:

If the financial instruments possessed by the Group has quoted market prices in active markets, the fair value was as follows:

• 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.

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Except for the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is based on evaluation technology or by referring to the counterparty’ s quotation. The fair value obtained through valuation 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 valuation techniques, 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 Company don not have an active market , 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

There were no transfers in either direction for the years ended December 31, 2022 and 2021.

(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 exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in 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.

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(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 form 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’scontracting 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

As of December 31, 2022 and 2021, respectively, the Group has no outstanding guarantees.

(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.

(Continued)

(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 Company 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, 2022, the Group's capital management strategy is consistent with the prior year as 2021, 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, 2022 and 2021, respectively, is as follows:

		December 31, 2022	**December 31, 2021**
Total liabilities	$	9,024,514	8,760,978
Less: cash and cash equivalents		(2,426,747)	(2,165,778)
Net debt		6,597,767	6,595,200
Total Equity		6,455,891	6,544,571
Adjusted equity	**$**	**13,053,658**	**13,139,771**
Debt-to-equity ratio		**51%**	**50%**

(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.

Name of related party	**Relationship with the Group**
Sanfar Education Foundation	Other related parties
Pleasant Hotels International Inc	Other related parties
Minfar Real Estate Development Co., Ltd.	Other related parties
Zenfar Architecture Co., Ltd.	Other related parties
Xian Ling, Yang	Other related parties
Zeng Rong, Zhung	Other related parties
Yueteng Advertising Co., Ltd.	Other related parties
Dage Advertising Co., Ltd.	Other related parties
Hong Tai Advertising Co., Ltd	Other related parties

(Continued)

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(b) Significant transactions with related parties

(i) Construction

1) Tthe Group undertakes contracts with related parties and receives payments in accordance with the contract as follows:

	December 31, 2022	December 31, 2021
Signed contract price	$ 759,867	759,867
Amount received on an agreement	$ 505,229	319,516

2) Construction contracts

The following are the circumstances in which the combined company has secured income from the related party in respect of the project and the consideration is as follows:

	Engineering service revenue For the years ended December 31		Recognition Engineering service revenue
	2022	2021	
Other related party-Pleasant Hotels	$ 263,376	242,495	639,979

	The amount of the current period For the years ended December 31		Accumulated
	2022	2021	Priced amout
Other related party-Pleasant Hotels	$ 141,886	253,533	521,819

Financial Statement Account	Related Party Categories	December 31, 2022	December 31, 2021
Current contract assets			
The right to receive payment has not been reached	Pleasant Hotels International Inc.	$ 118,160	-
Construction retainage receivable	〃	54,791	39,893
		$ 172,951	39,893
Contract liability-Contruction	Pleasant Hotels International Inc.	$ -	3,331

The engineering works contracted by the merger company to the related party are carried out for the related party at a price charged by the head of the company with reasonable management fees and profits in accordance with the project budget. The profit margin and the terms of receipt for the contract works of the combined company are comparable to those of the non-related party.

(ii) Purchases

	Purchasing		Accumulated amount	
	For the years ended December 31		For the years ended December 31	
	2022	**2021**	**2022**	**2021**
Other related parties-Minfar	$ -	135,700	-	135,700
Other related parties-Xian Ling, Yang	-	1,596,000	-	1,596,000
Other related parties-Zeng Rong, Zhung	-	287,860	-	287,860
Other related parties	-	407	-	407
	$ -	**2,019,967**	**-**	**2,019,967**

- In January 2021, the Group purchased the land located in Kaohsiung, amounting to $1,596,000 thousand, from a related party, Yang Hsien Ling, for its building construction to be sold thereafter. All relevant payments had been completed as of the reporting date.
- In May 2021, the Group purchased the land located in Tainan, amounting to $287,860 thousand, from a related party, Chung Tseng Jung, for its building construction to be sold thereafter. All relevant payments had been completed as of the reporting date. The above engagement with non-related parties is not comparable to other transactions.
- In January and May 2021, the group purchased the construction permits of the lands located in Kaohsiung and Tainan, amounting to $108,000 thousand and $27,700 thousand, respectively, from a related party, Ming Fa, for its building construction to be sold thereafter. All relevant payments had been completed as of the reporting date. The above engagements with non-related parties is not comparable to other transactions.

(iii) Accounts receivable from related parties

The amounts of accounts receivable between the Group and related parties were as follows:

Accounted items	Catagories	December 31, 2022	December 31, 2021
Accounts receivable	Pleasant Hotels International Inc.	**$ 16,590**	**60,417**

(iv) Accounts payable to Related Parties

The amounts of accounts payables between the Group and related parties were as follows:

Financial Statement Account	Related Party Categories	December 31, 2022	December 31, 2021
Other payable	Other Related party-Sanfar Education Foundation	**$ -**	**6,425**

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(v) Operating expenses

	For the years ended December 31	
	2022	**2021**
Other related party	$ (4,925)	(4,191)

The Company cancels the contribution fund in accordance with the annual plan of the San far Education Foundation, which amounted to $4,925 thousands and $4,616 thousand for the years ended December 31, 2022 and 2021, respectively.The actual amount of donation was $1,500 thousand in both 2022 and 2021.

(vi) Guarantee

In February 2022, the Group signed a contract with other related parties – Zenfar Architecture Co., Ltd. to act as a joint and several guarantor for the Group's pre-sale contract in Chengde Section, Renwu District, Kaohsiung City. According to the contract, the paid a handling fee of $618 thousand in 2022.

(vii) Other

1) The remaining amount of $4,662 thousand paid by the group to its other related parties in 2021 resulted in the total amount of the retention in construction of $66,062 thousand to be reclassified from account payable to sales and marketing expenses in December 31,2020. Please refer to 12(b) for more details.

(c) Transactions with key management personnel

The compensation of key management is as follows:

	For the years ended December 31	
	2022	**2021**
Short-term employee benefits	$ 25,355	23,926
Post-employment benefits	664	606
	$ 26,019	**24,532**

(8) Pledged assets:

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

Pledged assets	**Object**	**December 31, 2022**	**December 31, 2021**
Inventories	Mortgage and bonds payable	$ 10,117,193	10,794,147
Other financial assets classified under current and non-current)	Mortgage and bonds payable	680,090	531,589
Property, plant and equipment	Short-term notes and bill payable	74,888	75,585
Investment property	Mortgage and bonds payable	87,569	37,485
		$ 10,959,740	**11,438,806**

The book value of the above-mentioned pledged assets, which were pledged as collateral for unused credits, amounted to $541,251 and $0 as of December 31, 2022 and 2021, respectively.

(Continued)

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(9) Commitments and contingencies:

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

		December 31, 2022	December 31, 2021
Signed contract price			
Contractual liabilities - Sale of real estates	$	2,155,689	2,316,566
Construction in progress	$	759,867	759,867
Price charged or paid			
Contractual liabilities - Sale of real estates	$	354,081	418,521
Construction in progress	$	505,229	319,516

(b) The legal litigation cases related to the Company demanded a total amount of $7,245 thousand plus legal interest from the Company. The lawsuits are all under trial, and have not been finalized as of the reporting date.

(c) The Company was approved by the board of directors on November 18, 2022, to donate an amount not to exceed $2,500 thousand to Kaohsiung City San far Education Foundation for the purpose of promoting the Foundation's business. In 2022, $1,500 thousand was actually donated.

(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:

	For the year ended December 31					
	2022			2021		
By function / By item	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salary	74,295	31,944	106,239	73,629	35,018	108,647
Labor and health insurance	6,285	3,483	9,768	6,257	3,262	9,519
Pension	3,381	1,467	4,848	3,324	1,421	4,745
Remuneration of directors	-	3,043	3,043	-	3,826	3,826
Others	2,279	3,004	5,283	2,400	3,337	5,737
Depreciation	-	7,925	7,925	-	7,041	7,041
Amortization	632	1,951	2,583	861	1,578	2,439

(Continued)

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(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 group'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.

	2020.12.31	2019.12.31	2018.12.31	2017.12.31	2016.12.31	2015.12.31	2014.12.31
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	-	-

	2020	2019	2018	2017	2016	2015	2014
Selling expense	$ 66,062	204,103	24,076	47,693	77,332	-	995

For the year ended December 31, 2021,The Group paid $4,662 thousand in the retention payable by the three advertising companies (accounts payable).

(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., Yuedeng Advertising Co., Ltd. and Hongtai 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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(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: None

(iii) Securities held as of December 31, 2022 (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 - Pleasant Hotels International Inc.	Other related parties	Financial assets at fair value through other comprehensive income, non-current	3,600	116,280	4.26 %	116,280	4.96 %	
The Company	Stock - Best Education Service & Tech Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	20	1,000	0.33 %	1,000	0.33 %	
The Company	Privately offered fund-Sparklabs Taipei Fund I	-	Financial assets at fair value through profit or loss, non-current	-	4,914	- %	4,914	- %	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 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 Co.,ltd	Subsidiary Company	Contracting project	527,613	43.64 %	Pay by contract terms	-	-	(182,246)	55.72%	Note
Jin Fu Xiang Co.,ltd	The Company	Parent Company	Contracting project	(527,613)	(78.81)%	Receive by contract terms	-	-	(182,246)	71.86%	Note
Jin Fu Xiang Co.,ltd	Pleasant Hotels Co.,LTD	Other related parties	Contracting project	(141,886)	(21.19)%	Receive by contract terms	-	-	71,381	28.14%	

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

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(viii) 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 Co.,ltd	The Company	Parent Company	182,246	2.71 %	-		51,551	-

(ix) Trading in derivative instruments: None.

(x) 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
1	Jin Fu Xiang Construction Co., Ltd	The Company	2	Sale revenue	551,070	As agreed in the agreement	24.24%
			2	Receivables	182,246	〃	1.18%
			2	Construction in progress	615,545	〃	3.98%

Note 1: The numbers denote the following

(1) 0 represents the Company.

(2) Subsidiaries are numbered sequentially from the Arabic numeral 1 according to the company.

Note 2: Relationship with the listed companies：

(1) The Company to subsidiary.

(2) Subsidiary to the Company.

(3) Subsidiary to subsidiary.

Note 3: For the business and important transactions between the parent company and the subsidiary company, only the sales and accounts receivable information are disclosed, and the corresponding purchases and accounts payable will not be described in detail.

Note 4: It is calculated by dividing the transaction amount by the 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, 2022 (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, 2022			Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of wnership	Carrying value				
The Company	Jing Fu Xiang Construction Co., Ltd .	Taiwan	Construction industry	295,875	155,875	30,000	100.00 %	308,934	100.00 %	23,103	20,859	
〃	Jingo International Records Co., Ltd .	Taiwan	Record industry	22,529	22,529	2,000	100.00 %	16,747	100.00 %	(3,064)	(3,064)	

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

(c) Information on investment in mainland China: None

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Chengxin Investment Co., Ltd.	49,482,844	15.15 %
Jinji Investment Co., Ltd.	27,263,263	8.34 %
Zhiyi Investment Co., Ltd.	20,657,313	6.32 %
Shangfeng Investment Co., Ltd.	20,482,290	6.27 %
Jun Rong, Zhong	19,282,287	5.90 %
Xian Ling, Yang trust property account for UBS Taipei Branch	19,000,000	5.81 %
Changyi Investment Co., Ltd.	17,478,869	5.35 %

Note: (i) The main shareholder information in this table is calculated based on the last business day at the end of each quarter by Security Group, for shareholders holding more than 5% of the company's ordinary and preference shares that have been delivered without physical registration. There may be differences between actual shares recorded in of the Group's financial statement and shares delivered without physical registration due to different calculation bases.

(ii) If the above-mentioned shareholder delivers the shares to the trust, it is disclosed in individual accounts of the trustee who opens the trust account. As for the shareholders' declaration of insider's equity holdings exceeding 10%, it is filed based on the shareholding, including their own shareholding plus the shares delivered to the trust, in accordance with the Securities and Exchange Act. Please refer to Market Observation Post System for more detailed information

(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.

SAN FAR PROPERTY LIMITED AND SUBSIDIARIES
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(b) Information about reportable segments and their measurement and reconciliations

	Construction Department	Audio/ video	Adjustment and Elimination	Total
For the year ended December 31, 2022				
Revenue:				
Revenue from external customers	$ 2,241,046	32,658	-	2,273,704
Intersegment revenues	551,070	321	(551,391)	-
Interest income	5,512	99	-	5,611
Total revenue	$ **2,797,628**	**33,078**	**(551,391)**	**2,279,315**
Interest expenses	$ **38,032**	**71**	**-**	**38,103**
Depreciation and amortization	$ **4,898**	**5,610**	**-**	**10,508**
Reportable segment net operating income (loss)	$ **148,331**	**(3,064)**	**-**	**145,267**
Reportable segment assets	$ **15,441,671**	**38,764**	**(30)**	**15,480,405**
Reportable segment liabilities	$ **9,002,528**	**22,016**	**(30)**	**9,024,514**
For the year ended December 31, 2021				
Revenue:				
Revenue from external customers	$ 1,680,911	35,057	-	1,715,968
Intersegment revenues	456,140	413	(456,553)	-
Interest revenue	3,443	60	-	3,503
Total revenue	$ **2,140,494**	**35,530**	**(456,553)**	**1,719,471**
Interest expenses	$ **18,026**	**134**	**-**	**18,160**
Depreciation and amortization	$ **3,956**	**5,524**	**-**	**9,480**
Reportable segment net operating income (loss)	$ **217,110**	**(1,990)**	**-**	**215,120**
Reportable segment assets	$ **15,260,851**	**44,774**	**(76)**	**15,305,549**
Reportable segment liabilities	$ **8,736,076**	**24,909**	**(7)**	**8,760,978**

(c) Product information

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

(d) Geographic information

The Group did not Set up department overseas for the years ended December 31, 2022 and 2021.

(e) Major customers

	December 31, 2022	December 31, 2021
Contruction Department-Customer A	$ **263,376**	**242,495**