

Stock code: 9946

**SAN FAR PROPERTY LIMITED  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2024 and 2023**

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

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## **Independent Auditors' Review Report**

To the Board of Directors of San Far Property Limited:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of San Far Property Limited and its subsidiaries as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **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.

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**Conclusions**

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material aspects, the consolidated financial position of San Far Property Limited and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flow for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

**Emphasis of Matter**

As mentioned in note 12(c) 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(c) for information related to the above transactions. We did not revise the review opinion.

KPMG

Taipei, Taiwan (Republic of China)

November 7, 2024

**Notes to Readers**

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

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## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

## Consolidated Balance Sheets

September 30, 2024, December 31, 2023, September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets	September 30, 2024		December 31, 2023		September 30, 2023			Liabilities and Equity	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>						
1100 Cash and cash equivalents (note 6(a))	\$ 2,000,953	12	1,833,888	12	1,902,150	12	2100 Short-term borrowings (notes 6(g) and 8)	\$ 4,362,480	27	4,345,730	28	4,310,730	28	
1140 Current contract assets (notes 6(o) and 7)	-	-	79,786	1	76,099	1	2130 Current contract liabilities (notes 6(i), (o), and 9)	786,494	5	560,113	4	479,772	3	
1150 Notes receivable, net (note 6(o))	1,532	-	2,822	-	333	-	2150 Notes payable	406	-	65,026	-	77,160	-	
1160 Notes receivable due from related party, net (notes 6(o) and 7)	-	-	16,590	-	-	-	2170 Accounts payable	308,500	2	321,729	2	280,837	2	
1170 Accounts receivable, net (note 6(o))	2,604	-	2,523	-	2,615	-	2200 Other payables (note 9(b))	164,575	1	115,648	1	132,445	1	
1180 Accounts receivable due from related parties, net (notes 6(o) and 7)	-	-	-	-	35,111	-	2230 Current tax liabilities	-	-	2,808	-	1,402	-	
1300 Inventories, merchandising business, net (note 6(c))	1,578	-	2,187	-	3,568	-	2321 Current Portion of puttable bonds (notes 6(h) and 8)	-	-	1,199,995	8	1,199,931	8	
1320 Inventories (for construction business), net (notes 6(c) and 8 )	11,794,838	73	12,004,591	76	11,960,247	77	2399 Other current liabilities, others	46,396	-	48,759	-	27,035	-	
1410 Prepayment (note 7)	132,852	1	118,656	1	115,101	1		<u>5,668,851</u>	<u>35</u>	<u>6,659,808</u>	<u>43</u>	<u>6,509,312</u>	<u>42</u>	
1476 Other financial assets-current (note 8)	175,684	1	389,907	2	268,109	2	<b>Non-Current liabilities:</b>							
1479 Other current assets, others	26,384	-	22,076	-	19,652	-	2530 Bonds payable (notes 6(h) and 8)	3,795,346	24	2,595,993	16	2,595,691	17	
1480 Current assets recognised as incremental costs to obtain contract with customers (note 6(d))	234,472	2	159,611	1	153,978	1	2570 Deferred tax liabilities	4	-	4	-	16	-	
	<u>14,370,897</u>	<u>89</u>	<u>14,632,637</u>	<u>93</u>	<u>14,536,963</u>	<u>94</u>	2600 Other non-current liabilities	12,821	-	6,034	-	5,726	-	
<b>Non-current assets:</b>								<u>3,808,171</u>	<u>24</u>	<u>2,602,031</u>	<u>16</u>	<u>2,601,433</u>	<u>17</u>	
1510 Non-current financial assets at fair value through profit or loss (note 6(r))	5,064	-	4,913	-	5,163	-	<b>Total liabilities</b>	<u>9,477,022</u>	<u>59</u>	<u>9,261,839</u>	<u>59</u>	<u>9,110,745</u>	<u>59</u>	
1517 Non-current financial assets at fair value through other comprehensive income (notes 6(b), and (r))	389,034	3	191,080	1	167,680	1								
1600 Property, plant and equipment (notes 6(e) and 8)	76,884	-	75,820	1	76,352	-	3100 Common stock	3,265,542	20	3,265,542	21	3,265,542	21	
1760 Investment property (notes 6(f) and 8)	393,680	3	229,737	1	114,730	1	3200 Capital surplus	35,740	-	185,955	1	185,955	1	
1780 Intangible assets	15,057	-	15,351	-	14,881	-	3300 Retained earnings	3,031,694	19	2,898,493	18	2,822,989	18	
1840 Deferred tax assets	150,309	1	149,526	1	133,509	1	3400 Other equity	296,720	2	128,880	1	105,480	1	
1980 Other financial assets, non-current (note 8)	682,456	4	431,457	3	430,330	3	<b>Total equity</b>	6,629,696	41	6,478,870	41	6,379,966	41	
1990 Other non-current assets, others	23,337	-	10,188	-	11,103	-								
	<u>1,735,821</u>	<u>11</u>	<u>1,108,072</u>	<u>7</u>	<u>953,748</u>	<u>6</u>	<b>Total liabilities and equity</b>	<u>16,106,718</u>	<u>100</u>	<u>15,740,709</u>	<u>100</u>	<u>15,490,711</u>	<u>100</u>	
<b>Total assets</b>	<u>\$ 16,106,718</u>	<u>100</u>	<u>15,740,709</u>	<u>100</u>	<u>15,490,711</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months and nine months ended September 30, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	For the three months ended				For the nine months ended				
	September 30				September 30				
	2024		2023		2024		2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenue (notes 6(o) and 7)</b>	\$ 251,517	100	207,478	100	1,342,454	100	602,193	100
5000	<b>Operating cost (notes 6(c) and (k))</b>	<u>172,947</u>	<u>69</u>	<u>147,629</u>	<u>71</u>	<u>950,503</u>	<u>71</u>	<u>444,830</u>	<u>74</u>
5900	<b>Gross profit from operations</b>	<u>78,570</u>	<u>31</u>	<u>59,849</u>	<u>29</u>	<u>391,951</u>	<u>29</u>	<u>157,363</u>	<u>26</u>
6000	<b>Operating expenses (notes 6(d), (k), (p), 7):</b>								
6100	Selling expenses	15,615	6	10,093	5	77,768	6	27,953	5
6200	Administrative expenses	<u>42,207</u>	<u>17</u>	<u>24,894</u>	<u>12</u>	<u>102,771</u>	<u>8</u>	<u>80,102</u>	<u>13</u>
		<u>57,822</u>	<u>23</u>	<u>34,987</u>	<u>17</u>	<u>180,539</u>	<u>14</u>	<u>108,055</u>	<u>18</u>
6900	<b>Operating profit</b>	<u>20,748</u>	<u>8</u>	<u>24,862</u>	<u>12</u>	<u>211,412</u>	<u>15</u>	<u>49,308</u>	<u>8</u>
7000	<b>Non-operating income and expenses:</b>								
7100	Interest income	5,122	2	2,517	1	12,257	1	10,742	1
7010	Other income	11,577	5	1,421	1	13,155	1	4,548	1
7020	Other gains and losses	(1,984)	(1)	(6,302)	(3)	(2,295)	-	(7,475)	(1)
7050	Finance costs (note 6(q))	<u>(7,461)</u>	<u>(3)</u>	<u>(32,350)</u>	<u>(16)</u>	<u>(16,914)</u>	<u>(1)</u>	<u>(32,409)</u>	<u>(5)</u>
		<u>7,254</u>	<u>3</u>	<u>(34,714)</u>	<u>(17)</u>	<u>6,203</u>	<u>1</u>	<u>(24,594)</u>	<u>(4)</u>
7900	<b>Profit before tax</b>	28,002	11	(9,852)	(5)	217,615	16	24,714	4
7950	<b>Less: Income tax expense (note 6(l))</b>	<u>1,249</u>	<u>-</u>	<u>8,206</u>	<u>4</u>	<u>6,041</u>	<u>-</u>	<u>11,362</u>	<u>2</u>
8200	<b>Profit</b>	<u>26,753</u>	<u>11</u>	<u>(18,058)</u>	<u>(9)</u>	<u>211,574</u>	<u>16</u>	<u>13,352</u>	<u>2</u>
8300	<b>Other comprehensive income:</b>								
8310	<b>Items that will not be reclassified to profit or loss</b>								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(b) and (m))	(34,480)	(14)	(900)	-	167,840	13	50,400	8
8349	Less: income tax related to items that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	<b>Other comprehensive income</b>	<u>(34,480)</u>	<u>(14)</u>	<u>(900)</u>	<u>-</u>	<u>167,840</u>	<u>13</u>	<u>50,400</u>	<u>8</u>
8500	<b>Comprehensive income</b>	<u>\$ (7,727)</u>	<u>(3)</u>	<u>(18,958)</u>	<u>(9)</u>	<u>379,414</u>	<u>29</u>	<u>63,752</u>	<u>10</u>
	<b>Earnings per share (note 6(n))</b>								
9750	<b>Basic net income per share</b>	<u>\$ 0.08</u>		<u>(0.06)</u>		<u>0.65</u>		<u>0.04</u>	
9850	<b>Diluted net income per share</b>	<u>\$ 0.08</u>		<u>(0.06)</u>		<u>0.65</u>		<u>0.04</u>	

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

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the nine months ended September 30, 2024 and 2023**

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

	Equity attributable to owners of parent						Total equity
	Retained earnings				Other equity		
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
<b>Balance at January 1, 2023</b>	<u>\$ 3,265,542</u>	<u>185,955</u>	<u>602,877</u>	<u>2,346,437</u>	<u>2,949,314</u>	<u>55,080</u>	<u>6,455,891</u>
Profit for the nine months ended September 30, 2023	-	-	-	13,352	13,352	-	13,352
Other comprehensive income	-	-	-	-	-	50,400	50,400
Total comprehensive income	-	-	-	13,352	13,352	50,400	63,752
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	13,968	(13,968)	-	-	-
Cash dividends of ordinary share	-	-	-	(139,677)	(139,677)	-	(139,677)
<b>Balance at September 30, 2023</b>	<u>\$ 3,265,542</u>	<u>185,955</u>	<u>616,845</u>	<u>2,206,144</u>	<u>2,822,989</u>	<u>105,480</u>	<u>6,379,966</u>
<b>Balance at January 1, 2024</b>	<u>\$ 3,265,542</u>	<u>185,955</u>	<u>616,845</u>	<u>2,281,648</u>	<u>2,898,493</u>	<u>128,880</u>	<u>6,478,870</u>
Profit for the nine months ended September 30, 2024	-	-	-	211,574	211,574	-	211,574
Other comprehensive income	-	-	-	-	-	167,840	167,840
Total comprehensive income	-	-	-	211,574	211,574	167,840	379,414
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	8,886	(8,886)	-	-	-
Cash dividends of ordinary share	-	-	-	(78,373)	(78,373)	-	(78,373)
Other changes in capital surplus:							
Cash dividends from capital surplus	-	(150,215)	-	-	-	-	(150,215)
<b>Balance at September 30, 2024</b>	<u>\$ 3,265,542</u>	<u>35,740</u>	<u>625,731</u>	<u>2,405,963</u>	<u>3,031,694</u>	<u>296,720</u>	<u>6,629,696</u>

See accompanying notes to consolidated financial statements.

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

**Consolidated Statements of Cash Flows**

**For the nine months ended September 30, 2024 and 2023**

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

	<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 217,615	24,714
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	6,102	4,910
Amortization expense	1,388	1,652
Expected credit impairment loss benefit	(108)	(33)
Net gain on financial assets at fair value through profit or loss	(151)	(249)
Interest expense	16,914	32,409
Interest income	(12,257)	(10,742)
Dividends income	(10,914)	-
Gain on lease modification	(57)	(33)
Total adjustments to reconcile profit (loss)	917	27,914
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease in contract assets	79,786	96,852
Decrease (increase) in notes receivable (including related parties)	17,880	(160)
Decrease (increase) in accounts receivable (including related parties)	27	(16,584)
Decrease (increase) in inventories	172,951	(494,824)
Increase in other prepayments	(14,196)	(26,448)
(Increase) decrease in other current assets	(3,206)	502
Decrease in other financial assets	562	14
Increase in assets recognised as incremental costs to obtain contract with customers	(74,861)	(30,555)
<b>Total changes in operating assets</b>	178,943	(471,203)
<b>Changes in operating liabilities:</b>		
Increase in contract liabilities	226,381	125,691
Decrease in notes payable (including related parties)	(64,620)	(72,782)
(Decrease) increase in accounts payable	(13,229)	53,745
Increase in other payables	66,501	31,367
(Decrease) increase in other current liabilities	(6,285)	1,552
<b>Total changes in operating liabilities</b>	208,748	139,573
<b>Total changes in operating assets and liabilities</b>	387,691	(331,630)
<b>Total adjustments</b>	388,608	(303,716)
Cash inflow (outflow) generated from operations	606,223	(279,002)
Interest paid	(162,182)	(139,986)
Income taxes paid	(10,734)	(13,847)
<b>Net cash flows from (used in) operating activities</b>	433,307	(432,835)

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(30,114)	-
Acquisition of property, plant and equipment	(2,645)	(737)
Acquisition of intangible assets	(1,094)	(1,026)
(Increase) decrease in other financial assets	(37,338)	97,830
Increase in other non-current assets	(2,538)	(1,184)
Increase in prepaid equipment payment	(738)	-
Interest received	12,257	10,742
Dividends received	10,914	-
<b>Net cash flows from (used in) investing activities</b>	<b>(51,296)</b>	<b>105,625</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	1,487,730	743,870
Decrease in short-term borrowings	(1,470,980)	(799,200)
Increase in short-term notes and bills payable	140,000	140,000
Decrease in short-term notes and bills payable	(140,000)	(140,000)
Proceeds from issuing bonds	1,198,389	-
Repayments of bonds	(1,200,000)	-
Payment of lease liabilities	(2,329)	(2,382)
Increase in other non-current liabilities	832	2
Cash dividends paid	(228,588)	(139,677)
<b>Net cash flows from used in financing activities</b>	<b>(214,946)</b>	<b>(197,387)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>167,065</b>	<b>(524,597)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,833,888</b>	<b>2,426,747</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 2,000,953</b>	<b>1,902,150</b>

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**

**September 30, 2024 and 2023**

(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, real estate leasing, and production, agency with import & export trading of various music, and film & television & information software.

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 consolidated financial statements were approved for issuance by the Board of Directors on November 7, 2024.

**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, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 21 “Lack of Exchangeability”

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

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

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

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The Group does not expect the 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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

#### 4. Summary of significant accounting policies

##### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

##### (b) Basis of consolidation

###### (i) List of subsidiaries in the consolidated financial statements

The details of the subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Subsidiaries	Principal activity	Shareholding			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
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%	100.00%	Note 1
"	Jingo International Records Co., Ltd . (here in after referred to as Jingo Company)	Various CD and DVD production, production, publication and import and export trades	100.00%	100.00%	100.00%	Note 1

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

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

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

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standard 34, Interim Reporting.

Income tax expenses for the period are the best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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

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

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- (i) It expects to settle in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**5. Significant accounting assumptions and judgments, and major sources of estimates uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) required 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 preparation of the consolidated interim financial statements, estimates and underlying assumptions are received on an ongoing basis which is in conformity with the consolidated interim financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

**6. Explanation of significant accounts**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Petty cash	\$ 515	640	570
Demand deposits	610,834	1,329,527	1,225,580
Checking account deposits	206	133	-
Time deposits	1,253,395	5,000	676,000
Cash equivalents	<u>136,003</u>	<u>498,588</u>	<u>-</u>
	<u><b>\$ 2,000,953</b></u>	<u><b>1,833,888</b></u>	<u><b>1,902,150</b></u>

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

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Equity investments at fair value through other comprehensive income:			
Listed common share of domestic company	\$ 387,920	190,080	166,680
Unlisted common share of domestic company	<u>1,114</u>	<u>1,000</u>	<u>1,000</u>
Total	<u><b>\$ 389,034</b></u>	<u><b>191,080</b></u>	<u><b>167,680</b></u>

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

- (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) For the nine months ended September 30, 2024 and 2023, the dividends of \$10,914 thousand and \$0 thousand, respectively, related to equity investments at fair value through other comprehensive income held on September 30, 2024 and 2023, were recognized as other income by the Group.
- (iii) The Group did not dispose any strategic investment for the nine months ended September 30, 2024 and 2023, and the accumulated profits and losses during the period were not transferred in equity.
- (iv) For credit risk and market risk, please refer to note 6(r).
- (v) The above financial assets have not been used as guarantees for long-term and short-term loans and financing collateral.
- (c) Inventory

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>
Inventories, merchandising business			
Merchandise inventory	<u>\$ 1,578</u>	<u>2,187</u>	<u>3,568</u>
Construction			
Prepayment for land	\$ 47,450	-	-
Land held for construction site	27,352	21,039	21,039
Construction in progress	10,358,112	10,522,785	10,126,864
Buildings and land held for sale	<u>1,361,924</u>	<u>1,460,767</u>	<u>1,812,334</u>
	<u>\$ 11,794,838</u>	<u>12,004,591</u>	<u>11,960,247</u>
Inventory that is expected to be recovered more than 12 months later	<u>\$ 9,720,557</u>	<u>9,685,530</u>	<u>8,803,193</u>

- (i) The details of the cost of goods sold related to inventories recognized by the Group for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Merchandising:				
Inventory that has been sold	\$ 947	659	2,308	4,068
Write-off on reversal of inventory	<u>(254)</u>	<u>(31)</u>	<u>(29)</u>	<u>45</u>
	<u>\$ 693</u>	<u>628</u>	<u>2,279</u>	<u>4,113</u>
Construction:				
Inventory that has been sold	<u>\$ 171,367</u>	<u>147,002</u>	<u>944,862</u>	<u>325,363</u>

- (ii) Please refer to note 8 for details of pledged inventory.

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(d) 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 \$14,907 thousand, \$7,226 thousand, \$70,844 thousand, and \$18,417 thousand were recognized for the three months and nine months ended September 30, 2024 and 2023, respectively, under selling expense.

(e) Property, plant and equipment

	<u>Land</u>	<u>Buildings and construction</u>	<u>Leasehold improvements</u>	<u>Other equipment (including transportation and office equipment)</u>	<u>Total</u>
Carrying amounts:					
Balance on January 1, 2024	\$ 57,169	17,022	49	1,580	75,820
Balance on September 30, 2024	\$ 57,169	16,498	-	3,217	76,884
Balance on January 1, 2023	\$ 57,169	17,719	253	1,927	77,068
Balance on September 30, 2023	\$ 57,169	17,196	99	1,888	76,352

There were no significant additions, disposals, impairments, or reversals of property, plant and equipment for the nine months ended September 30, 2024 and 2023. Information on depreciation for the period is discussed in note 12. Please refer to note 6(f) of the 2023 annual consolidated financial statement for the other related information.

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

(f) 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 1 to 10 years. Some leases provide the lessees with options to extend at the end of the term.

The movements in the investment property of the Group were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Cost:			
Balance on January 1, 2024	\$ 106,361	128,336	234,697
Transfer from inventory	93,895	72,179	166,074
Balance on September 30, 2024	\$ 200,256	200,515	400,771
Balance on January 1, 2023	\$ 46,345	72,716	119,061
Balance on September 30, 2023	\$ 46,345	72,716	119,061

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	<u>Land</u>	<u>Buildings and construction</u>	<u>Total</u>
Depreciation and Impairment:			
Balance on January 1, 2024	\$ -	4,960	4,960
Depreciation	<u>-</u>	<u>2,131</u>	<u>2,131</u>
Balance on September 30, 2024	<u>\$ -</u>	<u>7,091</u>	<u>7,091</u>
Balance on January 1, 2023	\$ -	3,262	3,262
Depreciation	<u>-</u>	<u>1,069</u>	<u>1,069</u>
Balance on September 30, 2023	<u>\$ -</u>	<u>4,331</u>	<u>4,331</u>
Carrying amounts:			
Balance on January 1, 2024	<u>\$ 106,361</u>	<u>123,376</u>	<u>229,737</u>
Balance on September 30, 2024	<u>\$ 200,256</u>	<u>193,424</u>	<u>393,680</u>
Balance on January 1, 2023	<u>\$ 46,345</u>	<u>69,454</u>	<u>115,799</u>
Balance on September 30, 2023	<u>\$ 46,345</u>	<u>68,385</u>	<u>114,730</u>

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

The fair value of the investment property was not significantly different from the disclosed in the note 6 (g) of the annual financial statements for the year ended December 31, 2023.

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

(g) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured bank loans	\$ 263,000	195,000	-
Secured bank loans	<u>4,099,480</u>	<u>4,150,730</u>	<u>4,310,730</u>
Total	<u>\$ 4,362,480</u>	<u>4,345,730</u>	<u>4,310,730</u>
Unused credit time	<u>\$ 5,460,050</u>	<u>3,902,170</u>	<u>5,136,470</u>
Range of interest rates	<u>2.095%~2.915%</u>	<u>2.095%~2.8%</u>	<u>2.29%~2.94%</u>

(i) The issue of bank loan and repayment

For the nine months ended September 30, 2024 and 2023, the incremental amounts are \$1,487,730 thousand and \$743,870 thousand, respectively; the repayment amounts are \$1,470,980 thousand and \$799,200 thousand, respectively.

(ii) Collateral for bank loans

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

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

The details of unsecured convertible bonds were as follows:

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**Notes to the Consolidated Financial Statements**

	September 30, 2024	December 31, 2023	September 30, 2023
Secured convertible bonds, non-current	\$ 3,795,346	3,795,988	3,795,622
Less: Bonds due or executed with one year or one business cycle	-	(1,199,995)	(1,199,931)
	<b>\$ 3,795,346</b>	<b>2,595,993</b>	<b>2,595,691</b>

- (i) Please refer to note 6(q) for information of the Group's recognition on ordinary bonds and amortized interest expenses for the nine months ended September 30, 2024 and 2023.
- (ii) For the nine months ended September 30, 2024, the first secured ordinary corporate bond in 2024 are \$1,200,000 thousand, and the repayment amounts of first secured ordinary corporate bond in 2019 are \$1,200,000 thousand; the Group did not issue or repay bonds payable for the nine months ended September 30, 2023. Information of the Group's secured corporate bonds were as follows:

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

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

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

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

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**Notes to the Consolidated Financial Statements**

Item	First secured ordinary corporate bond in 2024
1) Total issuance	\$1,200,000 thousand
2) Issuance date	2024.07.18
3) Interest rate	2.08%
4) Period ended	2024.07.18~2029.07.18
5) Repayment	Due five years from the issuance date
6) Guarantee agency	Taiwan Business Bank, Ltd.

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

(i) Contract liability

	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 70,070	61,364	63,240
Buildings	716,424	498,749	416,532
	<u>\$ 786,494</u>	<u>560,113</u>	<u>479,772</u>
Amount expected to be realized after twelve months	<u>\$ 656,804</u>	<u>344,090</u>	<u>240,535</u>

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

(j) Operating lease

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

	September 30, 2024	December 31, 2023	September 30, 2023
Less than one year	\$ 18,632	9,492	5,761
One to two years	19,721	9,520	5,812
Two to three years	19,495	8,214	4,872
Three to four years	19,312	7,352	3,770
Four to five years	18,661	6,437	2,766
More than five years	81,061	21,312	2,848
Total amount of the undiscounted lease payments	<u>\$ 176,882</u>	<u>62,327</u>	<u>25,829</u>

(k) Employee benefit

Defined contribution plans

The Group recognized its pension expenses under the defined contribution plans were as follows, which have been allocated to the Bureau of Labor Insurance:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Operating costs	\$ 424	773	1,870	2,567
Selling expenses	41	47	141	199
Administrative expenses	437	186	1,102	539
Total	<u>\$ 902</u>	<u>991</u>	<u>3,113</u>	<u>3,305</u>

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(1) Income taxes

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expense				
Current period	\$ 1,249	1,736	3,636	4,344
Land value increment tax	-	6,471	3,188	6,857
Subtotal	<u>1,249</u>	<u>8,207</u>	<u>6,824</u>	<u>11,201</u>
Deferred tax expense				
Change in reversal and unrecognized deductible temporary differences	-	(1)	(783)	161
Income tax expense	<u>\$ 1,249</u>	<u>8,206</u>	<u>6,041</u>	<u>11,362</u>

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

<b>Name</b>	<b>Approved year</b>
The Company	2022
Jing Fu Xiang Company	2022
Jingo Company	2022

(m) Capital and other equity

Except for the following disclosure, there were no significant changes for capital and other equity for the nine months ended September 30, 2024 and 2023. For the relevant information, please refer to note 6 (n) of the consolidated financial statements for the year ended December 31, 2023.

(i) Capital surplus

The balances of capital surplus were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Capital surplus –			
premium from issuance of stock	\$ 18,521	168,736	168,736
Employee share options	16,860	16,860	16,860
Other	<u>359</u>	<u>359</u>	<u>359</u>
	<u>\$ 35,740</u>	<u>185,955</u>	<u>185,955</u>

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

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

outstanding.

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

#### (ii) 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.

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

#### 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

The amount of cash dividends of appropriations of earnings for 2023 and 2022 had been decided, in the Board meetings held on April 10, 2024 and April 18, 2023, respectively, and had been approved in the shareholders' meeting held on May 29, 2024 and 2023, respectively.

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	Dividend per share (\$)	Total amount	Dividend per share (\$)	Total amount
Dividends distributed to common shareholders:				
Cash	\$ 0.24	78,373	0.43	139,677
(iii) Other equity, net of tax				

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance on January 1, 2024	\$ 128,880
Unrealized gains on financial assets measured at fair value through other comprehensive income	167,840
Balance on September 30, 2024	\$ 296,720
Balance on January 1, 2023	\$ 55,080
Unrealized gains on financial assets measured at fair value through other comprehensive income	50,400
Balance on September 30, 2023	\$ 105,480

(n) Earnings per share

The calculations of basic and diluted earnings per share were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
<b>Basic earnings per share</b>				
Profit attributable to ordinary shareholders of the Company	\$ 26,753	(18,058)	211,574	13,352
Weighted average number of ordinary shares outstanding (shares in thousands)	326,554	326,554	326,554	326,554
Basic earnings per share	\$ 0.08	(0.06)	0.65	0.04
<b>Diluted earnings per share</b>				
Profit attributable to ordinary shareholders of the Company (diluted)	\$ 26,753	(18,058)	211,574	13,352

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Weighted average number of ordinary shares (thousand shares)	326,554	326,554	326,554	326,554
Effect of employee share bonus	80	-	103	57
Weighted average number of ordinary shares outstanding (diluted)	<u>326,634</u>	<u>326,554</u>	<u>326,657</u>	<u>326,611</u>
Diluted earnings per share	<u>\$ 0.08</u>	<u>(0.06)</u>	<u>0.65</u>	<u>0.04</u>

## (o) Revenue from contracts with customers

## (i) Disaggregation of revenue

	For the three months ended September 30, 2024		
	Construction Department	Audio/video	Total
Primary geographical markets:			
Taiwan	<u>\$ 246,820</u>	<u>4,697</u>	<u>251,517</u>
Major products/services lines:			
Sales of real estates	\$ 243,770	-	243,770
Sale of goods	-	194	194
Other	3,050	4,503	7,553
	<u>\$ 246,820</u>	<u>4,697</u>	<u>251,517</u>
	For the three months ended September 30, 2023		
	Construction Department	Audio/video	Total
Primary geographical markets:			
Taiwan	<u>\$ 202,204</u>	<u>5,274</u>	<u>207,478</u>
Major products/services lines:			
Sales of real estates	\$ 202,204	-	202,204
Sale of goods	-	999	999
Other	-	4,275	4,275
	<u>\$ 202,204</u>	<u>5,274</u>	<u>207,478</u>

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

	For the nine months ended September 30, 2024		
	Construction		
	Department	Audio/video	Total
Primary geographical markets:			
Taiwan	\$ 1,327,392	15,062	1,342,454
Major products/services lines:			
Sales of real estates	\$ 1,319,282	-	1,319,282
Sale of goods	-	1,494	1,494
Other	8,110	13,568	21,678
	\$ 1,327,392	15,062	1,342,454
	For the nine months ended September 30, 2023		
	Construction		
	Department	Audio/video	Total
Primary geographical markets:			
Taiwan	\$ 582,394	19,799	602,193
Major products/services lines:			
Sales of real estates	\$ 462,506	-	462,506
Sale of goods	-	6,438	6,438
Construction service	119,888	-	119,888
Other	-	13,361	13,361
	\$ 582,394	19,799	602,193
(ii) Contract balances			
	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable (including related parties)	\$ 1,532	19,412	333
Accounts receivable (including related parties)	2,669	2,696	37,732
Less: allowance for impairment	(65)	(173)	(6)
Total	\$ 4,136	21,935	38,059
Contract assets	\$ -	79,786	76,099
Contract liabilities-Sales of real estates	\$ 786,494	560,113	479,772

- 1) The amount of revenue recognized for the nine months ended September 30, 2024 and 2023 that were included in the contract liabilities balance at the beginning of the period were \$217,576 thousand and \$0 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.

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(p) 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.

The remunerations to employees amounted to \$179 thousand, \$199 thousand, \$2,289 thousand and \$521 thousand, as well as the remunerations to directors amounted to \$179 thousand, \$199 thousand, \$2,289 thousand and \$521 thousand for the three months and nine months ended September 30, 2024 and 2023, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Company's Article of Association. These remunerations were expensed under operating expenses for each period. If there is a discrepancy between the actual distribution amount and the estimated amount in the next year, it will be treated as a change in accounting estimate, and the difference will be recognized as profit or loss for the next year. If the board of directors decides to issue stock compensation to employees, the basis for calculating the number of shares for stock compensation is based on the closing price of common stock on the day before the board of directors resolution.

The Company's employee remuneration provision in 2023 and 2022 was \$2,757 thousand and \$1,423 thousand respectively, and the director's remuneration provision was \$919 thousand and \$1,423 thousand, which was no different from the actual distribution. Relevant information can be found at MOPS.

(q) Finance costs

The details of finance expenses were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Bank loan	\$ 30,510	26,986	91,445	79,526
Interest on corporate bonds	24,007	21,533	53,939	64,171
Interest expense, others	71	67	193	126
Less: Capitalized interest	<u>(47,127)</u>	<u>(16,236)</u>	<u>(128,663)</u>	<u>(111,414)</u>
Finance costs, net	<b><u>\$ 7,461</u></b>	<b><u>32,350</u></b>	<b><u>16,914</u></b>	<b><u>32,409</u></b>
Average capitalized interest rate	<b><u>0.67%~2.92%</u></b>	<b><u>0.67%~2.94%</u></b>	<b><u>0.67%~2.92%</u></b>	<b><u>0.67%~2.94%</u></b>

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(f) Financial instruments

Except for the contention mentioned below, there has been no significant change in the fair value of the Group financial instruments and degree of exposure to credit risk, liquidity risk, and market risk arising from financial instruments. For the related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

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

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
<b>September 30, 2024</b>					
Non derivative financial liabilities					
Floating-interest-rate instruments	\$ 4,362,480	5,095,829	777,445	3,818,927	499,457
Fixed-interest-rate instruments	3,795,346	3,994,539	52,780	3,941,759	-
Non-interest-bearing liabilities	477,853	477,853	474,919	396	2,538
Lease liabilities (including current and non-current)	14,729	15,260	6,591	8,669	-
	<b>\$ 8,650,408</b>	<b>9,583,481</b>	<b>1,311,735</b>	<b>7,769,751</b>	<b>501,995</b>
<b>December 31, 2023</b>					
Non derivative financial liabilities					
Floating-interest-rate instruments	\$ 4,345,730	4,658,253	326,497	3,692,779	638,977
Fixed-interest-rate instruments	3,795,988	3,895,836	1,228,041	2,667,795	-
Non-interest-bearing liabilities	505,943	505,943	503,824	753	1,366
Lease liabilities (including current and non-current)	4,851	4,989	2,453	2,536	-
	<b>\$ 8,652,512</b>	<b>9,065,021</b>	<b>2,060,815</b>	<b>6,363,863</b>	<b>640,343</b>

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	Carrying amount	Contractual cash flows	1 year	1-5 years	Over 5 years
<b>September 30, 2023</b>					
Non derivative financial liabilities					
Floating-interest-rate instruments	\$ 4,310,730	4,549,474	835,119	3,714,355	-
Fixed-interest-rate instruments	3,795,622	3,905,579	1,233,848	2,674,731	-
Non-interest-bearing liabilities	493,079	493,079	491,861	752	466
Lease liabilities (including current and non-current)	5,641	5,814	2,664	3,150	-
	<u>\$ 8,605,072</u>	<u>8,956,946</u>	<u>2,563,492</u>	<u>6,392,988</u>	<u>466</u>

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

(iii) Market risk

1) Currency risk: None

2) 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 decreased (increased) by \$26,175 thousand and \$ 25,864 thousand for the nine months ended September 30, 2024 and 2023, respectively, with all other variable factors remaining constant. The Group's net profit from interest capitalization would have decreased (increased) by \$3,041 thousand and \$1,270 thousand for the nine months ended September 30, 2024 and 2023, respectively. This is mainly due to the Group's borrowing at variable interest rates.

3) Other market price risk

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:

Price of securities at reporting date	For the nine months ended September 30, 2024		For the nine months ended September 30, 2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 5%	<u>\$ 19,452</u>	<u>203</u>	<u>8,384</u>	<u>207</u>
Decreasing 5%	<u>\$ (19,452)</u>	<u>(203)</u>	<u>(8,384)</u>	<u>(207)</u>

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

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

	<b>September 30, 2024</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed on domestic markets	\$ 387,920	387,920	-	-	387,920
Equity instruments without public quotations measured at fair value	1,114	-	-	1,114	1,114
Subtotal	<u>389,034</u>	<u>387,920</u>	<u>-</u>	<u>1,114</u>	<u>389,034</u>
<b>Financial assets at fair value through profit or loss</b>					
Privately offered fund	\$ 5,064	-	-	5,064	5,064
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 2,000,953	-	-	-	-
Notes and accounts receivable (including related parties)	4,136	-	-	-	-
Other financial assets, current	175,684	-	-	-	-
Other financial assets, non-current	682,456	-	-	-	-
Refundable deposits	7,926	-	-	-	-
Subtotal	<u>2,871,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,265,253</u>	<u>387,920</u>	<u>-</u>	<u>6,178</u>	<u>394,098</u>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 4,362,480	-	-	-	-
Corporate bonds payable (including current portion)	3,795,346	-	3,771,892	-	3,771,892
Notes and accounts payable (including related parties)	308,906	-	-	-	-
Other payables (including related parties)	164,575	-	-	-	-
Guarantee deposits	4,372	-	-	-	-
Lease liabilities (including non-current)	14,729	-	-	-	-
Total	<u>\$ 8,650,408</u>	<u>-</u>	<u>3,771,892</u>	<u>-</u>	<u>3,771,892</u>

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	December 31, 2023				
	Book Value	Fair Value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 190,080	190,080	-	-	190,080
Equity instruments without public quotations measured at fair value	1,000	-	-	1,000	1,000
Subtotal	<u>191,080</u>	<u>190,080</u>	<u>-</u>	<u>1,000</u>	<u>191,080</u>
Financial assets at fair value through profit or loss					
Privately offered fund	\$ 4,913	-	-	4,913	4,913
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,833,888	-	-	-	-
Notes and accounts receivable (including related parties)	21,935	-	-	-	-
Other financial assets, current	389,907	-	-	-	-
Other financial assets, non-current	431,457	-	-	-	-
Refundable deposits	5,388	-	-	-	-
Subtotal	<u>2,682,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><b>\$ 2,878,568</b></u>	<u><b>190,080</b></u>	<u><b>-</b></u>	<u><b>5,913</b></u>	<u><b>195,993</b></u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 4,345,730	-	-	-	-
Corporate bonds payable (including current portion)	3,795,988	-	3,766,716	-	3,766,716
Notes and accounts payable (including related parties)	386,755	-	-	-	-
Other payables (including related parties)	115,648	-	-	-	-
Guarantee deposits	3,540	-	-	-	-
Lease liabilities (including non-current)	4,851	-	-	-	-
Total	<u><b>\$ 8,652,512</b></u>	<u><b>-</b></u>	<u><b>3,766,716</b></u>	<u><b>-</b></u>	<u><b>3,766,716</b></u>

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

	September 30, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 166,680	166,680	-	-	166,680
Equity instruments without public quotations measured at fair value	<u>1,000</u>	-	-	<u>1,000</u>	<u>1,000</u>
Subtotal	<u>167,680</u>	<u>166,680</u>	<u>-</u>	<u>1,000</u>	<u>167,680</u>
Financial assets at fair value through profit or loss					
Privately offered fund	\$ <u>5,163</u>	-	-	<u>5,163</u>	<u>5,163</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,902,150	-	-	-	-
Notes and accounts receivable (including related parties)	38,059	-	-	-	-
Other financial assets, current	268,109	-	-	-	-
Other financial assets, non-current	430,330	-	-	-	-
Refundable deposits	<u>5,506</u>	-	-	-	-
Subtotal	<u>2,644,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,816,997</u>	<u>166,680</u>	<u>-</u>	<u>6,163</u>	<u>172,843</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 4,310,730	-	-	-	-
Corporate bonds payable (including current portion)	3,795,622	-	3,765,790	-	3,765,790
Notes and accounts payable (including related parties)	357,997	-	-	-	-
Other payables (including related parties)	132,445	-	-	-	-
Guarantee deposits	2,637	-	-	-	-
Lease liabilities (including non-current)	<u>5,641</u>	-	-	-	-
Total	<u>\$ 8,605,072</u>	<u>-</u>	<u>3,765,790</u>	<u>-</u>	<u>3,765,790</u>

## 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.

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 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 have 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.

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 Group do 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 estimate 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.

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 4) Transfers between Level 1 and Level 2

There were no transfers in either direction for the nine months ended September 30, 2024 and 2023.

#### (s) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(t) of the consolidated financial statements for the year ended December 31, 2023.

#### (t) Capital management

The capital management objectives, policies, and procedures of the consolidated company are consistent with those disclosed in the consolidated financial statements of 2023; and the aggregated quantitative data of capital management items have not changed significantly from those disclosed in the consolidated financial statements of 2023. For relevant information, please refer to note 6 (u) of the consolidated financial statements for the year ended December 31, 2023.

### 7. Related-party transactions:

#### (1) 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
Sanfu Property Limited	The chairman of the company is a director of the company
Sanfar Education Foundation	Other related parties
Allmind Holdings Corporation. (Former: Pleasant Hotels International Inc)	Other related parties
Maikeweideng Marketing Ltd.	Other related parties
Zenfar Architecture Co., Ltd.	Other related parties
Mingding Construction Co., Ltd.	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

#### (2) Significant transactions with related parties

##### (i) Construction

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

	September 30, 2024	December 31, 2023	September 30, 2023
Signed contract price	\$ -	759,867	759,867
Amount received on an agreement	\$ -	663,491	648,657

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

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:

		<b>Engineering service revenue</b>				
		<b>For the three months ended</b>		<b>For the nine months ended</b>		<b>Recognition Engineering service revenue</b>
		<b>September 30,</b>		<b>September 30,</b>		
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	
Other related party-Allmind Holdings		\$ -	-	-	119,888	759,867
		<b>The amount of the current period</b>				
		<b>For the three months ended</b>		<b>For the nine months ended</b>		<b>Accumulated Priced amount</b>
		<b>September 30,</b>		<b>September 30,</b>		
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	
Other related party-Allmind Holding		\$ -	-	-	238,048	759,867
<b>Accounted items</b>	<b>Related Party Categories</b>			<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current contract assets						
Construction retainage receivable	Other Related party - Allmind Holding			\$ -	79,786	76,099

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) Accounts receivable from related parties

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

<b>Accounted items</b>	<b>Related Party Categories</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes receivable	Other Related party - Allmind Holding	\$ -	16,590	-
Accounts receivable	Other Related party - Allmind Holding	-	-	35,111
		\$ -	16,590	35,111

(iii) Accounts payable of related parties

<b>Accounted items</b>	<b>Related Party Categories</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes payable	Other Related party - Allmind Holding	\$ -	-	79

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(iv) Prepayments of related parties

Accounted items	Related Party Categories	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments	Other Related party -			
	Allmind Holding	\$ <u>75</u>	-	<u>75</u>

(v) Lease (recorded as administrative expenses)

The sublease situation between the Group and related parties were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Other Related party				
- Maikeweideng	\$ 57	-	57	-
Other Related party -				
Allmind Holding	75	75	225	175
	<u>\$ 132</u>	<u>75</u>	<u>282</u>	<u>175</u>

(vi) Donations (recorded as administrative expenses)

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Other Related party -				
Sanfar Education				
Foundation	\$ -	1,004	-	1,004

(vii) Guarantee

As of September 30, 2024 and 2023, the Group signed joint and several guarantees for pre-sale housing with other related parties—Sanfu Property Limited., other related parties—Mingding Construction Co., Ltd., and other related parties—Zenfar Architecture Co., Ltd. Contracts, respectively acted as the joint guarantee company for the pre-sale house sales contract of Liujiading Section (Grand Bridge), Yongkang District, Tainan City, Yongxing Section (Dream Style), Yongkang District, Tainan City, and Chengde Section (Melody Forest), Renwu District, Kaohsiung City. The amounts of handling fee were both \$0 thousand for the nine months ended September 30, 2024 and 2023.

(vii) Please refer to note 9 (c) of the Group's commitment of donations to Kaohsiung City San far Education Foundation.

(3) Transactions with key management personnel

Transactions with key management personnel

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Short-term employee benefits \$	6,711	5,212	17,483	14,521
Post-employment benefits	126	133	379	412
	<u>\$ 6,837</u>	<u>5,345</u>	<u>17,862</u>	<u>14,933</u>

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**8. Pledged assets:**

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

<u>Pledged assets</u>	<u>Object</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Inventories	Mortgage and bonds payable	\$ 9,785,450	10,121,943	10,982,479
Other financial assets- current and non-current	Mortgage and bonds payable	777,956	684,038	682,254
Property, plant and equipment	Short-term notes and bill payable	73,668	74,191	74,365
Investment property	Mortgage and bonds payable	324,532	86,415	86,703
		<u>\$ 10,961,606</u>	<u>10,966,587</u>	<u>11,825,801</u>

**9. Commitments and contingencies:**

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Signed contract price</u>			
Contractual liabilities - Sale of real estates	<u>\$ 4,650,291</u>	<u>3,266,522</u>	<u>2,868,583</u>
Construction in progress	<u>\$ -</u>	<u>-</u>	<u>759,867</u>
Purchase construction land	<u>\$ 948,998</u>	<u>-</u>	<u>-</u>
<u>Price charged or paid</u>			
Contractual liabilities - Sale of real estates	<u>\$ 786,494</u>	<u>560,113</u>	<u>479,772</u>
Construction in progress	<u>\$ -</u>	<u>-</u>	<u>648,657</u>
Purchase construction land	<u>\$ 47,450</u>	<u>-</u>	<u>-</u>

(2) The legal litigation cases related to the Group demanded an approximate amount totaling \$6,000 thousand, plus legal interest from the Group. Currently, the estimated liability provision amounted to \$184 thousand. All cases were still in progress as of the reporting date.

(3) The Group was approved by the Board of Directors on September 21, 2023, 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. Please refer to note 7 (2) (vi) for the actual amount for the nine months ended September 30, 2024 and 2023.

**10. Losses due to major disasters: None**

**11. Subsequent Events: None**

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

**12. Others**

(1) Statements of Labor, Depreciation and Amortization by Function :

		<b>For the three months ended September 30,</b>					
		<b>2024</b>			<b>2023</b>		
<b>By item</b>	<b>By function</b>	<b>Operating costs</b>	<b>Operating expense</b>	<b>Total</b>	<b>Operating costs</b>	<b>Operating expense</b>	<b>Total</b>
Employee benefits							
Salary		10,325	17,186	27,511	15,707	7,925	23,632
Labor and health insurance		862	906	1,768	1,474	432	1,906
Pension		424	478	902	772	219	991
Others		384	1,544	1,928	493	1,204	1,697
Depreciation		774	1,588	2,362	-	1,707	1,707
Amortization		199	247	446	147	442	589
		<b>For the nine months ended September 30,</b>					
		<b>2024</b>			<b>2023</b>		
<b>By item</b>	<b>By function</b>	<b>Operating costs</b>	<b>Operating expense</b>	<b>Total</b>	<b>Operating costs</b>	<b>Operating expense</b>	<b>Total</b>
Employee benefits							
Salary		45,814	44,261	90,075	52,327	22,361	74,688
Labor and health insurance		3,674	2,478	6,152	5,058	1,601	6,659
Pension		1,870	1,243	3,113	2,567	739	3,306
Others		1,304	3,786	5,090	1,582	3,083	4,665
Depreciation		2,131	3,971	6,102	-	4,910	4,910
Amortization		587	801	1,388	343	1,309	1,652

(2) Seasonality of operation:

The construction department of the Group is affected by the cyclical factors of the completion time of construction projects.

(3) 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, within the year of 2014 to 2020, as well as all the contracts entered into with, and the vouchers of commission paid to, the related three advertising companies. Since the case is still in progress, the group assessed that the above matter will not have an impact on its financial statements.

	<u>2020.12.31</u>	<u>2019.12.31</u>	<u>2018.12.31</u>	<u>2017.12.31</u>	<u>2016.12.31</u>	<u>2015.12.31</u>	<u>2014.12.31</u>
Current assets recognized as incremental costs to obtain contract with customers	\$ -	47,550	109,612	47,974	23,786	11,034	-
Notes payable	\$ -	2,694	7,282	8,743	8,494	-	-
Construction Retainage Received (account on Accounts Payable)	\$ 4,662	4,461	1,778	1,907	205	-	-

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

	<u>2020.12.31</u>	<u>2019.12.31</u>	<u>2018.12.31</u>	<u>2017.12.31</u>	<u>2016.12.31</u>	<u>2015.12.31</u>	<u>2014.12.31</u>
Other payables	\$ -	6,814	5,313	932	5,911	-	-
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Selling expense	\$ 66,062	204,103	24,076	47,693	77,332	-	995

- (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.

**13. Other disclosures:**

(1) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 2024:

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

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsements		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements / guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	Jin Fu Xiang Co.,Ltd	The Company	3, 7	1,217,300	1,200,000	1,200,000	-	-	18.10%	3,130,200	N	Y	N

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

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

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Note 2: Jin Fu Xiang Co., Ltd endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

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

Note 3: The transactions were written off in the consolidated financial statements.

(iii) Securities held (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				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock - Allmind Holdings Corporation. (Former: Pleasant Hotels International Inc)	Other related parties	Financial assets at fair value through other comprehensive income, non-current	3,600	358,920	4.11%	358,920	
The Company	Stock - O-Bank Co., Ltd. Series B Convertible Preferred Stock	-	Financial assets at fair value through other comprehensive income, non-current	2,500	29,000	-%	29,000	
The Company	Stock - Best Education Service & Tech Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	31	1,114	0.30%	1,114	
The Company	Privately offered fund-Sparklabs Taipei Fund I	-	Financial assets at fair value through profit or loss, non-current	-	5,064	-%	5,064	

(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:

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Land No. 20, Heguan Section, Annan District, Tainan City	2024/4/8	948,998	47,450	Taiwan Sugar Corporation	non-related parties	-	-	-	-	Appraisal	Construction	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\$100 million or 20% of the capital stock :

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	623,474	65.77%	Pay by contract terms	-	-	(359,975)	(92.35)%	Note
Jin Fu Xiang Co., Ltd	The Company	Parent Company	Contracting project	(592,920)	(100.00)%	Receive by contract terms	-	-	359,975	100.00%	Note

## SAN FAR PROPERTY LIMITED AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(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	359,975 (Note)	2.53 (times)	-		86,909	-

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

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

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	592,920	As agreed in the agreement	44.17%
			2	Receivables	359,975	//	2.23%

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.

(2) Information on investees:

The following is the information on investees for the nine months ended September 30, 2024 (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		Ending shareholding			Net income (losses) of investee	Share of profits/losses of investee	Note
				End of the period	End of last year	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Jing Fu Xiang Construction Co., Ltd .	Taiwan	Construction industry	295,875	295,875	30,000	100.00%	269,019	11,419	6,132	
"	Jingo International Records Co., Ltd .	Taiwan	Record industry	22,529	22,529	2,000	100.00%	28,048	5,396	5,396	

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

(3) Information on investment in mainland China: None

**SAN FAR PROPERTY LIMITED AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

(4) Major shareholders:

Shareholder's Name	Shareholding	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%
Jun Rong, Zhong		19,628,464	6.01%
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:**

(1) 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

## Notes to the Consolidated Financial Statements

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

	<u>Construction Department</u>	<u>Audio/ video</u>	<u>Adjustment and Elimination</u>	<u>Total</u>
<b>For the three months ended September 30, 2024</b>				
Revenue:				
Revenue from external customers	\$ 246,820	4,697	-	251,517
Intersegment revenues	<u>241,568</u>	<u>70</u>	<u>(241,638)</u>	<u>-</u>
Total revenue	<u>\$ 488,388</u>	<u>4,767</u>	<u>(241,638)</u>	<u>251,517</u>
Reportable segment profit or loss	<u>\$ 26,503</u>	<u>1,499</u>	<u>-</u>	<u>28,002</u>
<b>For the three months ended September 30, 2023</b>				
Revenue:				
Revenue from external customers	\$ 202,204	5,274	-	207,478
Intersegment revenues	<u>192,411</u>	<u>96</u>	<u>(192,507)</u>	<u>-</u>
Total revenue	<u>\$ 394,615</u>	<u>5,370</u>	<u>(192,507)</u>	<u>207,478</u>
Reportable segment profit or loss	<u>\$ (11,484)</u>	<u>1,632</u>	<u>-</u>	<u>(9,852)</u>
<b>For the nine months ended September 30, 2024</b>				
Revenue:				
Revenue from external customers	\$ 1,327,392	15,062	-	1,342,454
Intersegment revenues	<u>593,241</u>	<u>173</u>	<u>(593,414)</u>	<u>-</u>
Total revenue	<u>\$ 1,920,633</u>	<u>15,235</u>	<u>(593,414)</u>	<u>1,342,454</u>
Reportable segment profit or loss	<u>\$ 212,219</u>	<u>5,396</u>	<u>-</u>	<u>217,615</u>
<b>For the nine months ended September 30, 2023</b>				
Revenue:				
Revenue from external customers	\$ 582,394	19,799	-	602,193
Intersegment revenues	<u>552,130</u>	<u>292</u>	<u>(552,422)</u>	<u>-</u>
Total revenue	<u>\$ 1,134,524</u>	<u>20,091</u>	<u>(552,422)</u>	<u>602,193</u>
Reportable segment profit or loss	<u>\$ 20,882</u>	<u>3,832</u>	<u>-</u>	<u>24,714</u>
Reportable segment assets				
September 30, 2024	<u>\$ 16,062,621</u>	<u>44,228</u>	<u>(131)</u>	<u>16,106,718</u>
December 31, 2023	<u>\$ 15,700,990</u>	<u>39,746</u>	<u>(27)</u>	<u>15,740,709</u>
September 30, 2023	<u>\$ 15,452,362</u>	<u>38,449</u>	<u>(100)</u>	<u>15,490,711</u>