

San Di Properties Co., Ltd.
2022 Annual Report

Taiwan Stock Exchange Market Observation

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San Di Properties Co., Ltd.

Annual Report is available at:

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Letter to Shareholders

Dear Shareholders,

In order to improve the operating conditions and ensure the improvement of the Company's operating performance, as well as to improve the financial structure and cash flow, the Company has actively selected high-quality development potential land to purchase and has planned and launched some construction projects and hope that a comprehensive operations strategy can help a company boost productivity, increase revenue, and achieve growth

Financial Results in 2022

The Company's operating revenue in 2022 was NT\$595,265,000, there was an increase of 4,740.73% compared to NT\$12,297,000 in 2021; the operating gross profit in 2022 was NT\$448,141,000, there was an increase of 6,652.16% compared to NT\$6,637,000 in 2021; the operating profit in 2022 was NT\$416,623,000, there was an increase of 4,452.97% compared to (NT\$9,571,000) in 2021; and the pre-tax net profit in 2022 was NT\$380,280,000, and there was an increase of 1,167.14% compared to NT\$30,011,000 in 2021,

The Company's 2022 financial statements were summarized as follows:

Financial Results in 2022

Unit: NTS in Thousands

Item	2022		2021		Increase (Decrease)%	
	Amount	%	Amount	%	Amount	%
Operating Income	595,265	100	12,297	100	582,968	4,740.73
Operating Gross Profit	448,141	75.28	6,637	53.97	441,504	6,652.16
Operating Gains (Loss)	416,623	69.99	(9,571)	(77.83)	426,194	4,452.97
Net Gains Before Tax	380,280	63.88	30,011	244.05	350,269	1,167.14

The 2022 Forecast Implementation Status in 2022

The Company's 2022 financial forecast has not been disclosed to the public, because the overall actual operating conditions and performance are roughly equivalent to the Company's internal operating plan.

Analysis of Financial Income, Expenditure and Profitability:

Unit: NTS in Thousands

Item		2022	2021	Increase (Decrease)%
Financial Income, Expenditure	Operating Income	595,265	12,297	4,740.73
	Operating Gross Profit	448,141	6,637	6,652.16
	Net Gains before Tax	380,280	30,011	1,167.14
Profitability	Return on assets (%)	5.53	0.85	550.59
	Return on shareholders' equity (%)	23.91	3.60	564.17
	Ratio of paid-in capital (%)	Operating profit	45.68	-1.34
		Net Profit Before Tax	41.69	4.21
	Net profit (loss) percentage		62.75	244.71
	Earnings per share (NTD)		5.16	0.57

Development Status

The Company's future development focuses on building its own business, in order to maintain a fixed business scale and make profits the future development strategy is explained from four aspects:

- (1) Land development strategy:
In response to market changes, in addition to adopting local self-construction, actively seek joint development for sub-sale, urban renewal and dangerous old cases for joint development.
- (2) Financial management strategy:
Adopt flexible fund raising and scheduling, in addition to financing from financial institutions, such as cash capital increase, private placement, corporate bonds, etc. to raise funds.
- (3) Production management strategy:
In the future, construction management consultants will be gradually introduced to ensure the quality and progress of construction, and at the same time actively cultivate independent supervision and construction manpower to achieve self-management.
- (4) Sales management strategy:
The Company's sales are all entrusted to professional consignment or intermediary companies, In order to improve the sales performance of individual cases and the quality of after-sales service, professional consignment companies will be strictly selected in the future, The professional quality of the front-line sales personnel and the strengthening of service attitude training will be strictly required, Self-select and train after-sales service personnel to ensure the quality of after-sales service.

Business Plan for 2023

Operating Principles

- (1) Actively carry out the construction planning of the purchased land, promote construction projects and land development, and expand the scale of the Company's proposals.
- (2) Strictly control the construction progress and strengthen the construction quality.
- (3) Improve the Company's revenue and profitability.
- (4) Activate idle assets to increase cash inflow.
- (5) Actively participate in the investment promotion of various types of land etc.

Important Production and Marketing Policies

- (1) Establish a profit center management system to save various costs and operating expenses.
- (2) Implement the effective use of various resources, improve product quality, and increase profitability.
- (3) Analyze market trends, launch products that meet consumer needs, and increase added value.
- (4) Improve the corporate image, actively develop and transform the scope of operation, and increase market share.

Expected Construction Quantity and Basis

The Company has completed the following projects in 2022:

- (1) The site area of the Tianzhong Section of Linyuan District, Kaohsiung City covers an area of 1,255 pings (1 ping = 3.3058 square meters, total area of 4,148,78 square meters). It is expected to build a total of 14 store buildings (each will be a five-story building), a total of 24 residential buildings (each will be a four-story building), and a total of 38 building blocks.

The Company's annual sales plan for construction projects in 2023 will be as follows:

- (1) The construction projects for the Sancuaicuo Section of Sanmin District, Kaohsiung City covers an area of 2, 139 pings (1 ping = 3.3058 square meters, total area of 7,971,10 square meters). It is expected to build thirty-one-story buildings above ground and six-story basement buildings

- underground, with a total of 643 households and 805 parking spaces.
- (2) The construction projects for the base area of Pingshi Section, East District, Tainan City covers an area of 1, 949 pings (1 ping = 3.3058 square meters, total arear of 6,443 square meters). It is expected to build fifteen- story buildings above ground and three-story basement building underground, with a total of 293 households and 329 parking spaces.

The Company's annual sales plan for construction projects in future years will be as follows:

- (1) The construction projects for the Wusheng Section, West Central District, Tainan City, covers an area of 1,522 pings (1 ping = 3,3058 square meters, total area of 5,031,42 square meters), It is expected to build Twenty-one-story buildings above ground and four-story basement buildings underground, with a total of 223 households and 296 parking spaces.

Future Development Strategy

While marketing strategies and developing possible businesses, the Company has established a profit center management system, and there is a hope to save various costs and operating expenses more efficiently. The Company will continue to uphold the business philosophy of innovation, quality and service, with a professional attitude, under the quality requirements of the operation process, plan safe, stable, humanized, technologically superior products, and aim to provide the most perfect customer service, continue to develop and comprehensively improve quality, in order to achieve the concept of sustainable management of the enterprise.

The Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment

Impact of External Competitive Environment

Environmental protection issues are getting more and more attention. The Company is endeavoring to establish various management systems, i.e. to use "Green Management" to enhance the competitiveness of the Company, so that the Company can strive to earn reasonable profits while maintaining a high-quality life, so as to achieve the goal of a green environment, .

Impact of Regulatory Environment

The Company strictly abides by various construction regulations, such as no radioactive pollution, no mixing of sea sand, air pollution prevention, water pollution prevention, road pollution prevention, noise and vibration prevention and other measures, and pay attention to construction safety and sanitation measures and equipment, maintenance of construction site environment and disposal of construction waste and other relevant regulations.

Impact of Overall Business Environment

In addition to paying attention to the architectural planning of the housing development construction site, such as except for the building color, shape, texture, lighting design, landscape design, public space quality and greening plants, etc. for external road widening, traffic impact assessment and other overall business environment impact assessment, we should make a comprehensive consideration while pursuing the highest quality, hoping that each proposal can meet the needs of customers, so as to achieve balance and perfection.

The above are the goals for the Company's future direction. We are honored to earn your trust in San Di Properties through the challenges in 2022. We are more excited about our future, and are even more firmly committed to earning good returns for our shareholders in the years to come

Chairman: **Chung, Yu-Ling**

2. Company Profile

2.1 Date of Incorporation: October 11, 1955

2.2 Company History

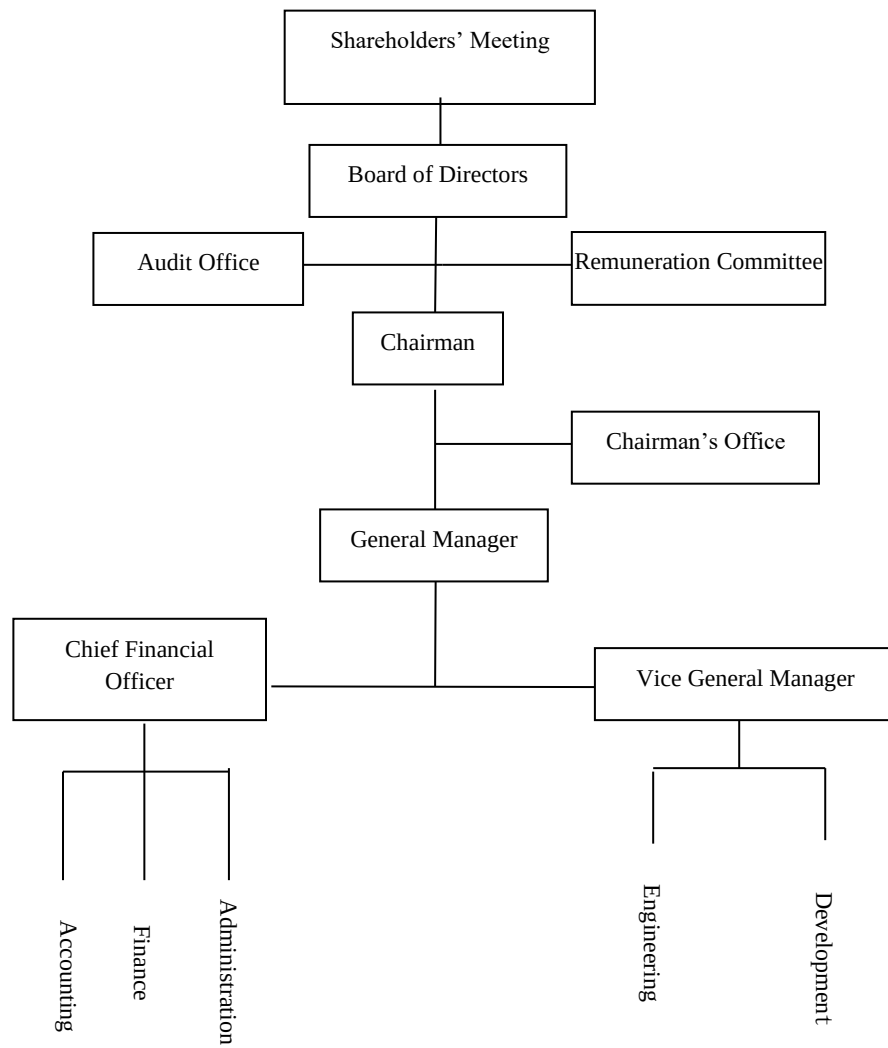
Time	Special Notes
1955~1956	The Company was established in October 1955. The factory of the Company was located in Fengyuan City, Taichung County, covering an area of 2 hectares, with a paid-in capital of NT\$7,000,000. It was jointly operated by Yutai Company Ltd. and Jiafeng Weaving Factory. The first Chairman of the Company was Mr. Lee, Chung-Nien. The factory officially started production in June 1956.
June 1956	Cash capital increased NT\$2,000,000, capital amount reached NT\$9,000,000.
May 1960	Cash capital increased NT\$9,000,000, capital amount reached NT\$18,000,000.
July 1962	Capital reserve transferred to capital increase NT\$4,500,000 and the capital amount reached NT\$22, 500,000.
May 1965	Cash capital increase NT\$22, 500,000 and the total capital amount reached NT\$45, 000,000.
1966~1979	In 1966, 2 hectares of land were purchased in Tanzi Township, Taichung County for building a branch factory. After 12,3 years of operation, although the weaving spindles of our weaving factory have been constantly renewed and updated, it was limited by the small area of the factory and could not be expanded. After careful study, the Company decided to sell the Fengyuan Factory to Yu Lein Company Ltd. and in 1958, and a land area of 12 hectares was purchased in Xinwu Township, Zhongli City, Taoyuan County for building a new factory there, the latest European machinery and equipment were purchased at the same time. Within a few years, the new factory owned total 38,880 weaving spindles and 200 sets of weaving machines. In the meantime, the Company has completed the cash capital increase for the second time and the amount of capital increased to NT\$ 33,100,000. In 1969 and 1974, the Company completed the surplus transfer to capital increase of NT\$25, 400,000. In 1976, the Company completed the capital reserve transferred to capital increase to NT\$96,500,000, and the total capital amount reached NT\$155,000,000 and after cash capital increase the total paid-up capital amount reached NT\$200,000,000.
May 1970	Capital reserve and surplus transferred to capital increase by NT\$100,000,000 and the capital amount reached NT\$300,000,000.
May 1987	The Company completed the cash capital increase of NT\$120,000,000 and the capital amount reached NT\$420,000,000. Furthermore, the Company raises capital by issuing shares of stock, or equity, in a public market through an initial public offering (IPO), and has increased its ring spinning equipment and five OE worsted spinning machines, and eliminated weaving machines at the same time.
Dec. 1988	The Securities and Futures Management Committee of the Ministry of Finance, has approved the Company as one of the TWSE Listed Companies.
Oct. 1989	The Company' cash and capital reserve transferred to capital increase to NT\$222, 600,000 and the capital amount reached NT\$642, 600,000 this year.
Aug. 1993	The office of the Company moved to the following address: 7 F.-1, No. 130, Section 4, Nanjing East Road, Taipei City (Kaijie Building).
Oct. 1994	The Company appointed the Grand Cathay Securities Corporation to render the stock affairs operation services on behalf the Company.
Dec. 1994	In order to conform to the world trend, the computer operating system of the Company was changed from VAX to UNIX open system.
Feb. 1996	Implemented the resolution adopted at the 1995 general meeting of shareholders, the capital reserve has been transferred to capital increase up to NT\$23,776,200 and the total paid-up capital reached NT\$666,376,200.
Aug. 1996	The Company Purchased a new office building at the following address: 3rd Floor, No. 188, Section 5, Nanjing East Road, Taipei City.
July 1997	Mr. Pan, Chun-Rong has been elected as the Chairman of the Board of Directors of the Company.

Dec. 1997	The Company decided to make a cash capital increase up to NT\$180,000,000 by means of issuance of shares at a premium at NT\$30.5 per Share. After cash capital increase the total paid-up capital reached NT\$846,376,200. The Company name was changed from "Taiwan Yu Foong Spinning Mill Co., Ltd." to "Yu Foong International Development Co., Ltd."
June 1998	From equity issuance premium, capital reserve transferred to capital increase by NT\$84,637,600 and after cash capital increase the total paid-up capital reached NT\$931, 013, 800.
Sep. 1999	From equity issuance premium, capital reserve transferred to capital increase by NT\$93,101,380 and after cash capital increase, the total paid-up capital reached NT\$1,024,115, 80.
Dec. 2000	The quantity of the operated worsted spinning machines has been reduced from 90 sets to 60 sets
Feb. 2001	Mr. Tsai, Shang-Wu has been elected as the Chairman of the Board of Directors of the Company
Dec. 2002	The OE factory of the Company in Chungli stopped production
June 2003	Miss Lin, Shu-Mei has been elected as the Chairman of the Board of Directors of the Company. The Worsted spinning factory in Chungli stopped production.
Aug. 2007	The office address of the Company moved to the Yangsheng Commercial Building, 9F.-7, No. 57, Fuxing N, Road, Taipei City
June 2009	Miss Chen, Hsio-Han has been elected as the Chairman of the Board of Directors of the Company
June 2010	Suspension of the spinning industry in 2010, focusing on the construction industry
Jan. 2011	In order to meet the requirements of the year 2011 potential problem (the Y1C problem) involving computers and computer systems in Taiwan, the computer operating system of the Company has been changed from the UNIX Unix Operating System to the High Square HSERP Operating System
Aug. 2012	The office address moved to 2F, No. 638,Section 6, Minzu Road, Zhongli District, Taoyuan City
Dec. 2019	Mr. Chung, Yu-Ling has been elected as the Chairman of the Board of Directors of the Company
July 2020	The Company name was changed from "Yu Foong International Development Co., Ltd." to "San Di Properties Co., Ltd." and the office address moved to 16F.-3, No. 175, Zhongzheng 2nd Rd., Lingya Dist., Kaohsiung City
Feb. 2021	The Company adopted the proposal for a capital reduction plan to offset the Company losses, the capital amount reduced to NT\$512, 057,590 and after capital reduction, the total paid-up capital amount was NT\$512, 057,590
Dec. 2021	The Company implemented a cash capital increase of NT\$200,000,000 and after cash capital increase, the total paid-up capital reached NT\$712, 057,590
Dec. 2022	The Company has completed the first cash offering by private placement on December 12, 2022, the number of equity-type securities through private placement were 20,000,000 common shares. After the cash increase by the first cash offering by private placement, the total paid-up capital reached NT\$912, 057,590 and the application for registration of the change in capital has been completed on December 28, 2022.

3. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

Departments	Functions
Chairman's Office	Assist the Chairman in promoting implementation, evaluation and guidance of different matters; Planning and implementation of various projects
General Manager	Comprehensively manage the Company's business objectives, guidelines, and implementation of policy formulation and implementation results; Review of comprehensive investment plans, Preparation and implementation, tracking; Comprehensive planning of new business development, Patent management and contract review; Operation integration and planning of various departments; Implementation of resolutions of the Board of Directors;
Audit Office	Internal system audit, improvement and suggestion and performance evaluation, standardization and integration of internal control operations, implementation and review; Checking and auditing operation execution of various departments and audit report drafting and follow-up of missing improvements; Assist and guide various departments to implement internal control self-assessment; Regularly submit audit reports and explain the implementation results to the Board of Directors;
Administration Department	Responsible for manpower demand, personnel recruitment, salary assessment, assessment, welfare and education and training business; The personnel unit is responsible for the remuneration committee to hold administrative operations and provide relevant information and reports; Responsible for general affairs and general supplies management; Software and hardware equipment planning, management, security maintenance; The Company's personnel, general affairs, procurement, legal affairs, property management, information management and maintenance;
Finance Department	Financial planning and management; Fund utilization scheduling, revenue and expenditure processing, and financing transaction processing; Various loan applications, loan appropriation and repayment matters; Financial analysis and budget compilation and implementation analysis;
Accounting Manager	Responsible for handle the Company's accounting affairs, including preparation of financial reports and financial statements, filing tax returns of profit-seeking enterprise income tax etc.; Compilation of the Company budget and submit it to the Board of Directors and Audit Committee for review and approval; Communication with the tax authority and CPA;
Engineering Department	Comprehensively manage individual case construction design, license application, project start declaration and inspection management and acceptance, project budget summary compilation, summary construction project landscape, public design drawings, project construction management, quality and progress control, safety and health management; Mechanical and electrical engineering planning, equipment maintenance, customer maintenance matters, execution of construction projects and material procurement, architectural design, planning, and application for building licenses; Project budget, quantity unit price analysis, appraisal review and cost control; Construction drawing design, plan and elevation interior design, landscape design and construction quality inspection;
Development Department	Land development value assessment, investment assessment drafting of purchase and construction plans; Real estate new cases studies and existing market research analysis and prosperity forecast;

3.2 Directors, Supervisors and Management Team

3.2.1 Information Regarding Board Members and Supervisors

3.2.1.1 Information Regarding Board Members and Supervisors

April 15, 2023

Title	Nation - ality or Place of Regist- ration	Name	Sex	Date Elected	Term (Year s)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Experience (Education)	Selected Current Positions at Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Lou Ying Investment Co., Ltd.		07.22.2021	3	05.08.2006	4,744,000	9.26	6,226,333	8.74	-	-	-	-		-	-	-	-	
	R.O.C.	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling	Male 31-40	07.22.2021	3	07.22.2021	0	0	0	0	-	-	-	-	Chairman, San Cia Development Construction Co., Ltd. Chiayi Bus Company, Ltd. Tong Li Investment and Consulting Co., Ltd. Bachelor, Nutrition, University of British Columbia	(Note 6)	-	-	-	(Note 5)
Director	R.O.C.	Lou Ying Investment Co., Ltd.		07.22.2021	3	05.08.2006	4,744,000	9.26	6,226,333	8.74	-	-	-	-		-	-	-	-	
	R.O.C.	Lou Ying Investment Co., Ltd. Representative: Lee, Tsun-Hsi	Male 41-50	07.22.2021	3	07.22.2021	0	0	4,000	0	-	-	-	-	General Manager, Kaohsiung Bus Company Ltd., Vice Chairman, North-Star International Co., Ltd. Bachelor, Department of Traffic Management, Chenggong University	(Note 7)	-	-	-	-
Director	R.O.C.	De Mei Investment Co., Ltd.		07.22.2021	3	05.08.2006	750,000	1.46	984,348	1.38	-	-	-	-		-	-	-	-	
	R.O.C.	De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan	Male 51-60	07.22.2021	3	07.22.2021	0	0	0	0	-	-	-	-	Manager, Cheng Hsiung Restaurant Group Co., Ltd. EMBA, Feng Chia University	-	-	-	-	-
Director	R.O.C.	De Mei Investment Co., Ltd.		07.22.2021	3	05.08.2006	750,000	1.46	984,348	1.38	-	-	-	-		-	-	-	-	
	R.O.C.	De Mei Investment Co., Ltd. Representative: Tsai, Yu-Ming	Female 51-60	07.22.2021	3	07.22.2021	0	0	0	0	-	-	-	-	Director, Kaohsiung Bus Co., Ltd. Financial Manager, San Di Properties Co., Ltd. Bachelor, Dept. of Business Administration, National Cheng Kung University, Tainan	(Note 8)	-	-	-	-

Title	Nation - ality or Place of Registr- ation	Name	Sex Age	Date Elected	Term (Year s)	Date First Elected	Shares Held when Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Experience (Education)	Selected Current Positions at Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Indep. Director	R.O.C.	Gu, Mou-Chin	Male 71-80	07.22.2021	3	07.22.2021	0	0	0	0	-	-	-	-	Chief/Manager, TC Bank Vice general manager, Bowa Commercial Bank Ltd, CPA, Cheng Yang Audit Firm Master, Business Administration, College of Management, National Sun Yat-Sen University	CPA, Ching Pu audit firm				(Note 9)
Indep. Director	R.O.C.	Hong, Ying	Female 41-50	07.22.2021	3	07.22.2021	-	-	-	-	-	-	-	-	Assistant Manager, RSM US LLP Audit Firm Internal Auditor, Avanade/Accenture CPA, Grant Thornton LLP Master, Accounting, University of Washington, U.S.	CPA, Nexia Trans - Asia Associates Independent Director, Top High Image Corp. Corporate Financial Advisor, Yakima Products, Inc.	-	-	-	(Note 9)
Indep. Director	R.O.C.	Hsiao, Chin-Chung	Male 61-70	07.22.2021	3	07.22.2021	-	-	-	-	-	-	-	-	Prosecutor Taichung District Prosecutors Office Judge, Taichung District Court & Yunlin District Court, College of Law, National Chung Hsing University	Lawyer, Sanming Law Office	-	-	-	(Note 9)

Note 1: For juristic person shareholders, the name of the juristic person shareholder and the representative should be listed separately (if it is a representative of the juristic person shareholder, the name of the juristic person shareholder should be indicated), and the following table 1 should be filled out

Note 2: Please list the actual age, and it must be expressed in intervals, such as 41~50 years old or 51~60 years old

Note 3: Fill in the time when you served as the Company's Director or Supervisor for the first time. If there is any interruption, you should indicate it

Note 4: Experience related to the current position, if you have worked in an external auditor firm or related companies during the period disclosed above, you should state your job title and responsible position

Note 5: The Company's Chairman and General Manager, in order to improve operating efficiency and decision-making execution, more than half of the members of the Board of Directors are not Directors and employees or managers

Note 6: (1) Director and Chairman: San Cia Development Construction Co., Ltd., San Di Construction Co., Ltd., Tainan Construction Development Co., Ltd., Pa Fang Property Management Co., Ltd., Tong Li Investment Co., Ltd., , and Kong Lung Investment Co., Ltd.

(2) Corporate Representative Director and Chairman: Chiayi Bus Travel Co., Ltd., Chiayi Bus Co., Ltd., Shangyucheng Co., Ltd., Chiayi Bus International Property Management Co., Ltd., Chiakelai Investment Co., Ltd.

(3) Director: Jiachenghui Construction Co., Ltd. , Foon Shan Life Development Co., Ltd.

- (4) Corporate Representative Director: North-Star International Co., Ltd., iPASS Corporation, Kuai Kuai Co., Ltd. , Beiji International Development Co., Ltd. , Shinagawa International Development Co., Ltd. , Sanlu Development Co., Ltd. , Yishen Gas Station Co., Ltd. , Tainan Bus Co., Ltd.
- (5) Corporate Representative Director and General Manager: Kaohsiung Transportation Company Limited
- (6) Corporate Representative Supervisor: North-Star International Petech Co., Ltd., Sandi Monster Power Co., Ltd. , Eiko Electric Products Corp. , Chia Hsin Energy Co., Ltd.

Note 7:

- (1) Director and Chairman: Wan Hong International Co., Ltd. Hsueh Shen Construction Co., Ltd.
- (2) Corporate Representative Director and Chairman: Gao Shih Golf Co., Ltd
- (3) Corporate Representative Director and Vice Chairman: Nan Ren Lake Leisure Amusement Co., Ltd , Kaohsiung Transportation Company Limited , Hi Scene World Enterprise Co., Ltd. , Chiayi Bus Co., Ltd.
- (4) Director: Tong Cheng Investment and Consulting Co., Ltd.
- (5) Corporate Representative Director: Chiakelai Investment Co., Ltd., Eiko Electric Products Corp., Sandi Monster Power Co., Ltd. , Chia Hsin Energy Co., Ltd. , North-Star International Petech Co., Ltd., Dapeng Bay Sightseeing Yacht Co., Ltd., Kuai Kuai Co., Ltd. , Puyuma Transportation Co., Ltd. , Shinagawa International Development Co., Ltd. , Jin Shi Hu Hotel Co., Ltd., Chiayi Bus International Property Management Co., Ltd., North-Star International Co., Ltd.
- (6) Supervisor: Cathy Sunrise Electric Power One Co., Ltd. , Jade Sea Co., Ltd
- (7) Independent Director: Jetwell Computer Co., Ltd.

Note 8:

- (1) Director: San Di Properties Co., Ltd., San Cia Development Construction Co., Ltd. Foon Shan Life Development Co., Ltd.
- (2) Corporate Representative Director: Tainan Bus Co., Ltd.
- (3) Supervisor: JIN SHI HU HOTEL CO., LTD. , Jiachenghui Construction Co., Ltd. , Shangfa Construction Co., Ltd.
- (4) Corporate Representative Supervisor: Chiayi Bus Co., Ltd., Chiayi Bus International Property Management Co., Ltd., Chiakelai Investment Co., Ltd., Kuai Kuai Co., Ltd. , Yong Jui Co., Ltd. , Nstar Energy Corporation

Note 9: The Company held on July 22, 2021 a General Meeting of Shareholders to re-elect the Board Directors and established an Audit Committee.

Table 1: Major Shareholders of Juristic Person Shareholders

As of April 15, 2023

Name of Juristic Person Shareholder (Note 1)	Major Shareholders of Juristic Person Shareholders (Note 2)	
	Name	Shareholding (%)
Lou Ying Investment Co., Ltd.	Tong Cheng Investment and Consulting Co., Ltd.	100.0
De Mei Investment Co., Ltd.	Tong Cheng Investment and Consulting Co., Ltd.	100.0

Note 1: If a Director or a supervisor is the representative of the juristic person shareholder, the name of the juristic person shareholder should be filled in.

Note 2: Fill in the name of the major shareholder of the juristic person shareholder (whose shareholding ratio accounts for the top ten) and its shareholding ratio. If the major shareholder is a judicial person, fill in the following Table 2.

Note 3: Juristic person shareholder is not a company organizer. The name and shareholding ratio of the shareholder that should be disclosed in the previous opening is the name of the investor or donor (refer to the announcement of the Judicial Yuan) and the ratio of capital contribution or donation. If a donor has passed away, please indicate "Deceased"

Table 2: Table 1 Major Shareholders Who Are Juristic Persons

As of April 15, 2023

Name of Juristic Person (Note 1)	Major Shareholder Of A Juristic Person (Note 2)	
	Name	Shareholding (%)
Tong Cheng Investment and Consulting Co., Ltd.	Chung, Chia-Tsun	99.87

Note 1: If the major shareholder listed on the Table 1 is a judicial person, please fill in the name of the juristic person.

Note 2: Fill in the name of the major shareholder of the juristic person shareholder (whose shareholding ratio accounts for the top ten) and its shareholding ratio.

Note 3: Juristic person shareholder is not a company organizer. The name and shareholding ratio of the shareholder that should be disclosed in the previous opening is the name of the investor or donor (refer to the announcement of the Judicial Yuan) and the ratio of capital contribution or donation. If a donor has passed away, please indicate "Deceased"

3.2.1.2 Director's Professional Qualifications and Independent Director's Dependence Status

Name (Note 1)	Criteria	Independence Criteria (Note 2)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an independent director
		1	2	3	4	5	6	7	8	9	10	11	12	
Chung, Yu-Ling	1. Main Education and working experience Bachelor, Nutrition, University of British Columbia; Chairman, San Cia Development Construction Co., Ltd.; Chairman, San Di Construction Co., Ltd. ; Chairman, Tong Li Investment and Consulting Co., Ltd.		✓	✓		✓	✓	✓		✓	✓	✓	✓	N/A

Lee, Tsun-Hsi	1. Main Education and working experience Bachelor, Department of Traffic Management, Chenggong University Vice Chairman, Nan Ren Lake Leisure Amusement Co., Ltd.; Vice Chairman, Kaohsiung Bus Company Ltd.,	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A
Tsai, Yu-Ming	1. Main Education and working experience Bachelor, Dept, of Business Administration, National Cheng Kung University, Tainan Financial Manager, San Di Properties Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A
Chiang, Shih-Yuan	1. Main Education and working experience Chienkuo Technology University Manager, Cheng Hsiung Restaurant Group Co., Ltd.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A
Gu, Mou-Chin	1. Main Education and working experience Master, Business Administration, College of Management, National Sun Yat-Sen University; Chief/Manager, TC Bank; Vice general manager, Bowa Commercial Bank Ltd.; CPA, Cheng Yang Audit Firm; CPA, Ching Pu Audit Firm; 2. Has a CPA practicing certificate	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A
Hong, Ying	1. Main Education and working experience Master, Accounting, University of Washington, U.S. Assistant Manager, RSM US LLP Audit Firm; Internal Auditor, Avanade/ Accenture; CPA, Grant Thornton LLP CPA, Nexia Trans-Asia Associate; Independent Director, Top High Image Corp.; Corporate Financial Advisor, Yakima Products, Inc. 2. Has a CPA practicing certificate	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Hsiao, Chin-Chung	1. Main Education and working experience College of Law, National Chung Hsing University Prosecutor, Taichung District Prosecutors Office Judge, Taichung District Court & Yunlin District Court, Lawyer, Sanming Law Office 2. Has a lawyer's license	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A

Note 1: The number of columns can be properly adjusted, if necessary.

Note 2: Please tick the corresponding boxes that apply to the Directors or supervisors during the two years prior to being elected or during the term of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a Director or supervisor of the Company or its related enterprises (except for the independent director appointed by the Company and its parent company, subsidiary or subsidiary of the same parent company concurrently according to this law or the laws of the local country).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not the manager listed in (1) or the spouse, relatives within the second degree of kinship or lineal relatives within the third degree of kinship of the persons listed in (2) and (3).
- (5) Not a Director, supervisor or employee of corporate shareholders directly holding more than 5% of the total issued shares of the Company, not a top five shareholder, or appoint representatives as Directors or supervisors of the Company according to Item 1 or Item 2 of Article 27 of the Company Law (except for the independent director established by the Company and its parent company, subsidiaries or subsidiaries of the same parent company according to this law or local laws and

- regulations).
- (6) Not a Director or supervisor of the Company or any of its affiliates, not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
 - (7) Not a Director, supervisor or employee of another company or institution who is the same person or spouse as the chairman, general manager or equivalent person of the Company (except for the independent director established by the Company and its parent company, subsidiary or subsidiary of the same parent company are concurrently appointed according to this law or local laws and regulations).
 - (8) Not a Directors supervisor, manager or shareholder holding more than 5% of the shares of a specific company or institution that has no financial or business dealings with the Company (except that a specific company or institution holds more than 20% but not more than 50% of the total issued shares of the Company, and the independent director established by the Company and its parent company, subsidiaries or subsidiaries belonging to the same parent company are concurrently appointed according to this law or local laws and regulations).
 - (9) Not a professional individual who is an owner, partner, Director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof in the last two years with an accumulated remuneration of not more than NT\$500,000, However, members of the Remuneration Committee, the Public Takeover Review Committee or the Special Committee for Mergers and Acquisitions who perform their functions and powers in accordance with the Securities Exchange Law or the relevant laws and regulations of the Enterprise Mergers and Acquisitions Law shall not be subject to this restriction.
 - (10) Not having a marital relationship, or a relative within the second degree of kinship to any other Director of the Company.
 - (11) Not been a person of any conditions defined in Article 30 of the Company Law,
 - (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

3.2.1.3 Diversity and Independence of the Board Directors

In order to strengthen the corporate governance and promote the sound development of the composition and structure of Directors, the "Corporate Governance Code of Practice" established by the Company stipulates a policy of diversity of members of Directors, pointing out that the composition of Directors should consider the Company's operating structure and business development direction, future development trends and other needs, and evaluate various aspects of diversity, such as basic conditions and values (e.g. gender, age, nationality and culture, etc.), professional background (e.g. law, accounting, industry, finance, marketing or technology etc.), professional skills and industrial experience etc. and generally possess the knowledge, skills and accomplishments necessary to perform their duties, and have achieved the ideal goal of corporate governance.

The Company pays special attention to the independence of the operation of the Board of Directors. The target of Directors with employee status is less than 20%, so as to improve the structure of the Company's Board of Directors. The 27th Term of Office of Board of Director of the Company (re-elected in July 2021) are organized by 7 Directors, including 4 Directors and 3 independent directors and most of the Directors have rich experience and expertise in the fields of finance, business and management, which can fully assist the Company in formulating major policy directions and responding to market crises.

Implementation of the Diversity for Board Members

Name of Directors	Nationality	Gender	Professional Knowledge and Experience							
			Strategic Decision-making	Finance/Accounting	Sales & Marketing	Business Management	Industry Experience	Leadership Skill	Risk/Crisis Management	Global Market Perspective
Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling	R.O.C.	Male	V	V	V	V	V	V	V	V
Lou Ying Investment Co., Ltd. Representative: : Lee, Tsun-His	R.O.C.	Male	V	V	V	V	V	V	V	V
De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan	R.O.C.	Male	V		V	V		V		
De Mei Investment Co., Ltd. Representative: Tsai, Yu-Ming	R.O.C.	Female	V	V	V	V	V	V	V	V
GU, Mou-Chin	R.O.C.	Male	V	V	V			V	V	V
Hong, Ying	R.O.C.	Female	V	V	V			V	V	V
Hsiao, Chin-Chung	R.O.C.	Male	V		V			V	V	V

3.2.2 Information Regarding Management Team

April 15, 2023

Title (Note 1)	Nationality	Name	Sex	Date Elected	Shares Held when Elected		Shares Currently Held by Spouse & Minors		Shareholder by Nominee Arrangement		Experience (Education) (Note 2)	Current Positions at Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Circumstances in which the manager obtains the stock warrant certificate	Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
General Manager	R.O.C.	Chung, Yu-Ling	M	12.05.2019	-	-	-	-	-	-	Chairman, San Cia Development Construction Co., Ltd.; Chairman, Chiayi Bus Co., Ltd. and Chairman, Tainan Development Co., Ltd. Bachelor, Nutrition, University of British Columbia;	Chairman, San Di Construction Co., Ltd. & Tong Li Investment Co., Ltd.	-	-	-	-	(Note 3)
Chief Finance Officer	R.O.C.	Chen, Shun-Tian	M	12.23.2019							Vice general manager, Land Bank of Taiwan General Manager and Director, Hua Yu Lien Construction Co., Ltd. Bachelor, Accounting and Statistics, National Cheng Kung University	Independent Director, Golden Long Teng Development Co., Ltd., Hi-Lai Foods, Co., Ltd., Huang Hsiang Construction Corporation, and Dingzing Advanced Materials Incorporated etc.				-	
Vice General Manager	R.O.C.	Liao, Jin-Feng	M	08.10.2020	-	-	-	-	-	-	MBA, Business Administration, Ling Tung University	Vice General Manager (Nan Ren Lake Leisure Amusement Co., Ltd)	-	-	-	-	
Accounting Manager	R.O.C.	Tseng, Li-Fang	F	01.28.2021	-	-	-	-	-	-	Financial Manager, Chia Tai Construction and Development Co., Ltd. and Li Jing Development & Construction Co., Ltd. Bachelor, Business Administration, National Sun Yat-Sen University	-	-	-	-	-	

Note 1: It should include General Manager, Vice General Manager, Assistant, the information of the heads of various departments and branches, and those whose positions are equivalent to General Manager, Vice President Manager or Assistant, regardless of their titles, should also be disclosed

Note 2: Experience related to the current position, if you have worked in an external auditor firm or related companies during the period disclosed above, you should state your job title and responsible position

Note 3: The Company Chairman and General Manager, in order to improve operational efficiency and decision-making execution, more than half of the Board Directors are not Directors, employees or managers

3.3 Remuneration Paid to Directors, Supervisors, General Managers and Vice General Managers in 2022

3.3.1 Remuneration of Directors and Independent Directors (ID)

April 15, 2023 Unit: NT\$ Thousands

Title	Name	Remuneration								(A+B+C+D) as a % of Net Income (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								(A+B+C+D+E=F=G) as a % of Net Income (Note 10)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay (B)		Remuneration of Directors (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Remuneration of Employees (G) (Note 6)						
		From San Di	From All Consolidated Entities (Note 7)	From San Di	From All Consolidated Entities (Note 7)	From San Di	From All Consolidated Entities (Note 7)	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities (Note 7)	From San Di	From All Consolidated Entities (Note 7)	From San Di	From All Consolidated Entities	From San Di	From All Consolidated Entities	Cash	Shares	Cash	Shares	
Chairman	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling	448	448	-	-	3,885	3,885	-	-	1.16%	1.16%	1,171	1,171	-	-	1,224	-	1,224	-	1.80%	1.80%	N/A
Director	Lou Ying Investment Co., Ltd. Representative: Lee, Tsun-Hsi																					
Director	De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan																					
Director	De Mei Investment Co., Ltd. Representative: Tsai, Yu-Ming																					
Director	Lou Ying Investment Co., Ltd. Representative: Tsai, Ming-Hung																					
Indp. Director	Gu, Mou-Chin																					
Indp. Director	Hong, Ying																					
Indp. Director	Hsiao, Chin-Chung																				N/A	

- Please indicate the policy, system, standard and structure of independent director remuneration payment, and describe the relationship with the amount of remuneration according to the responsibilities, risks, investment time and other factors: provide the public information observatory, under the corporate governance project, relevant information about the remuneration of Directors and supervisors of building materials and construction stocks of listed companies, and query the 2020 annual report of the Company and other companies with the same business items as the Company for information on Directors, supervisors' remuneration and manager's salary for verification
- In addition to the disclosure in the above table, the remuneration received by the Company Director for providing services in the most recent year (such as serving as a consultant for all companies/reinvested enterprises in the parent company and/or indicated on the financial statements that are not employees): N/A

3.3.2 Range of Remuneration

Range of Remuneration Paid to Directors of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the consolidated financial statements (Note 9)	The Company (Note 8)	Companies in the consolidated financial statements (Note 9)
Less than NT\$1, 000,000	Gu, Mou-Chin, Hong, Ying , Hsiao, Chin-Chung	Gu, Mou-Chin, Hong, Ying , Hsiao, Chin-Chung	Gu, Mou-Chin, Hong, Ying , Hsiao, Chin-Chung	Gu, Mou-Chin, Hong, Ying , Hsiao, Chin-Chung
NT\$1, 000,001 ~ NT\$2, 000,000	-	-	-	-
NT\$2, 000,001 ~ NT\$3, 500,000	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling Lou Ying Investment Co., Ltd. Representative: Lee, Tsun-Hsi De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan De Mei Investment Co., Ltd.	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling Lou Ying Investment Co., Ltd. Representative: Lee, Tsun-Hsi De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan De Mei Investment Co., Ltd.	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling Lou Ying Investment Co., Ltd. Representative: Lee, Tsun-Hsi De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan De Mei Investment Co., Ltd.	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling Lou Ying Investment Co., Ltd. Representative: Lee, Tsun-Hsi De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan De Mei Investment Co., Ltd.
NT\$3, 500,001 ~ NT\$5, 000,000	-	-	-	-
NT\$5, 000,001 ~ T\$10,000,000	-	-	-	-
NT\$10,000,001 ~ T\$15, 000,000	-	-	-	-
NT\$15, 000,001 ~ NT\$30,000,000	-	-	-	-
NT\$30,000,001 ~ T\$50,000,000	-	-	-	-
NT\$50,000,001 ~ T\$100,000,000	-	-	-	-
NT\$100,000,001 or over	-	-	-	-
Total	7	7	7	7

Note 1: The Director's name should be separately (juristic person shareholder should list the name of the juristic person shareholder and the representative separately), and the general director and independent director should be listed separately, and the amount of each payment should be disclosed in a summary manner. If Director and General Manager or Vice General Manager should fill out this form and the following table (3-1), or the following table (3-2-1) and (3-2-2).

Note 2: Refers to Director's remuneration in the most recent year (including Director's salary, job bonus, severance pay, various bonuses, incentives, etc.).

Note 3: To fill in the Director's remuneration amount approved by the Board of Directors in the most recent year.

Note 4: Refers to Director's related business execution expenses in the most recent year (including traveling expenses, special expenses, various allowances, dormitories, car distribution, etc.) such as providing housing, cars and other means of transportation or exclusive personal expenses, should disclose the nature and cost of the assets provided, actual or calculated rent at fair market value, fuel and other payments. If there is a driver employed, please indicate it to explain the relevant remuneration paid, but it will not be calculated as remuneration.

- Note 5: Refers to the remuneration of the Directors and Employees (including General Manager, Vice general manager, other Managers and employees) received in the most recent year, including salary, job bonus, severance pay, various bonuses, rewards, traveling expenses, special expenses, various Subsidies, dormitories, car distribution, etc. such as housing, cars and other means of transportation or exclusive personal expenses, should disclose the nature and cost of the assets provided, the actual or fair market rent, oil and others. If you have a driver, please indicate it to explain the Company's relevant remuneration to the driver, but the remuneration is not included in the salary expenses recognized in accordance with IFRS 2 "Share-Based Payment", including the acquisition of employee stock option certificates to limit employees' rights New shares and participation in cash capital increase subscription shares, etc. should also be included in the remuneration.
- Note 6: Refers to the Director and Employee (including General Manager, Vice general manager, other Managers and employees) who have obtained employee bonus (including stock and cash) in the most recent year, and shall disclose the amount of employee bonus distributed by the Director in the most recent year. If it is impossible to estimate, calculate the proposed distribution amount for this year based on the actual distribution amount of last year, and fill in Attachment 1-3.
- Note 7: The total amount of remuneration paid to The Company Director by all companies (including the Company) in the consolidated report (Consolidated Financial Statements) should be disclosed.
- Note 8: The Company pays each Director the total amount of remuneration, and discloses the name of the Director in the attribution level.
- Note 9: The total amount of remuneration paid to each Director of the Company by all companies (including The Company) in the consolidated report (Consolidated Financial Statements) should be disclosed, and the name of the Director should be disclosed in the attributable level.
- Note 10: Net profit after tax refers to the net profit after tax of individual or individual Financial Statements in the most recent year.
- Note 11: a. This column should clearly fill in the amount of remuneration received by the Director of the Company from the reinvestment business other than the subsidiary or the parent company (if there is no one, please fill in "N/A").
b. If the Director of the Company receives remuneration related to the reinvestment business or the parent company from other than the subsidiary, the remuneration received by the Company Director from the reinvestment business or the parent company outside the subsidiary should be included in the remuneration level In column I of the distance table, change the name of the column to "parent company and all reinvested enterprises".
c. Remuneration refers to the remuneration, remuneration (including employee bonus, Director and Supervisor remuneration) and business execution expenses received by The Company Director as the Director, Supervisor or Manager of the transferred investment business other than the subsidiary or the parent company. Relevant honorarium.

* The content of remuneration disclosed in this form is different from the concept of income in the Income Tax Law, so this form is for information disclosure and not for taxation.

3.3.3 Remuneration of General Manager and Vice General Manager

(1) Summary of Remuneration

April 15, 2023 Unit: NTS in Thousands

April 15, 2023 Unit: NTS in Thousands

Title	Name (Note 1)	Base Compensation (A) (Note 2)		Severance Pay (B)		Remuneration of Directors (C) (Note 3)		Allowances (D) (Note 4)				(A+B+C+D) as a % of Net Income (Note 8)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 9)
		From San Di	From All Consolidate d Entities (Note5)	From San Di	From All Consolidated Entities (Note 5)	From San Di	From All Consolidated Entities (Note 5)	From San Di		From All Consolidated Entities		From San Di	From All Consolidated Entities (Note 5)	
								Cash	Shares	Cash	Shares			
General Manager	Chung, Yu-Ling	3,144	3,144	-	-	270	-	3,135	-	3,135	-	1.75%	1.75%	None
Chief Finance Officer	Chen, Shun-Tian													
Vice General Manager	Liao, Jin- Feng													

- Regardless of title, anyone whose position is equivalent to General Manager or Vice President Manager (for example: President, CEO, Director...etc.) should be disclosed
- On March 10, 2023, the Company Board of Directors passed a resolution on the proposal for distribution of 2022 employee bonus (distributed in cash), and the resolution was reported to the General Meeting of Shareholders according to the applicable law.

Range of Remuneration

Range of Remuneration Paid to General Manager and Deputy Managers of the Company	Name of General Manager and Deputy Managers	
	The Company (Note 6)	From All Consolidated Entities (Note 7)
Under NT\$1, 000,000		
NT\$1, 000,000 (including) ~ NT\$2, 000,000 (excluding)	Chung, Yu-Ling, Chen, Shun-Tian, Liao, Jin-Feng	Chung, Yu-Ling, Chen, Shun-Tian, Liao, Jin-Feng
NT\$2, 000,000 (including) ~ NT\$3, 500,000 (excluding)		
NT\$3, 500,000 (including) ~ NT\$5, 000,000 (excluding)	-	-
NT\$5, 000,000 (including) ~ T\$10,000,000 (excluding)		
NT\$10,000,000 (including) ~ T\$15, 000,000 (excluding)	-	-
NT\$15, 000,000 (including) ~ NT\$30,000,000 (excluding)	-	-
NT\$30,000,000 (including) ~ NT\$50,000,000 (excluding)	-	-
NT\$50,000,000 (including) ~ T\$100,000,000 (excluding)	-	-
NT\$100,000,000 or over	-	-
Total	3	3

Note 1: The names of the general manager and vice general manager should be listed separately, and the payment amount should be disclosed in a summary form, if the Director and general manager or vice general manager should fill out this form and the above table (1-1), or (1 -2-1) and (1-2-2).

Note 2: The Salary, job bonus and severance pay for 2022 shall be filled out..

Note 3: It refers to the amount of various kinds of bonuses, incentive payments, traveling expenses, special expenses, various kinds of allowances, dormitory, car allocation and other kinds of remuneration in 2022, Disclosure of the nature and cost of the assets provided, as well as the actual or fair market rent, fuel and other payments, in the case of the provision of houses, cars and other means of transport or exclusive personal expenses, In addition, If there is a driver employed , please note that the Company pays the driver relevant remuneration, but not included in the remuneration, In addition, salary expenses recognized under IFRS 2 "Share-based Payments", including the acquisition of stock warrants, new shares with limited rights of employees and participation in cash increase subscription shares, shall also be included in remuneration.

Note 4: This is a list of the latest annual surplus distribution proposal approved by the Board of Directors before the shareholders' meeting to distribute the employee bonus amount (including stocks and cash) of the general manager and vice general manager. If it is impossible to predict, it will be calculated based on the actual distribution amount of last year. The proposed distribution amount for this year should be included in the attached schedule. After-tax net income refers to the after-tax net income of the most recent year; for those who have adopted the International Financial Reporting Standards, the after-tax net income refers to the after-tax net income of individuals or individual Financial Statements in the most recent year

Note 5: The total amount of remuneration paid to the general manager and vice general manager of the Company by all companies (including the Company) in the consolidated report (Consolidated Financial Statements) should be disclosed

Note 6: The Company pays each general manager and vice general manager the total amount of remuneration, and discloses the names of the general manager and vice general manager in the attribution level

Note 7: The total amount of remuneration paid to each general manager and vice general manager of the Company by all companies (including the Company) in the consolidated report (Consolidated Financial Statements) should be disclosed, and the names of the general manager and vice general manager should be disclosed in the attributable level

Note 8: Net profit after tax refers to the net profit after tax of the most recent year; for those who have adopted the International Financial Reporting Standards, net profit after tax refers to the net profit after tax of individual or individual Financial Statements in the most recent year

Note 9:

- a. This column should clearly indicate the amount of remuneration received by the Company's general manager and vice general manager from the reinvested business outside the subsidiary or the parent company (if there is none, please fill in "N/A")
- b. If the general manager and vice general manager of the Company receive remuneration related to the reinvested business or parent company from outside the subsidiary, they should reinvest the general manager and vice general manager outside the subsidiary into the business or parent company. The remuneration received by the Company is merged into column E of the remuneration scale table, and the name of the column is changed to "parent company and all reinvested enterprises"
- c. Remuneration refers to the remuneration received by the general manager and vice general manager of the

Company as the Director, supervisor or manager of the subsidiary or the parent company's Director, supervisor or manager. Remuneration (including employee, Director and supervisor remuneration) and business execution expenses and other related remuneration

* The content of remuneration disclosed in this form is different from the concept of income in the Income Tax Law, so this form is for information disclosure and not for taxation

(2) Remuneration for the Top Five Highest Paid Executives in the Company (Note 1)

April 15, 2023 Unit: NTS in Thousands

April 15, 2025															Unit: NT\$ in thousands	
Title	Name	Base Compensation (A) (Note 2)		Severance Pay (B)		Remuneration of Directors (C) (Note 3)		Allowances (D) (Note 4)				(A+B+C+D) as a % of Net Income (Note 6)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 7)		
		From San Di	From All Consolidated Entities (Note5)	From San Di	From All Consolidated Entities (Note 5)	From San Di	From All Consolidated Entities (Note 5)	From San Di		From All Consolidated Entities		From San Di	From All Consolidated Entities (Note 5)			
								Cash	Shares	Cash	Shares					
General Manager	Chung, Yu-Ling	1, 171	1, 171	-	-	100	100	1, 224	-	1, 224	-	0.67%	0.67%	N/A		
Chief Finance Officer	Chen, Shun-Tian	931	931	-	-	80	80	1, 078	-	1, 078	-	0.56%	0.56%	N/A		
Vice General Manager	Liao, Jin-Feng	1, 041	1, 041	-	-	90	90	833	-	833	-	0.53%	0.53%	N/A		

Note 1: The so-called "Top Five Executives with the Highest Remuneration" refers to the manager of the Company, and the identification standards for relevant managers are based on the three characters of the Taiwan Finance and Economics Certificate issued by the Securities and Futures Administration Commission of the former Ministry of Finance on March 27, 2003 Order No. 0920001301 stipulating the scope of application of "Managers". As for the calculation and recognition principle of "The Top Five Highest Remuneration", it is based on the Company's Managers receiving salaries, retirement pensions, bonuses and special payments and fees, etc. from all companies in the consolidated Financial Statements and the total amount of employee bonus (that is, the total of A+B+C+D four items), and after sorting, the top five highest rewards will be identified, if the Director and the former supervisor should fill in this form and the above form (1-1)

Note 2: It is the salary, job bonus, and severance pay of the top five executives with the highest compensation in the most recent year

Note 3: It is a list of the various bonuses, bonuses, traveling expenses, special expenses, various allowances, dormitory, car distribution and other remuneration amounts of the top five executives with the highest compensation in the most recent year, such as housing, cars and other means of transportation or for personal expenses, the nature and cost of the assets provided, actual or calculated rent at fair market value, fuel and other payments should be disclosed. If there is a driver employed, please note the relevant remuneration paid by the Company to the driver, but Salary expenses recognized in accordance with IFRS 2 "Share-Based Payment", including the acquisition of employee stock option certificates, new shares with restricted employee rights and participation in cash capital increase subscription shares, etc. should also be included in the remuneration.

Note 4: To fill in the amount of employee bonus (including stock and cash) approved by the Board of Directors to distribute the top five top executives in the most recent year. If it is impossible to predict, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year, and in addition, the Table 1-3 should be filled in.

Note 5: To disclose the total amount of remuneration paid by all companies (including the Company) in the consolidated report (Consolidated Financial Statements) to the top five highest paid executives of the Company

Note 6: Net profit after tax refers to the net profit after tax of individual or individual Financial Statements in the most recent year

Note 7:

a. This column should clearly fill in the amount of remuneration received by the top five executives of the Company from the reinvested business outside the subsidiary or the parent company (if there is none, please fill in "N/A")

b. Remuneration refers to the remuneration received by the top five executives with the highest remuneration of the Company as Director, Supervisor or Manager of the subsidiary or the parent company's reinvestment business, remuneration (including employee, director and supervisor remuneration) and business execution expenses and other related remuneration

* The content of remuneration disclosed in this form is different from the concept of income in the Income Tax Law, so this form is for information disclosure and not for taxation.

Bonus and Remuneration Paid to Employees and Manager(s)

December 31, 2022 Unit: NT\$1, 000

Title	Name	Employee Bonus - in Stock	Employee Bonus - in Cash	Total	Percentage of Total Amount to Net Income After Tax (%)
General Manager	Chung, Yu-Ling	0 Share	3, 725	3, 725	1.00%
Chief Finance Officer	Chen, Shun-Tian				
Vice general manager	Liao, Jin-Feng				
Accounting Manager	Tseng, Li-Fang				

3.3.4 Comparative analysis of the total amount of remuneration paid to the directors, supervisors, audit committee members, general managers and vice general managers of the Company in the most recent two years as a percentage of the net profit after tax of individual financial reports of the Company and explanation of the policy, standard and mix of remuneration, procedures for determining remuneration, and its correlation with business performance and future risks:

1. Analysis of percentage of the total remuneration paid by the Company to all Directors, general managers and vice general managers compared with the after-tax net profit (loss) indicated in the financial reports of the Company in the last two years:

Unit: NT\$1, 000

Title \ Item	2022 (Note)	2021 (Note)
	Percentage of the total remuneration paid by the Company to all Directors, general managers and vice general managers compared with the after-tax net profit (loss) indicated in the financial reports	Percentage of the total remuneration paid by the Company to all Directors, general managers and vice general managers compared with the after-tax net profit (loss) indicated in the financial reports
Director	3.14%	15.35%
Supervisor		
Audit Committee		
General Manager and Vice general manager		

Note: The Company's Chairman is in charge of important matters such as the signing of the Company's bank and related business transactions, and is approved by the Board of Directors to pay monthly remunerations (including food allowances) in accordance with industry standards. Relevant meetings and other related meetings, monthly payment of NT\$ 6,000 for each Director and supervisor. Remuneration for the general manager and vice general manager, including the salary, bonus, etc. shall be paid in accordance with the provisions of Article 34 of the Company's Articles of Incorporation

2. Policies, standards and combinations of remuneration to all Directors, general managers and vice general managers paid by the Company, procedures for determining remuneration, correlation with business performance and future risks

(1) Policies, Standards and Combinations of Remuneration

The Company pays the Director's remuneration according to the resolution adopted by the Remuneration Committee in August 2021, which can be divided into three categories: Director's remuneration, meeting attendance fee and Director's remuneration

(2) Procedures for Determining Remuneration

According to the Articles of Incorporation of the Company, if the Company makes a profit in the current year, it shall distribute no less than 1% of the employee bonus, which shall be distributed by the Board of Directors in the form of stock or cash distribution, and the distribution objects include employees of subordinate companies who meet certain conditions; The Company can increase the amount of profit, and the Board of Directors decides to distribute director's remuneration no higher than 3%. The employee bonus and Director Remuneration should be submitted to the Shareholders' Meeting for reporting

(3) Correlation with Business Performance and Future Risks

The performance evaluation and salary of the Company's Director and Manager not only refer to the usual level of payment in the industry, but also consider the operating results and their contribution to the Company's performance, comprehensively consider the amount of salary, payment method and future risks of the Company, and other matters, and the Company's operating responsibilities and overall performance are highly correlated

3.4 Implementation of Corporate Governance

3.4.1 Status of Board of Directors Meeting

A total of 9 (A) Meetings of the Board of Directors were held in 2022. The Directors' attendance status is summarized as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks (27 th Term of Board of Directors Meeting)
Chairman	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling	9	0	100%	Re-elected on 07/22/2021 as Director
Director	Lou Ying Investment Co., Ltd. Representative: Lee, Tsun-Hsi	8	0	85,7%	Re-elected on 07/22/2021 as Director
Director	De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan	9	0	100%	Re-elected on 07/22/2021 as Director
Director	De Mei Investment Co., Ltd. Representative: Tsai, Yu-Ming	9	0	100%	Re-elected on 07/22/2021 as Director
Independent Director	Gu, Mou-Chin	9	0	100%	Elected on 07/22/2021 as Independent Director
Independent Director	Hong, Ying	9	0	100%	Elected on 07/22/2021 as Independent Director
Independent Director	Hsiao, Chin-Chung	9	0	100%	Elected on 07/22/2021 as Independent Director

Other mentionable items:

- In case of any of the following circumstances in the operation of the Board of Directors, the date and terms of the Board of Directors, the contents of the proposal, all independent directors' opinions and the Company's response to the independent directors' opinions shall be stated:
 - The Matters referred to in Article 14-3 of the Securities and Exchange Law: Please refer to Page 40-41 Summary of Important Resolutions adopted by the Board of Directors
 - Other Board decisions subject to objections or a qualified opinion by the independent director and recorded in record or written statement except previously stated: N/A

2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motion, causes for avoidance and voting should be specified:

Meeting Date (Term/Sitting)	Name	Proposal and Discussion	Reasons for Avoidance of Interests	Status of Participation in Voting
Board of Directors Meeting (27-10 th) 11.04.2022	Chung, Yu-Ling	Proposal for distribution of 2022 Year-end bonus	Related person for distribution of bonus assigned this time	For avoiding interests in accordance with the law, did not participate in the discussion and voting for this proposal
Board of Directors Meeting (27-12 th) 03.10.2022	Chung, Yu-Ling	Proposal for distribution of 2022 Director remuneration and employee bonus	Related person for distribution of remuneration and/or bonus this time	For avoiding interests in accordance with the law, did not participate in the discussion and voting for this proposal

3. TWSE/GTSM listed companies shall disclose information such as the evaluation cycle, period, scope, method and content of the board's self-evaluation (or peer evaluation) and shall complete the form of the Implementation Status of the Board of Directors (Please refer to Table 2)

Table 2: Board of Directors ' Performance Evaluation Implementation Status

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspect
Annual	From January 1, to December 31, 2022	The individual Directors	Internal assessment of the Board of Directors	The individual Directors are assessed on the following six aspects: 1. Understanding of the Company's goals and mission 2. Awareness of Director's duties 3. Involvement in the Company's operations 4. Internal relationship and communication 5. Director's professionalism and continuing knowledge development 6. Internal controls
Annual	From January 1, to December 31, 2022	Functional Committee	Internal assessment of the Functional Committee	The Functional Committee is assessed on the following five aspects: 1. Involvement in the Company's operation 2. Awareness of the audit committee's duties 3. Enhancement of the quality of the audit committee's decision making 4. Makeup of the audit committee and election of its members 5. Internal control
Annual	From January 1, to December 31, 2022	The Board of Directors as a Whole	Self-assessment by each board member	Inspection scope of "Board Performance Evaluation Service": 1. Composition of the Board of Directors 2. Guidance from the Board of Directors 3. Authorization of the Board of Directors 4. Supervision by the Board of Directors 5. Communication of the Board of Directors 6. Internal control system and risk management 7. Self-discipline of the Board of Directors 8. Others such as board meeting, support system, etc.

3.4.2 Audit Committee Meeting Status or supervisors participate in the operation of the Board of Directors:

(1-1) Operation of the Audit Committee

1. The Audit Committee of the Company consists of 3 members. In addition to implementing relevant laws and regulations, it aims to assist the Board of Directors in fulfilling the proper expression of its supervision of the Company's financial statements, the appointment (dismissal) and independence and performance of the external auditor, the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations and the management and control of the Company's existing or potential risks
2. The term of office of the current committee: From July 22, 2021 to July 21, 2024, the Audit Committee has held 8 meetings in the most recent year, and the attendance of the independent director is summarized as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】 (Note)	Remarks
Convener	Gu, Mou-Chin	8	0	100%	
Audit Committee Member	Hong, Ying	8	0	100%	
Audit Committee Member	Hsiao, Chin-Chung	7	0	92.86%	

Other mentionable matters:

- (1) In case of any of the following situations in the operation of the Audit Committee, the Audit Committee's convening date, period, proposal content, independent director's objection, reservation or major proposal content, the Audit Committee's resolution result and the Company's handling of the Audit Committee's comments shall be disclosed.

1. The Matters Requiring Consent referred to in Article in Article 14-5 of the Securities and Exchange Law

Meeting Date (Term/Sitting)	Description of the Proposals	Independent Directors' Suggestions or Objections	Audit Committee's Resolutions	The Company's Responses to audit committee Members
05.04.2022 (27-8) Board Meeting (1-7) Audit Committee Meeting	1. Withdrawal of the Company's purchase of land in Zhongxing Section of Yenchao District from related parties; 2. The Company's financial statements for the first quarter of 2022; 3. Proposal for subscription of liability insurance policy for the Company's Directors and Managers; 4. Proposal for applying a credit loan contract renewal to the Taiwan Cooperative Bills Finance Corporation, Kaohsiung Branch; 5. Proposal for applying a financing credit line from a financial institution for the Company and Proposal for subscription of liability insurance policy for the Company's Directors and Managers	No objections from independent directors	Approved and acknowledged by all audit committee members in attendance	N/A
05.11.2022 (27-8) Board Meeting (1-1) Audit Committee Special Meeting	1. Proposal for conducting private placement of equity-type securities to increase capital of the Company;	No objections from independent directors	Approved and acknowledged by all audit committee members in attendance	N/A

06.16.2022 (27-8) Board Meeting (1-2) Audit Committee Special Meeting	1. Proposal for conducting private placement of equity-type securities in 2022 to increase capital of the Company; 2. Proposal for applying extension and renewal of the credit loan contract between the Company and the KGI Bank ;	No objections from independent directors	Approved and acknowledged by all audit committee members in attendance	N/A
08.05.2022 (27-9) Board Meeting (1-8) Audit Committee Meeting	1. To report the Company's Financial Statements for the 2022 Q2;	No objections from independent directors	Approved and acknowledged by all audit committee members in attendance	N/A
11.04.2022 (27-10) Board Meeting (1-9) Audit Committee Meeting	1. To report the Company's Financial Statements for the year 2022 Q3; 2. Proposal of the 2023 Annual Internal Audit Plan;;	No objections from independent directors	Approved and acknowledged by all audit committee members in attendance	N/A
12.02.2022 (27-11) Board Meeting (1-10) Audit Committee Meeting	1. Proposal for setting the offer price of the first private placement of equity-type securities in 2022 and the base date for capital increase; 2. Proposal of establishing the "General Principles of Pre-approved Non-confirmed Service Policy" of the Company; 3. Proposal for amendments to the "Internal Material Information Processing Procedures" of the Company;	No objections from independent directors	Approved and acknowledged by all audit committee members in attendance	N/A
03.10. 2023 (27-12) Board Meeting (1-11) Audit Committee Meeting	1. Adoption of the 2022 Business Report r; 2. Adoption of the Proposal for Distribution of 2022 Profit; 3. Adoption of the Proposal for Distribution of Cash Dividend; 4. Proposal for the operational Procedures for Endorsements and Guarantees; 5. To evaluate the external CPA's independence and suitability; 6. Adoption of the Proposal for Appointment and remuneration of a CPA of the Company; 7. Proposal for signing the Contract "MOMA 2" with a related party, i.e. the management contract project for the construction project in the land lot No. 35, Mingyi Section, Xiaogang District, Kaohsiung City); 8. Proposal for signing the Contract "MOMA 8" with a related party, i.e. the management contract project for the construction project in the land lot No. . 1617, Guoan Section, Annan District, Tainan City; 9. Adoption of the Proposal for Issuance of the 2022 Internal Control System Statement; 10. To report the 2022 internal audit plan and implementation status;	No objections from independent directors	Approved and acknowledged by all audit committee members in attendance	N/A
03.31.2023 (27-13) Board Meeting (1-12) Audit Committee Meeting	1. Adoption of the Proposal for purchasing a river embankment land located in Sanmin District, Kaohsiung City;	No objections from independent directors	Approved and acknowledged by all audit committee members in attendance	N/A

(2) Other matters not approved by the Audit Committee but approved by more than two-thirds of all the Directors, except those previously mentioned: N/A.

2. If there is any Independent Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motion, causes for avoidance and voting should be specified: N/A

3. Communications between the Independent Directors and the Company's Chief Internal Auditor and the CPAs (it should include major events, methods and results of communication on the Company's financial and business conditions, etc.):

On March 10, 2012, Mr. Chen, Guozong, CPA of KPMG Taiwan, Mr. Chen, Yongxiang, CPA of KPMG Taiwan, and Mr. Kang, Qiongyu, Assistant Manager of KPMG Taiwan, communicated with the Company's independent directors and have discussed the following matters:

Date	Communication Highlights	Results
03.10.2023	End year Financial Statements Review Summary Instructions: Issue a review report with unqualified conclusions	Full communication and attended the Audit Committee Meeting and the Board Meeting
	Annual review planning: scope, team, areas of focus and timetable	
	Important Securities Regulatory and Tax Act Updates	

3.4.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the reasons:

Evaluation Item	Implementation Status (Note)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established and disclosed its Corporate Governance Best-Practice Principles	N/A
2. Shareholding structure & shareholders' rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Company has established a spokesperson system as a channel for external statements, and the stock staff handles relevant shareholder suggestions and doubts related issues	(1)The Company currently has implemented the regulations and rules pursuant to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies without any deviation.
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company entrusts the Transfer Agency Department of the KGI Securities Co., Ltd., to handle stock related affairs, to provide information on the list of major shareholders at any time	(2) N/A
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The Company has established the "Related Party Transaction Management Operational Procedures" as the operating norms for financial and business transactions with related companies, and has established the "Supervision and Management Measures for Subsidiaries" to establish transactions with related companies to complete a risk control mechanism and firewall	(3) N/A
(4) Does the Company have internal regulations to prohibit company insiders from using unpublished information in the market to buy and sell securities?	V		(4) The Company has established internal	(4) N/A

Evaluation Item	Implementation Status (Note)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	Abstract Illustration	
7. Information Disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance (2) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(1) The Company has set up a website and disclosed the relevant information of its financial statements on the Market Observation Post System. (2) The Company has established a spokesperson system as a channel for external statements, and the stock staff handles relevant shareholder suggestions and doubts related issues	(1) N/A (2) English website project has not yet been set up
(3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial reports of the first, second and third quarters and the operating conditions of each month before the prescribed time limit?	V		(3) The Company announces and declares the annual Financial Statements (within three months), the first, second, and third quarter Financial Statements (within 45 days) and the operating conditions of each month (before the 10th day of the next month) within the time limit stipulated in Article 36 of the Securities Exchange Law.)	(3) N/A
8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for Directors and supervisors)?	V		1. The Company has set up a website and maintains smooth communication channels for employee rights, investor relations, supplier relations, and rights of interested parties 2. The Company’s Directors and Supervisors have participated in various corporate governance courses in accordance with the regulations, and report and announce at the MOPS. 3. The Company has purchased liability insurance for its Directors and Supervisors on June 17, 2021	N/A
9. Please refer to the results of the recent annual Corporate Governance Evaluation published by the Corporate Governance Center of Taiwan Stock Exchange to the situation where improvements have been made, and to the areas where improvements have not been made, (Those not listed in the assessed companies do not need to be listed.) The corporate governance evaluation results have been improved and the project focuses on improving information transparency (website disclosure), and priority is given to strengthening the protection of shareholders' rights and interests; the English website project has not yet been set up.				

Note: Whether the operation status is ticked "Yes" or "No", it should be stated in the summary description column,

3.4.4 Composition, Responsibilities and Operation of the Remuneration Committee:

(1) Committee: Composition

1. The number of members of this committee is three, appointed by the resolution of the Board of Directors, one of whom is Convener
2. The professional qualifications and degree of independence of the members of the Committee shall meet the requirements set out in Articles 5 and 6 of the Regulation of the Remuneration Committee Charter, and one of them shall be Convener

Functions of the Committee:

1. Regularly review this regulation and propose amendments
2. Formulate and regularly review the annual and long-term performance goals and salary policies, systems, standards and structures of the Company Director, Supervisor and Manager
3. Regularly evaluate the achievement of the performance goals of the Company Director, Supervisor and Manager, and determine the content and amount of their individual salaries

(2) Professional Qualifications and Independence Analysis of Remuneration Committee Members

Criteria Name Title (Note 1)		Professional Qualifications and Experience	Independent Directors’ Independence Status	Number of Other Public Companies Concurrently Serving as a Compensation Committee Member
Independent Director	Hong, Ying	1. Major experience and education Master, Accounting, University of Washington, U.S. Assistant Manager, RSM US LLP Audit Firm Internal Auditor, Avanade/Accenture CPA, Grant Thornton LLP CPA, Nexia Trans - Asia Associates; Independent Director, Top High Image Corp.; Corporate Financial Advisor, Yakima Products, Inc. 2. Has a CPA Practicing certificate	1. The Director, its spouse, and relatives within the second degree are not employed by the Company or its affiliated companies, and the Director, Supervisor or employee does not hold shares in The Company 2. Not serving as the Director, Supervisor or employee of a company that has a specific relationship with the Company 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years	1
Independent Director	Gu, Mou-Chin	2.Major experience and education Master, Business Administration, College of Management, National Sun Yat-Sen University; Chief/Manager, TC Bank; Vice general manager, Bowa Commercial Bank Ltd. ; CPA, Cheng Yang Audit Firm; CPA, Ching Pu audit firm 2. Has a CPA Practicing	1. The Director, its spouse, and relatives within the second degree are not employed by the Company or its affiliated companies, and the Director, Supervisor or employee does not hold shares in The Company 2. Not serving as the Director, Supervisor or employee of a company that has a specific relationship with the Company	0

		certificate	3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years	
Independent Director	Hsiao, Chin-Chung	3. Major experience and education LL.M. / M.L. College of Law, National Chung Hsing University; Prosecutor, Taichung District Prosecutors Office; Judge, Taichung District Court & Yunlin District Court; Lawyer, Sanming Law Office 2. Has a lawyer license	1. The Director, its spouse, and relatives within the second degree are not employed by the Company or its affiliated companies, and the Director, Supervisor or employee does not hold shares in The Company 2. Not serving as the Director, Supervisor or employee of a company that has a specific relationship with the Company 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years	0

Note 1: Please indicate whether you are a Director, independent director or others.

Note 2: Please tick (✓) the corresponding boxes that apply to a member during the two years prior to being elected or during the term (s) of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a Director or supervisor of the Company or its related enterprises (except for the independent director appointed by the Company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this law or the law of the local country)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.
- (4) Not a manager as listed in (1) or a spouse or direct blood relative within second or third degree of kinship as listed in (2) or (3).
- (5) Not a Director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings, or appoint representatives as Directors or supervisors of the Company in accordance with Item 1 or Item 2 of Article 27 of the Company Law (unless the independent director established by the Company and its parent company, subsidiaries or subsidiaries of the same parent company are concurrently employed).
- (6) Not a Director, supervisor, or employee of a corporate shareholder holding half of the shares of the Company or having voting rights of other companies controlled by the same person (except for those who are independent directors of the Company or its parent company, subsidiaries or subsidiaries of the same parent company established in accordance with this Law or local laws and regulations).
- (7) Not the same person or spouse as the chairman, general manager or equivalent person of the Company or a Director, supervisor or employee of another company or institution (except that the independent director established by the Company and its parent company, subsidiary or subsidiary of the same parent company in accordance with this Law or local laws and regulations).
- (8) Not a Director, supervisor, manager or shareholder holding more than 5% of the shares of a specific company or institution that has no financial or business dealings with the Company (except that a specific company or institution holds more than 20% but not more than 50% of the total issued shares of the Company, and the Independent Director established by the Company and its parent company, subsidiaries or subsidiaries belonging to the same parent company are concurrently appointed according to this law or local laws and regulations).

- (9) Not a professional individual, who is an owner, partner, Director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof or who have received related services such as business, legal affairs, finance and accounting in the last two years with accumulated amount no more than NT\$500,000, However, members of the Remuneration Committee, the Public Takeover Review Committee or the Special Committee for Mergers and Acquisitions who perform their functions and powers in accordance with the Securities Exchange Law or relevant laws and regulations of the Enterprise Mergers and Acquisitions Law shall not be subject to this restriction.

- (10) Not a person of any conditions defined in Article 30 of the Company Law.

(3) Attendance of Members at Remuneration Committee Meetings

1. There are 3 members in the Remuneration Committee of the Company.
2. The term of office of the committee member: from July 22, 2021 to July 21, 2024.

A total of five (5) Remuneration Committee meeting have been held in 2022. The attendance record of the Remuneration Committee members was summarized as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Hong, Ying	2	0	100%	07.22.2021, Newly-elected
Committee Member	Gu, Mou-Chin	2	0	100%	07.22.2021, Newly-elected
Committee Member	Hsiao, Chin-Chung	2	0	100%	07.22.2021, Newly-elected

Other mentionable items:

1. If the Board of Directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g. the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): N/A.
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: N/A.

Note: (1) For those who leave the remuneration committee before the end of the year, they should indicate the date of resignation in the Remarks column, and the actual attendance rate (%) is calculated based on the number of meetings of the remuneration committee during their tenure and the times of actual attendance.

- (2) Before the end of the year, if there is re-election of the remuneration committee, the new and former members of the remuneration committee should be listed, and the member should be indicated in the Remarks column as the former, new or re-elected and the actual attendance rate of the date of re-election (%) is calculated based on the number of meetings held by the Remuneration Committee and the number of actual attendances during the period of employment

- (3) The Company has re-elected members of the Remuneration Committee on July 22, 2021.

(4) Remuneration Committee Implementation Status

Meeting Date (Term/Sitting)	Proposals and Discussions	Results of Remuneration Committee Resolutions	The Company's handling of the remuneration's committee's opinion
Remuneration Committee Meeting (5-3) 11.04.2022	1. Proposal for payment of the 2022 annual bonus to Managers	Approved and acknowledged by all Remuneration Committee members in attendance	Action has been taken pursuant to the adopted resolution
Remuneration Committee Meeting (5-4) 03.10.2023	1. Proposal for payment of the 2022 annual bonus of the Company 2. Proposal for payment of the 2022 manager remuneration and employee bonus of the Company	Approved and acknowledged by all Remuneration Committee members in attendance	Action has been taken pursuant to the adopted resolution

- (5) Information on members of the nomination committee and information on its operation: The Company does not have a nomination committee, so it is not applicable.

3.4.5 Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation item	Implementation Status (Note 1)			Non-Implementation and its reason(s)
	Yes	No	Abstract Explanation (Note 2)	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		1. The Company formulates corporate social responsibility policies or systems 2. The Company has not held regular social responsibility education and training 3. The Company is currently committed to the operation of corporate social responsibility 4. The Company formulates a reasonable salary and remuneration policy, and combines it with the employee performance appraisal system, and establishes a clear and effective reward and punishment system	1. The Company currently has a "Corporate Social Responsibility Policy" 2. The Company has not yet organized social responsibility education and training courses
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to Company operation, and establish risk management related policy or strategy?	V		1. The Company has a staff unit that promotes sustainable development; The Company is committed to improving the environment at the source, and properly handles the substances that pollute the environment from the beginning of land preparation 2. The Company establishes an appropriate environmental management system in accordance with relevant laws and regulations 3. The Company promotes the greening of the environment of each resident, responds to the energy-saving and carbon-reduction policy, and encourages employees to respond to environmental protection. Measures such as waste paper recycling	The Company currently complies with the Code of Practice for Corporate Social Responsibility Policy
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics? (2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact? (3) Does the Company evaluate current and future climate change potential risks and opportunities and take Procedures related to climate related topics? (4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V V V V		Refer to the Company's official website: (1) The Company has transformed into a service industry; the integration, publicity and promotion of relevant environmental management systems are as follows: 1. Air-conditioning temperature control does not leak out: Turn on the air conditioner less and open the windows more; do not wear a suit and tie on non-specific occasions; the air conditioner is controlled at 26-28°C and does not leak out 2. Turn off the light and pull out the plug: Turn off the lights and turn them off, pull out the plug; review the lighting requirements, improve lighting performance, and reduce the number of redundant lamps 3. Energy saving, water saving and more money saving: Gradually change traditional tungsten filament bulbs into energy-saving lamps, use showers instead of baths, save electricity, water and money 4. Check the label for green procurement: Buy products with environmental protection labels, energy-saving labels, water-saving labels	The Company meets the regulations and rules stipulated in the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies

Evaluation item	Implementation Status (Note 1)			Non-Implementation and its reason(s)
	Yes	No	Abstract Explanation (Note 2)	
			and high EER values, saving energy and reducing carbon emissions while being environmentally friendly 5. Choose a car to help reduce carbon emissions: Choose oil and gas dual fuel, oil-electric hybrid or electric vehicles and power tools, and develop the habit of turning off the engine when parking; take more public transportation to reduce the number of times one person drives and rides a motorcycle 6. Iron Horse Walking and Health Care: Take more stairs, take less elevators, often ride iron horses when going out to work, walk more, increase time for exercise and fitness 7. Eat more vegetables and less meat: Love to use local ingredients; one day a week or one vegetarian meal a day; eat as much as you want to reduce carbon emissions 8. Bring your own cups, chopsticks, handkerchiefs and bags: Bring your own portable cups, reusable chopsticks, handkerchiefs and shopping bags; drink less bottled water; fewer disposable items 9. Use resources sparingly and take care of the earth: Use double-sided paper; use recycled paper to save faucets and toilets; do not over pack products; recycle resources (2) The Company continues to assess the current and future potential risks and opportunities of climate change on the Company, and adopts countermeasures for climate-related issues	
4. Social Topic (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles? (2) Has the Company established appropriately managed employee welfare Procedures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation? (3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training? (4) Has the Company established effective career development training plans? (5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety,	V	V	(1) The Company complies with relevant laws and regulations, abides by labor laws and international human rights conventions, formulates relevant management policies, and protects the rights and interests of employees (2) The Company stipulates that the weekly working hours should not exceed the maximum limit of local laws and regulations. Unless it is an emergency or abnormal situation, the working hours of a week including overtime should not exceed 44 hours, and employees should be allowed to rest for at least 2 hours on 7 days a week. days; The Company shall pay its employee wages in compliance with all applicable wage laws, including laws regarding minimum wages, overtime hours and statutory benefits. According to the Labor Standards Act, employees should be paid overtime wages higher than the normal hourly wage level, which is prohibited Deductions from wages as a means of disciplinary action (3) The Company conducts annual power maintenance and regular inspections of related electrical equipment; building public security inspections and fire safety inspections, maintenance, maintenance, etc. to ensure workplace safety for employees	The Company website discloses relevant corporate social responsibility information

Evaluation item	Implementation Status (Note 1)			Non-Implementation and its reason(s)
	Yes	No	Abstract Explanation (Note 2)	
privacy, sales, labeling and set policies to protect consumers' or customers' rights and consumer appeal procedures? (6) Has the Company (6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		The Company attaches great importance to the safety and hygiene of its employees. From the traffic safety of employees commuting to and from work, the physical examination before employment and the health examination of employees, and the publicity of safety and health education, each employee is insured for group insurance, including life insurance, accident insurance, Accidental injury medical insurance, hospitalization medical insurance are covered, hope employees can take care of their own health in daily life, enjoy comprehensive care and protection, no worries (4) The Company includes new employee training, management function training, professional and technical function training, etc. and adopts the method of company assignment and individual application. The Company's 2021 education and training is in good condition. (5) 1.The Company formulates measures to protect the confidentiality of the identity of suppliers and employees Whistleblowers (those who report violations to rights units or personnel) should formulate communication measures so that employees can raise concerns without fear of retaliation 2. The Company promises to keep the personal information of all persons with whom it does business (including suppliers, customers, consumers and employees) confidential, and such confidentiality behaviors shall comply with the reasonable expectations of such persons for collection, storage, processing, transmission and sharing When dealing with personal information, laws and regulations related to privacy and information security shall be complied with (6) The Company has made positive achievements in formulating supplier management policies, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights	
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance?		V	The Company has not referred to the internationally accepted reporting standards; nor has it obtained affirmative or guaranteed opinions from third-party verification units	Not yet implemented
6. If the Company has its own sustainable development code in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies", please describe the difference between its operation and the code: The Company adopted the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies" at a Board of Director's Meeting on March 20, 2020. The name of the Corporate Social Responsibility Best Practice Principles has not yet been amended to the "Sustainable Development Best Practice Principles". Its operation does not differ from that of the Corporate Social Responsibility Best Practice Principles. 7. Other important information that helps to understand the operation of corporate social responsibility: N/A				

Note 1: If you ticked "Yes" for the operation status, please explain in detail the important policies, strategies, measures

and implementation status adopted; if you ticked “No” for the operation status, please specify in the " Non-Implementation and its reason(s)" column explains the differences and reasons, and explains the plan to adopt relevant policies, strategies and measures in the future.

Note 2: The principle of materiality refers to issues related to environment, society and corporate governance that have a significant impact on company investors and other stakeholders.

Note 3: For the method of disclosure, please refer to the best practice reference example on the new website of the Taiwan Stock Exchange Corporate Governance.

3.4.6 Implementation Status of the “Ethical Corporate Management Best Principles for TWSE/GTSM Listed Companies, Deviations and Causes for the Difference

Assessment Item	Implementation Status (Note)			Deviations and Causes for the Difference
	Yes	No	Summary	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (1) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has established a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies (3) Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	V		(1) The Company expresses its ethical corporate management policy in its regulations and external documents, and actively implements the commitments made by the Board of Directors and management (2) The Company formulates a plan to prevent dishonesty, and the operating procedures in the plan, conduct guidelines and strengthen education and training (3) The Company formulates a plan to prevent dishonesty, prevents business activities with a high risk of dishonesty (bribery, bribery) within the business scope, and adopts preventive measures	N/A
2. Ethic Management Practice (1) Whether the Company has assessed the ethics records of which it has business relationship with and includes business conduct and ethics related clauses in the business contracts? (2) Whether the Company has established a unit which is dedicated to promoting the Company’s ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation? (3) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly? (4) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit	V	V	(1) The Company evaluates the integrity record of the counterparty, and clearly stipulates the terms of honest behavior in the contract signed with the counterparty (2) The Company has not yet set up a unit to promote corporate integrity management under the Board of Directors (3) The Company formulates policies to prevent conflicts of interest and provides appropriate representation channels (4) The Company establishes an effective accounting system and internal control system in order to implement honest management, and the internal audit unit regularly checks, or entrusts an accountant of KPMG	N/A

Assessment Item	Implementation Status (Note)			Deviations and Causes for the Difference
	Yes	No	Summary	
plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically? (5) Does the Company provide internal and external ethical conduct training programs on a regular basis?		V	Taiwan to perform the check (5) The Company has not yet organized regular education and training on integrity management, and employees of the Company participate in internal and external training courses	Declared orally
3. Implementation of Complaint Procedures (1) Does the Company establish specific complaint and reward procedures, established conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received? (2) Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner? (3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	V V	 V V	(1) The Company provides mailboxes to establish whistle-blowing channels and reward systems, and assigns appropriate specialists to handle whistleblowers (2) The Company has not formulated the investigation standard operating procedures and related confidentiality mechanisms for accepting reports (3) For the operation of The Company's reporting system, the management shall take measures to protect whistleblowers from being improperly dealt with due to reporting	N/A
4. Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)	V		The Company's official website reveals the corporate governance principles set by The Company team	
5. If the Company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: N/A				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the Company's corporate conduct and ethics policy): N/A				

Note: Whether the operation status is ticked "Yes" or "No", it should be stated in the summary description column.

3.4.7 If the Company has established the corporate governance code and relevant rules, it shall disclose its inquiry methods: Our Company regularly and irregularly reports various financial and business information at the Market Observation Post System (MOPS) according to the regulations, our website is: <http://www.glotechgf.com>.

3.4.8 Other important information that can enhance the understanding of corporate governance operation: N/A.

3.4.9 Internal Control System Execution Status

1. Statement of Internal Control System

San Di Properties Co., Ltd.
Statement of Internal Control System

March 10, 2023

Based on the findings of a self-assessment, San Di Properties Co., Ltd. (San Di) states the following with regard to its internal control system during the year 2022:

1. San Di's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. The internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and San Di takes immediate remedial actions in response to any identified deficiencies.
3. San Di evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.
4. San Di has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, San Di believes that, on December 31, 2022, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of San Di's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was adopted by the Board of Directors (total 7 Directors present) Meeting held on March 10, 2023 with none of them expressing dissenting opinions, and the remainder all affirming the content of this Statement

San Di Properties Co., Ltd.

Chairman: **Chung, Yu-Ling**
General Manager: **Chung, Yu-Ling**

2. If a CPA is appointed to conduct a special audit of internal control system, provide its audit report:
N/A

3.4.10 If the Company and its internal staff have been punished according to law in the recent year and up to the date of publication of the annual report, or the Company and its internal staff have been punished for violating the provisions of the internal control system, and the punishment result may have a significant impact on shareholders' rights and interests or securities prices, the contents of the punishment, major deficiencies and improvement shall be listed: N/A

3.4.11 Important resolutions adopted by the shareholders' meeting and the board meeting in the most recent year and up to the publication date of the annual report.

1. Major resolutions of the shareholders' meeting 2022 and Implementation Status:

Name and Date of Meeting (Term/Sitting)	Major Resolutions	Implementation Status
The 1st ordinary shareholders meeting Dated 06,21, 2022	1. Reports 1. 2021 Business Report 2. The Audit Committee's Review Report on the 2021 Financial Statements 3. The Status of Distribution of 2021 employee bonus and remuneration of board Directors and supervisors 4. The Status of Implementation of Capital Decrease for Sound Business Operation 2. Acknowledgement 1. Adoption of 2021 Business Report and Financial Statements 2. Adoption of the Proposal for distribution of 2021 Profits 3. Proposals and Discussions 1. Amendment to the Company's Articles of Incorporation 2. Amendment to the Operation Procedures for Acquisition and Disposal of Assets 3. Amendment to the Operation Procedures for Loaning of Company Funds 4. Amendment to the Operation Procedures for Endorsements and Guarantees 5. Amendment to the Rules of Procedure for Shareholder Meetings 6. Proposal for Cash Offering by private placement	Pursuant to the Resolutions Adopted

2. Summary of important resolutions of the Board of Directors:

Name and Date of Board Meeting (Term/Sitting)	Major Resolutions	Matters listed in Article 14-3 of the Securities and Exchange Act	If an Independent Director Expresses Any Objection or Reservation
05. 04. 2022 (27-8) Board Meeting	1. Withdrawal of the Company's purchase of land in Zhongxing Section of Yenchao District from related parties; 2. The Company's financial statements for the first quarter of 2022; 3. Proposal for subscription of liability insurance policy for the Company's Directors and Managers; 4. Proposal for applying a credit loan contract renewal to the Taiwan Cooperative Bills Finance Corporation, Kaohsiung Branch; 5. Proposal for applying a financing credit line from a financial institution for the Company 6. To approve the proposals raised by shareholders of the Company at the 2021 Annual General Shareholders Meeting	V V - V - -	N/A

05. 11. 2022 (27-1) Board Meeting	1. Proposal for conducting private placement of equity-type securities to increase capital of the Company;	V	N/A
06. 16. 2022 (27-2) Board Meeting	1. Proposal for conducting private placement of equity-type securities in 2022 to increase capital of the Company (Supplementary matters); 2. Proposal for applying extension and renewal of the credit loan contract between the Company and the KGI Bank ;	V V	N/A
08. 05. 2022 (27-9) Board Meeting	1. To report the Company's Financial Statements for the 2022 Q2; 2. Adoption of the Proposal for Operational Procedures of the Company's Petty Cash	V V	N/A
11. 04. 2022 (27-10) Board Meeting	1. Proposal of the Distribution of 2022 Annual Bonus of the Company 2. To report the Company's Financial Statements for the year 2022 Q3; 3. Proposal of the 2023 Annual Internal Audit Plan;;	V V V	N/A
12. 02. 2022 (27-11) Board Meeting	1. Proposal for setting the offer price of the first private placement of equity-type securities in 2022 and the base date for capital increase; 2. Proposal for applying a financing credit line from a financial institution for the Company 3. Proposal of establishing the "General Principles of Pre-approved Non-confirmed Service Policy" of the Company; 4. Proposal for amendments to the "Internal Material Information Processing Procedures" of the Company;	V V V V	N/A
03.10. 2023 (27-12) Board Meeting	1. Adoption of the 2022 Business Report; 2. Adoption of the Proposal for Distribution of 2022 Profit; 3. Adoption of the Proposal for Distribution of employee bonus and director's remuneration ; 4. Proposal for the operational Procedures for Endorsements and Guarantees; 5. To evaluate the external CPA's independence and suitability; 6. Adoption of the Proposal for Appointment and remuneration of a CPA of the Company; 7. Proposal for signing the Contract "MOMA 2" with a related party, i.e. the management contract project for the construction project in the land lot No. 35, Mingyi Section, Xiaogang District, Kaohsiung City); 8. Proposal for signing the Contract "MOMA 8" with a related party, i.e. the management contract project for the construction project in the land lot No. 1617, Guoan Section, Annan District, Tainan City; 9. Adoption of the Proposal for Issuance of the 2022 Internal Control System Statement; 10. To report the 2022 internal audit plan and implementation status; 11. Proposal for determining the time, place, and agenda of The Company's 2023 General Meeting of Shareholders, and the period for accepting proposals from shareholders holding more than 1% of the total number of issued shares, as well as matters related to the premises 12. Proposal for Amendment to The Company's "Board of Directors Rules of Procedure" .	V V - V V V V V V - -	N/A
03. 31. 2023 (27-13) Board Meeting	1. Adoption of the Proposal for purchasing a river embankment land located in Sanmin District, Kaohsiung City;	V	N/A

3. Evaluation on the Certified CPA's Independence

The standards for evaluating CPA's independence and competency are summarized as below:

Evaluation Item (Independence and Suitability)	Yes	No	Remarks
1. Does the CPA act as a director of The Company or a director of an affiliated company?		V	
2. Is the CPA a shareholder of The Company or an affiliated enterprise?		V	
3. Is the CPA paid by The Company or an affiliate?		V	
4. Whether the CPA has confirmed that the external audit firm to which it belongs has complied with the relevant independence norms	V		
5. CPA has not served as Company Director, Manager, or in positions that have major impact on Company's audits within 1 year of termination.		V	
6. The CPA has never provided the Company with the audit service for consecutive 7 years.	V		
7. Whether the CPA meets the requirements about independence referred to in the Statement of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10, and whether the Company acquires the "Statement of Independence" issued by the CPA.	V		
8. Does the Accounting firm of CPA have sufficient scale and resources to handle company audit services?	V		
9. Does the Accounting firm of CPA notify the management of any significant problems and developments in risk management, corporate governance, financial accounting and related risk control in a timely manner?	V		
Evaluation Results: The 2022 financial statements of the Company have been certified by the appointed CPAs of the audit firm KPMG, Taiwan by Mr. Chen, Yong-Hsiang and Mr. Chen, Guo-Tsun, the CPA's independence and competency have been evaluated be satisfactory.			

Note: The audit quality index (AQI) data provided by the Accounting firm of CPA has been obtained and incorporated it into the consideration of the appointment (continuation) of the external auditor for the fiscal year 2023

3.4.12 In the most recent year and as of the date of publication of the annual report, Directors or Supervisors have different opinions on important resolutions passed by the Board of Directors and have recorded written statements, and its main content: N/A

3.5 Audit Fee Information

(1) The amount of audit fees and non-audit fees paid to CPA and its affiliated Accounting firm of CPA and the content of non-audit services are summarized as follows:

Unit: NTS in Thousands						
Audit Firm	Name of CPA	Audit Period	Audit Fee	Non-Audit Fee	Total	Remarks
KPMG Taiwan	Chen, Yong-Hsiang	From 01. 01. 2022 to 12. 31. 2022	1, 450	83	1, 533	
	Chen, Guo-Tsun					

Note: Non-auditing public expenses - refers to the translation fees for English financial report and the miscellaneous expenses and costs paid in advance.

Note 1: If the Company has changed its accountant or the external audit firm this year, please indicate the audit period separately, explain the reason in the remarks column, and disclose the audit and non-audit public fees paid in order.

Note 2: The service items in the non-audit public fee table are listed separately. If the "other" of the non-audit public fee reaches 25% of the total amount of the non-audit public fee, the service content should be indicated in the Remarks column

- (2) The above-mentioned public audit fee refers to the public fee paid by the Company to the external auditor for auditing, reviewing and certifying the relevant Business Report and Financial Statements.

3.6 Information Regarding the Change of Accountant: N/A.

3.7 The Company's Chairman, President, Chief Financial Officer or Chief Accounting Officer Who Has Worked for the CPA's Firm or Its Affiliates during the Last Fiscal Year: N/A.

Note: The affiliated enterprises of the firm to which the external auditor belongs refer to any of its CPA holds more than 50% of the shares or obtain more than half of the director seats, or the firms to which the external auditor belongs are announced or companies or institutions listed as affiliated companies in published materials

3.8 Status of any Transfer of Shareholdings and Changes in Equity Pledge from the Directors, Managers and Shareholder(s) Holding More Than 10% of the Shares up to the publishing date of the annual report in the Most Recent Years:

- (1) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Title (Note 1)	Name	2022		As of April 15, 2023 (Note 3)	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Lou Ying Investment Co., Ltd. Representative: Chung, Yu-Ling	-	-	6,226,333	-
Director	Lou Ying Investment Co., Ltd. Representative: Lee, Tsun-Hsi	-	-	0	-
Director	De Mei Investment Co., Ltd. Representative: Tsai, Yu-Ming	-	-	0	-
Director	De Mei Investment Co., Ltd. Representative: Chiang, Shih-Yuan	-	-	984,348	-
Independent Director	Gu, Mou-Chin	-	-	0	-
Independent Director	Hong, Ying	-	-	0	-
Independent Director	Hsiao, Chin-Chung	-	-	0	-
General Manager	Chung, Yu-Ling	-	-	0	-
Chief Finance Officer	Chen, Shun-Tian	-	-	0	-
Vice General Manager	Liao, Jin-Feng	-	-	0	-
Accounting Manager	Tseng, Li-Fang	-	-	0	-
Major Shareholder	San Di Construction Co., Ltd.	677,000	-	15,546,907	4,405,500
Major Shareholder	San Cia Development Construction Co., Ltd.	20,000,000	-	20,000,000	

Note 1: Shareholders holding more than 10% of the Company's total shares should be marked as major shareholders and listed separately

Note 2: The counterparty of The Company's equity transfer or equity pledge is not a related party

Note 3: The Company reduces the amount of its share capital to make up for losses, and the shareholders of the shareholder list on the base date of the capital reduction and share exchange and their holdings will cancel the shares in proportion

- (2) Equity transfer information: N/A

- (3) Equity pledge information: N/A

3.9 Relationship Among the Top Ten Shareholders

Name (Note 1)	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Note
	Shares	%	Shares	%	Shares	%	Shares	%	
San Cia Development Construction Co., Ltd. Representative: Chung, Yu-Ling	20,000,000	21.93%					Chung, Chia-Tsun	first-degree relative (FDR)	
San Di Construction Co., Ltd. Person in Charge: Chung, Yu-Ling	15, 546,907	17.05%					Chung, Chia-Tsun	first-degree relative (FDR)	
Lou Ying Investment Representative: Chung, Yu-Ling	6,226,333	6.83%					Chung, Chia-Tsun	first-degree relative (FDR)	-
Lou Ying Investment Representative: Lee, Tsun-Hsi							-	-	
Chung, Chia-Tsun	5, 908,001	6.48%					San Di Construction Co., Ltd.	Person-in-charge of the Company is FDR	-
							Lou Ying Investment Co., Ltd.	Representative is FDR	
Qi, Pei-Feng	4,128,014	4.53%					-	-	-
Jia Hsueh Investment Co., Ltd.	2, 861, 160	3.14%					-	-	-
Chang, Chao-Fan	1, 983, 000	2.17%					-	-	-
Chen, Hsueh-Chen	1, 710,141	1.88%					-	-	-
Lintien Investment Co., Ltd.	1, 654,624	1.81%					-	-	-
Chen, Shih-Heng	1, 640,252	1.8%					-	-	-

Note 1: All the top ten shareholders should be listed, and those who belong to the judicial person shareholder should indicate the name of the judicial person shareholder and the name of the representative separately

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of oneself, spouse, minor children or in the name of others

Note 3: The shareholders listed above include judicial persons and natural persons, and the relationship between them should be disclosed in accordance with the issuer's Financial Statements preparation rules

3.10 The Number of Shares Held by the Company, the Directors, Supervisors, Managers, and Businesses Directly or Indirectly Controlled by the Company in the Same Joint Venture, and the Combined Shareholding Percentage: N/A

4. Capital and Shares

4.1 Capital and Shares (including Preferred Shares):

4.1.1 Capital and Shares

A. Source of Shares

As of April 15, 2023

Year/ Month	Par Value (NT\$)	Authorized Capital		Paid-up Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Source of Capital (Shares)	Capital Increased by Assets Other than Cash	Others
09.10.1955	10	700,000	7,000,000	700,000	7,000,000	Fully Paid-Up	N/A	N/A
06.15.1956	10	900,000	9,000,000	900,000	9,000,000	Capital Increase 200,000	N/A	N/A
05.02.1960	10	1,800,000	18,000,000	1,800,000	18,000,000	Capital Increase 900,000	N/A	N/A
07.08.1962	10	2,250,000	22,500,000	2,250,000	22,500,000	Capital Transfer 450,000	N/A	N/A
05.23.1965	10	4,500,000	45,000,000	4,500,000	45,000,000	Capital Increase 2,110,000 Retained Earnings 140,000	N/A	N/A
10.28.1967	10	6,300,000	63,000,000	6,300,000	63,000,000	Capital Increase 1,800,000	N/A	N/A
08.16.1969	10	9,000,000	90,000,000	9,000,000	90,000,000	Capital Increase 1,510,000 Retained Earnings 1,190,000	N/A	N/A
12.16.1974	10	10,350,000	103,500,000	10,350,000	103,500,000	Retained Earnings 1,350,000	N/A	N/A
02.11.1976	10	20,000,000	200,000,000	20,000,000	200,000,000	Capital Transfer 9,650,000	N/A	N/A
08.18.1980	10	30,000,000	300,000,000	30,000,000	300,000,000	Retained Earnings 686,234 Capital Transfer 9,313,766	N/A	N/A
05.27.1987	10	42,000,000	420,000,000	42,000,000	420,000,000	Capital Increase 12,000,000	N/A	Note 1
01.22.1980	10	64,260,000	642,600,000	64,260,000	642,600,000	Capital Increase 21,000,000 Capital Transfer 1,260,000	N/A	Note 2
03.18.1996	10	70,686,000	706,860,000	66,637,620	666,376,200	Capital Transfer 2,377,620	N/A	Note 3
04.21.1998	10	110,686,000	1,106,860,000	84,637,620	846,376,200	Capital Increase 18,000,000	N/A	Note 4
08.11.1998	10	110,686,000	1,106,860,000	93,101,380	931,013,800	Capital Transfer 8,463,760	N/A	Note 5
12.08.1999	10	110,686,000	1,106,860,000	102,411,518	1,024,115,180	Capital Transfer 9,310,138	N/A	Note 6
01.20.2021	—	110,686,000	1,106,860,000	51,205,759	512,057,590	Capital Decrease 512,057,590	N/A	Note 7
12.20.1221	10	110,686,000	1,106,860,000	71,205,759	712,057,590	Capital Increase 200,000,000	N/A	Note 8
12.12.2022	10	150,000,000	1,500,000,000	91,205,759	912,057,590	Capital Increase NT\$ 200,000	N/A	Note 9

Note 1: Approved on January 14, 1987, Ref. Taiwan Finance and Economics (1) No. 00041

Note 2: Approved on October 05, 1989, Ref. Taiwan Finance and Economics (1) No. 26210

Note 3: Approved on January 03, 1986., Ref. Tai Cai Zheng (1) No. 66631

Note 4: Approved on January 16, 1988, Ref. Taiwan Financial Certificate (1) No. 13079

Note 5: Approved on June 11, 1988, Ref. Taiwan Financial Certificate (1) No. 51392

Note 6: Approved on October 8, 1999, Ref. Taiwan Finance and Economics No. 89001

Note 7: Approved on January 18, 2021, Ref. Jinguan Zhengfazi No. 1090379944

Note 8: Approved on October 20, 2021, Ref. Jinguan Zhengfazi No. 1100359119

Note 9: Approved on December 28, 2022, Ref. SZ No. 11101245080

B. Type of Stock

April 15, 2023

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued shares	Total Shares	
Common Stocks	91,205,759	58,794,241	150,000,000	The common stocks have been listed on the stock exchange market
Preferred Stocks	-	-	-	-
Total	91,205,759	58,794,241	150,000,000	-

4.1.2 Status of Shareholders

April 15, 2023

Status Quantity	Government Agencies	Financial Institutions	Corporate Representative Director	Other Judicial Persons	Individuals	Foreign Institutions and Foreigners	Total
Number of shareholders	0	1	101	2	7,524	16	7,644
Shareholding (shares)	0	89	52, 258,574	98,610	37,885, 412	963, 074	91, 205,759
Percentage (%)	0.00%	0.00%	57.30%	0.11%	41.53%	1.06%	100%

Note: The TWSE/GTSM listed Companies and the Emerging Stock Companies should disclose the shareholding ratio of their mainland investors; mainland investors refer to the mainland people, juristic person, and groups stipulated in Article 3 of the Mainland China People's Investment Permit Regulations in Taiwan, other institutions or companies investing in third regions

Information about the Notification System

as of April 15, 2023

Type of Security	Expected Issuance Quantity and Amount		Issued Quantity and Amount		Issue purpose and expected benefits	Scheduled issuance period for unissued parts	Remarks
	Total (Shares)	Amount Approved (NT\$)	Shares	Amount (NT\$)			
Common Shares	150,000,000	1,500,000,000	91,205,759	912,057,590	-	-	-

4.1.3 Shareholding Distribution Status (Par Value NT\$ 10)

As of April 15, 2023

Class of Shareholding (Shares)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	5, 600	1, 30,25	1.13%
1, 000 ~ 5, 000	1, 531	3, 037,459	3.33%
5, 001 ~ 10,000	238	1, 858,553	2.04%
10,001 ~ 15, 000	69	880,532	0.97%
15, 001 ~ 20,000	28	499,607	0.55%
20,001 ~ 30,000	47	1, 164,251	1.28%
30,001 ~ 40,000	23	813, 537	0.89%
40,001 ~ 50,000	20	942, 868	1.03%
50,001 ~ 100,000	30	2, 223, 819	2.44%
100,001 ~ 200,000	23	3, 245, 992	3.56%
200,001 ~ 400,000	13	3, 271, 877	3.59%
400,001 ~ 600,000	3	1, 481, 672	1.62%
600,001 ~ 800,000	2	1, 511, 767	1.66%
800,001 ~ 1, 000,000	4	3, 719,348	4.08%
1, 000,001 or over	13	65, 524,452	71.83%
Total	7,644	91, 205, 759	100.00%

Preferred Stocks (Par Value NT\$ 10)

As of April 15, 2023

Shareholding classification	Numbers of Shareholders	Shareholding (Quantity)	Shareholding (Percentage)
Classification according to the actual situation	-	-	-
Total	-	-	-

4.1.4 List of Major Shareholders

As of April 15, 2023

Shareholder's Name	Shares	Shareholding (Shares)	Percentage
San Cia Development Construction Co., Ltd.		20,000,000	21.93%
San Di Construction Co., Ltd.		15, 546,907	17.05%
Lou Ying Investment Co., Ltd.		6,226,333	6.83%
Chung, Chia-Tsun		5, 908,001	6.48%

4.1.5 Market Price, Net Worth, Earnings and Dividends per Share in Latest Two Years

Item		Year	2022	2021	As of April 15, 2023 (Note 8)
Market Price Per Share (Note 1)	Highest Market Price		34.70	37.85	40.50
	Lowest Market Price		28.20	11.20	30.50
	Average Market Price		31.26	26.69	37.10
Net Worth Per Share (Note 2)	Before Distribution		22.08	15.59	-
	After Distribution		22.08	15.59	-
Earnings Per Share (EPS)	Weighted Average Shares (1000 shares)		72, 246,855	71, 205, 759	91,205,759
	EPS (Note 3)		5.17	0.57	0.23
Dividend Per Share	Cash Dividends		-	-	-
	Stock Grants	-		-	-
		-		-	-
	Accumulated Undistributed Dividends (Note 4)		-	-	-
	Price/Earnings Ratio (Note 5)		6.05	46.82	-
	Price/Dividend Ratio (Note 6)		-	-	-
	Cash Dividend Yield (Note 7)		-	-	-

* If there is a share placement with surplus or capital reserve transferred to capital increase, the market price and cash dividend information retroactively adjusted according to the number of shares issued should also be disclosed.

Note 1: List the highest and lowest market prices of common stocks in each year, and calculate the average market price of each year based on the transaction value and volume of each year.

Note 2: Please refer to the number of issued shares at the end of the year and fill in the distribution according to the resolution of the Shareholders' Meeting in the next year.

Note 3: If retroactive adjustment is required due to gratis distribution, etc. the earnings per share before and after adjustment should be listed.

Note 4: If the conditions for the issuance of equity securities stipulate that the unpaid dividends of the current year can be accumulated to be distributed in the year with surplus, the accumulated unpaid dividends up to the current year should be disclosed separately.

Note 5: Price / Earnings Ratio = average closing price per share of the year / earnings per share.

Note 6: Price /Dividend Ratio = average closing price per share of the year / cash dividends per share.

Note 7: Cash Dividend Yield = cash dividend per share / average closing price per share of the year.

Note 8: The information of the Net Worth Value per share and earnings per share audited (reviewed) by the accountant for the most recent quarter as of the date of publication of the annual report should be filled in; the remaining columns should be filled with the data of the year as of the date of publication of the annual report.

4.1.6 Dividend Policy and Implementation Status

1. Dividend policy

- (1) The conditions and timing of dividend distribution: The Company is responding to the increasingly competitive environment. The solid self-owned capital is actually the foundation for the Company's sustainable operation and steady development. To support the growth of the Company, the Company distributes dividends to meet the needs of the future, the demand for working capital, and comprehensive consideration of factors such as sound financial structure, maintaining stable dividends, and ensuring reasonable returns to shareholders. According to the provisions of Article 32 of The Company's Articles of Incorporation, if the Company makes profits in the current year, it should distribute employee bonus not less than 1%, and the board of directors decides to distribute it in stock or cash, and its distribution targets include employees of subsidiaries who meet certain conditions. The Company can increase the amount of profit, and the board of directors decides to distribute director remuneration not higher than 3%, the proposal for distribution of the employee bonus and director remuneration should be submitted to Shareholders' Meeting report.

However, if the Company still has accumulated losses, it should reserve the compensation amount in advance, and then distribute the employee bonus and Director's remuneration according to the proportion of the previous item.

- (2) If there is a surplus in the final accounts of each year, the profit-seeking enterprise income tax shall be paid in accordance with the law, and one-tenth of the previous year's losses shall be made up as the statutory surplus reserve. If the Board of Directors considers it is necessary, it may be raised through the Shareholders' Meeting. Afterwards, the special surplus reserve shall be withdrawn or reversed in accordance with the law; if there is any remaining balance, together with the accumulated undistributed surplus, the Board of Directors shall prepare a surplus distribution proposal and submit it to the Shareholders' Meeting for a resolution on the distribution of shareholder dividends.

- (3) The cash dividends shall not be lower than 5% of the total shareholder dividends distributed in the current year. If the cash dividends are less than one NT\$ per share, they may not be distributed, but shall be distributed as stock dividends. The ratio to be distributed at that time shall be authorized by the Board of Directors. The Company's actual capital status and capital budget are drafted, and issued after approval by Shareholders' Meeting and the competent authority

2. Proposed Distribution of Dividend at the shareholders' meeting: The Company has no dividend for distribution in 2022

4.1.7 The Impact of Stock Grants to Be Proposed at the Shareholders' Meeting on the Company's Business Performance and Earnings Per Share:

The Shareholders' Meeting did not propose a gratuitous distribution of shares, so it is not applicable.

4.1.8 Employee Bonus and Directors and Supervisors' Remuneration

1. Information relating to employee bonus and the Directors' remuneration is stipulated in the Articles of Incorporation:

- (1) If the Company makes a profit in the year, no less than 1% should be appropriated as employee bonus, and no more than 3% should be distributed as Director's remuneration. However, if the Company still has accumulated losses, the amount of accumulated losses should be deducted first, and then the balance should be calculated for appropriation.

The employee bonus can be offered in stock or in cash, and the recipients of the bonus may include employees of affiliated companies who meet certain conditions in addition to employees

of The Company

- (2) Matters related to employee bonus and the distribution of Director's remuneration are handled in accordance with relevant laws and regulations, and are decided by the board of directors meeting

2. The Estimated Basis for Calculating the Employee Bonus and Directors' and Supervisors' Remuneration of the period and if the actual distribution amount is different from the estimated amount:

If the amount of employee bonus and Director's remuneration in the current period is still changed after the annual stand-alone and consolidated Financial Statements are passed, it will be treated as a change in accounting estimate, and it will be adjusted and recorded in the next year.

3. Profit Distribution for Employee Bonus and Directors' Remuneration approved in Board of Directors Meeting:

- (1) On March 10, 2023, the Board of Directors decided to distribute NT\$3,884,680 for employee bonus and NT\$3,884,680 for Director's remuneration, all of which will be distributed in cash

- (2) The amount of employee bonus distributed by stock and the proportion of the current stand-alone or unconsolidated Financial Statements after-tax net profit and the total amount of employee remuneration: The Board of Directors has no proposal to distribute employee stock remuneration

4. The actual distribution of employee bonus and Directors and supervisors remuneration in the previous year (including the number of shares distributed, the amount and the stock price), and if there is any difference between the remuneration of employees, Directors and supervisors, the difference, the reason and the handling situation shall be stated:

The proposed distribution of bonus and remuneration approved by the 2021 Board of Directors was the proposed distribution of employee bonus by cash NT\$ 360,000. Distribution has been completed in 2021; Director's remuneration will not be distributed, and the actual distribution amount was the same as the proposed distribution status approved by the original Board of Directors, without any difference

4.1.9 The Company's Buyback (Repurchase) of Stock: N/A

4.2 Issuance of Corporate Bonds: N/A.

4.3 Preferred Shares: N/A.

4.4 Issuance of Global Depositary Shares: N/A.

4.5 Status of Employee Stock Option Plans: N/A.

4.6 Status of New Shares Issuance in Connection with Mergers and Acquisitions: N/A.

4.7 Financing Plans and Implementation:

In 2022, the Company has increased its cash capital through private placement of equity-type securities and issued new shares to raise funds up to a total of amount NT\$530,000,000 for the purpose of refund loans from financial institutions and effect payment for construction projects and enrich the working capital.

5. Operational Highlights

5.1 Business Activities

5.1.1 Scope of Business:

1. Major scope of business:
 - (1) C301010 Spinning of Year
 - (2) F213030 Retail Sale of Computers and Clerical Machinery Equipment
 - (3) E604010 Machinery Installation
 - (4) EZ05010 Instrument and Meters Installation Engineering
 - (5) EZ02010 Crane and Hoist Services Engineering
 - (6) G801010 Warehousing
 - (7) C703010 Printed Matter Binding and Processing
 - (8) C307010 Clothing Accessories
 - (9) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
 - (10) CC01060 Wired Communication Mechanical Equipment Manufacturing
 - (11) A301040 Recreational Fishery
 - (12) E801010 Indoor Decoration
 - (13) E801020 Doors and Windows Installation Engineering
 - (14) E801030 Indoor Light-gauge Steel Frame Engineering
 - (15) E801040 Glass Installation Engineering
 - (16) I503010 Landscape and Interior Designing
 - (17) E801070 Kitchenware and Sanitary Fixtures Installation Engineering
 - (18) F203010 Retail Sale of Food, Grocery and Beverage
 - (19) F203020 Retail Sale of Tobacco and Alcohol
 - (20) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
 - (21) F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
 - (22) F206020 Retail Sale of daily commodities
 - (23) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
 - (24) F301020 Supermarkets
 - (25) F201050 Retail sale of fishing article
 - (26) F399010 Convenience Stores
 - (27) F213990 Retail Sale of Other Machinery and Tools
 - (28) G202010 Parking area Operators
 - (29) H703100 Real Estate Leasing
 - (30) I401010 General Advertisement Service
 - (31) I301020 Data Processing Services
 - (32) JE01010 Rental and Leasing
 - (33) I301030 Electronic Information Supply Services
 - (34) I103060 Management consulting
 - (35) I199990 Other management consulting
 - (36) I102010 Investment consulting
 - (37) IZ04010 Translation services
 - (38) JZ99020 Sauna business
 - (39) J802010 Sports training
 - (40) JZ99050 Intermediary service
 - (41) J602010 Performing Arts Activities
 - (42) J803010 Sports performance
 - (43) J701030 Audio-visual singing
 - (44) JB01010 Conference and exhibition service
 - (45) F501030 Beverage shop
 - (46) J801030 Competitive and leisure sports venue
 - (47) H701040 Development industry in specific professional areas
 - (48) JZ99120 General bathroom

- (49) JZ99110 Slimming beauty
- (50) J901020 General Hotel
- (51) F399990 Other comprehensive retail trade
- (52) F215010 Retailing of jewelry and precious metals
- (53) H701010 Residential and building development leasing and sales
- (54) JZ99080 Beauty and hairdressing service
- (55) J701040 Leisure activity venue
- (56) J701020 Amusement park
- (57) F208040 Cosmetics retail trade
- (58) F501060 Restaurant
- (59) I301010 Information Software Service
- (60) J601010 Arts and cultural services
- (61) IZ99990 Other business services
- (62) H701020 Industrial plant development, lease and sale
- (63) H701060 New Town, New Community Development
- (64) H701080 Urban renewal and reconstruction
- (65) H701090 Urban Renewal, Construction and Maintenance
- (66) H703090 Real estate business
- (67) C199030 Ready-to-eat meal manufacturing
- (68) F104110 Cloth, clothing, shoes, hats, umbrellas, clothing wholesalers
- (69) F105050 Wholesale of furniture, bedding, kitchen utensils and decorations
- (70) F106010 Hardware wholesale business
- (71) F106020 Wholesale of daily necessities
- (72) F106050 Ceramic and glassware wholesale business
- (73) F107030 Wholesale of cleaning products
- (74) F108040 Cosmetics wholesale business
- (75) F109070 Wholesale of culture and education, musical instruments, and recreational products
- (76) F115010 Jewelry and precious metal wholesale business
- (77) F206010 Hardware retail trade
- (78) F206050 Retailing of pet food and supplies
- (79) F207030 Retailing of cleaning supplies
- (80) F399040 Retail without storefronts
- (81) F401010 International trade
- (82) F501050 Hotel industry
- (83) H703110 Housing for the Elderly
- (84) IZ01010 Photocopying
- (85) J701090 Video program broadcasting
- (86) J702070 Wine shop
- (87) J702080 Bar
- (88) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Main Products, Revenue and Weight in 2022

Products	Revenue (Unit: NT\$1, 000)	Weight (%)
Commercial & Residential Construction	595, 048	99.97
Department Store Industry	217	0.03
Total	595, 265	100.00

- 3. Current products (services):
Sales of land and distribution and sales of imported “**Berndes**” Brand pots cooking wares.
- 4. New products (services) to be developed by the Company’s planning:
 - (1) Activate land for effective planning and utilization
 - (2) Actively sell inventory (including cooking wares, lands for roads, idle lands etc.)
 - (3) Promotion of the projects for construction of commercial and residential buildings

5.1.2 Industry Overview

As the effect of TSMC's Kaohsiung factory building gradually subsided, and following the government's plan to curb real estate hype, both of the Equalization Of Land Rights Act and the House and Land Transactions Income Tax Regulations (Version 2.0) have been revised, the entire real estate industry has entered a cold winter in an instant. Since 2022 Q2 the number of potential visitors for purchasing real estates and housings have been dropped remarkably, and the number of visitors gradually increased in 2023 Q1. Most of the fellow companies have postponed the proposal as a response.

The original planning of the Company's construction project did not take speculators into consideration, and the product positioning was based on the appeal of self-use residential housing customers. Therefore, the proposal of 2023 building construction plan will still maintain the original plan and continue to promote. The explanation is summarized as follows:

1. The Company purchased the construction project of Tianzhong Section, Linyuan District, Kaohsiung City (Phase II of Songhua Garden), and built shops and residential buildings. The total salable value is about NT\$470,000,000. It was completed in November 2022 and obtained the user license. In December of the same year, houses are being handed over one after another. The sales of this project are in good condition. It can be injected into 2022 revenue and profit, and some houses will be handed over in 2023 to be included in 2023 revenue and profit.
2. In 2022, the construction project (MOMA Building No.8) of Guoan Section, Annan District, Tainan City will be launched. Congregate housing with 15 stories above ground and 4 stories underground will be built. The total salable value is about NT\$1.83 billion, and the sales are in good condition. It has been completed in 2021. The groundbreaking ceremony was held in September, and the said project is expected to be completed in 2025. The sales of the project are in good condition and can inject revenue and profit
3. In 2022, the construction project (MOMA Building Phase II) of Mingyi Section, Xiaogang District, Kaohsiung City was launched. Congregate housing with 15-story above ground and 3-story underground was built. The total salable value is about NT\$870 million, and the sales are in good condition. Additionally, the groundbreaking ceremony was held in February 2022, and the project is expected to be completed in the fourth quarter of 2022. The sales of the project are in good condition, which can inject revenue and profit
4. In 2022 Q3, the construction project (Moma International City) of Sankuaicuo, Sanmin District, Kaohsiung City will be launched, and a 31-story above-ground and 6-story underground congregate housing building will be built. The estimated total salable value is about NT\$14 billion, and it is expected to break ground in 2023 Q1 and expected to be completed and obtain earnings in 2028
5. In 2023 Q2, it is expected to launch the construction project (Moma New Era) in the East District of Tainan City. Congregate housing with 15-story above ground and 3-story underground will be launched, with a total salable value of about NT\$3 Billion.
6. In 2023 Q2, it is expected to launch the construction project of Wusheng Section, West Central District, Tainan City, with 21 stories above ground and 4 stories underground congregate housing, with a total salable value of about NT\$4 Billion.
7. Projects under planning:
 - (1) Land development in the northern Section of Kanjiao, Rende District, Tainan City
 - (2) Land development in the river embankment Section of Sanmin District, Kaohsiung City

5.1.3 Know-how and R&D Overview

1. Research and development expenditures and successfully developed technologies or products as of the date of publication of the annual report: None

2. Future annual research and development plan:
 - (1) Discussion on Construction Laws and Building Laws
 - (2) Development of building construction costs
 - (3) Evolution of housing market products
 - (4) Development of existing housing market

5.1.4 Long-Term and Short-Term Business Development Plans

The Company's development team considers the housing with a higher return on investment, and will use strict quality control of building materials, focus on life functions, and at the same time position product differentiation to create a marketing niche and increase investment profits. The Company will provide professional service quality and the concept of sustainable development, smooth promotion of various long-term and short-term businesses, creating maximum benefits to reward shareholders.

5.2 Market and Sales Overview

5.2.1 Market Analysis

Due to the impact of the COVID-19 pandemic and government authorities attempted to cool the country's real estate market by cracking down on speculation, the combination of interest rate tightening and the amended House and Land Transactions Income Tax Regulations (Version 2.0), the return of Taiwanese businessmen from abroad and major construction factors have affected the supply and demand of the housing market, resulting in an increase in raw materials and wages. The real estate market is relatively flat in 2023. The Company's operation still tends to focus on residential construction projects

5.2.2 Important fields of application and production processes of major products:

1. Important fields of application of major products:
Actively plan and utilize the existing land, and invest in the construction of various types of products according to the different needs of customers from all walks of life. The main products can be roughly divided into two categories: residential buildings and commercial buildings. Residential buildings are for people to live in, including single-family villas, high-quality elevator mansions and high-end elevator buildings, etc.; while commercial buildings are buildings whose main function is to provide commercial activities, such as shops and general offices, etc.
2. Production Process:
 - (1) Construction industry: Land Development→Market Research and Survey→Planning and Design→Planning and Sales→Advertising Planning→Business Sales→Construction and Contracting→Construction Management→Acceptance→Completion and Delivery→After-Sales Service
 - (2) Department Store: Purchase→Sale

5.2.3 Supply Status of Main Raw Materials

The Company's main demand is land. In addition to purchasing land or joint development between affiliated companies, the Company also actively participates in public auctions of land by government units, and is also actively involved in development projects of superficial rights and urban renewal investment promotion projects, however, the consideration is mainly on areas with convenient transportation and perfect living functions.

5.2.4 List of Major Suppliers in the Last Two Calendar Years

Unit: NTS in Thousands

Item	2022				2021				As of 2022 Q1			
	Company Name	Amount	Percent %	Relation with Issuer	Company Name	Amount	Percent %	Relation with Issuer	Company Name	Amount	Percent %	Relation with Issuer
1	Construction Work-In-Process-Shangfa Construction Co., Ltd	223,962	52.07	N/A	Land Under Construction - National Property Administration, MOF, Southern Region Branch	696,812	64.58	None	Construction Work-In-Process-Shangfa Construction Co., Ltd	14,877	42.33	None
2	Others	206,144	47.93	N/A	Construction Costs - Tainan City Government	130,336	12.08	None	Bank SinoPac	1,200	3.41	None
3				-	Construction Work-In-Process-Shangfa Construction Co., Ltd	114,752	10.63	-	Land Under Construction - National Property Administration, MOF, Southern Region Branch	755	2.15	
4				-	Others	13,158	12.71	-	Others	18,310	52.11	
	Net Purchase	430,106	100.00	-	Net Purchase	1,079,061	100.00	-		35,142	100.00	

Note 1: Indicate the name of the supplier whose total purchase amount is more than 10% in the last two years, and the purchase amount and proportion, but the name of the supplier must not be disclosed due to the contract or the transaction partner is an individual and not a related party, it can be coded

Note 2: As of the date of publication of the annual report, if a company that is listed or whose shares have been traded at a securities firm's business premises has the most recent financial information that has been checked, certified or reviewed by an accountant, it should also be disclosed

5.2.5 List of Major Customers in the Last Two Calendar Years

Unit: NTS in Thousands

Item	2022				2021				As of 2023 Q1			
	Company Name	Amount	Percent %	Relation with Issuer	Company Name	Amount	Percent %	Relation with Issuer	Company Name	Amount	Percent %	Relation with Issuer
1	(Note 1)	595,265	100	-	(Note 1)	12,297	100	-	(Note 1)			

Note 1: The main scope of business of the Company is construction development and engineering projects and department store sales, and the sales customers are individuals, so the sales amount is not disclosed separately but combined and listed

Note 2: Indicate the name of the sales customer whose sales amount exceeds 10% in the last two years, and the sales amount and proportion, but the name of the sales company must not be disclosed due to the agreement of the contract, or the transaction object is an individual and not a related party, to be code-named

Note 3: As of the date of publication of the annual report, if a company that is listed or whose shares have been traded at a securities firm's business premises has the most recent financial information that has been audited, certified or reviewed by an accountant, it should also be disclosed

5.2.6 List of Major Production Capacity and Value in the Last Two Calendar Years

Unit: NTS in Thousands

Item \ Year	2022			2021		
	Production Capacity	Output	Production Value	Production Capacity	Output	Production Value
Construction Customers	38	38	422,840	0	0	0

5.2.7 List of Sales Quantity and Value in the Last Two Calendar Years

Unit: NTS in Thousands

Item \ Year	2022				2021			
	Domestic Sales		Export		Domestic Sales		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Clients for Construction Business	-	595,048	-	-	-	12,128	-	-
Department Stores	-	217	-	-	-	169	-	-

5.3 Number of Employees in the Last Two Years

Year		2022	2021	As of March 31, 2023
Number of Employees	Managers & Officers	5	5	5
	General Staffs	0	0	0
	General Employees	4	4	4
	Total	9	9	9
Average Age		47	47	49
Average Years of Service		1,58 Years	1,58 Years	2 Years
Education	Ph, D.	-	-	-
	Masters	11%	11%	11%
	Bachelor's Degree	89%	89%	89%
	Senior High School	-	-	-
	Below Senior High School	-	-	-
	Total	100%	100.00%	100%

5.4 Environmental Protection Expenditure

- (1) The total amount of losses (including compensation) and disposals due to environmental pollution in the most recent year and up to the date of publication of the annual report, and an explanation of future countermeasures (including improvement measures) and possible expenditures (including possible losses if no countermeasures are taken, Estimated amount of disposition and compensation): None
- (2) Future countermeasures and possible losses:
 1. The construction projects invested and constructed by the Company are undertaken by the construction company, and the contractor is responsible for environmental protection in the production process. There is no need to apply for a pollution facility installation permit, a pollution discharge permit, pay pollution prevention fees, or set up a special responsibility for environmental protection Person in charge of the unit
 2. For environmental protection work such as reducing construction noise and preventing dust flying or falling sand and stones, the construction factory is strictly required to take the most complete measures, and the manufacturer is required to fulfill the responsibility of environmental protection
 3. Possible future expenses: None
 4. The Company's impact on The Company's financial business in response to the implementation of the European Union's Restriction of Hazardous Substances Directive (RoHS): None

5.5 Labor Relations

5.5.1 Labor Relations

1. Employee benefits measure:
The Company has always focused on providing a good working environment and welfare system. In addition to labor insurance, national health insurance, group insurance and year-end bonuses, it also takes the needs of employees and improving the quality of life of employees as the starting point. The Company also set up an employee welfare committee to handle the Dragon Boat Festival, Mid-Autumn Festival, New Year's Bonus (gifts), wedding and funeral gift money and condolence fees, staff travel and dinner and other activities.
2. Employee education and training:
Including new employee training, management function training, professional and technical function training, etc. the Company assigns and individuals apply. The Company's 2022 education and training is in good condition

3. Pension System and its Implementation:

The Company, in accordance with the provisions of the "Labor Pension Act", contributes 6% of the employee's total monthly salary as a pension, and deposits it in the labor pension personal account established by the Labor Insurance Bureau

4. Measures of labor-management agreement and measures to protect employee's rights and interests:

The Company has been established for more than 60 years. During the period, it was deeply felt that the management of the enterprise was not easy, and it was entirely up to all employees to be sympathetic to the difficulties, and uphold the concept of enterprise co-creation and sharing, and work together to create a new future for the Company. Labor relations are more harmonious

5.5.2 Losses suffered by the Company due to labor disputes in the most recent year and up to the date of publication of the annual report

The Company has always paid attention to labor-management relations, and has formulated various personnel and welfare systems. The communication channel between labor and management is good. There has been no labor dispute that caused the Company's losses, and the possibility of future labor dispute losses is extremely small.

5.5.3 Estimated amount and response measures that may occur at present and in the future: N/A

5.6 Information Security Management

5.6.1 Describe the information security risk management framework, information security policies, specific management plans and resources invested in information security management, etc.

(1) Information security risk management framework:

Although the Company has not yet established an information security department, it has strengthened information security management to ensure the confidentiality, integrity and availability of its information assets, so as to enhance the security environment for The Company's continuous business operations

(2) Information security policy:

1. Regularly conduct information security and personal data protection education training and publicity operations. The Company employees should abide by the Company's information and confidentiality safety regulations
2. Regularly implement internal audits every year to ensure information security and the effectiveness of the personal information protection management system

(3) Specific management plan and resources invested in information security management:

Strengthen network and computer system security management, such as setting up network firewalls, installing anti-virus software, setting folder access permissions, data encryption, and proper backup of important information systems or equipment, requiring colleagues to keep account passwords and permissions carefully Responsibility and regular replacement of passwords, etc.

5.6.2 Indicate the losses suffered due to major information security incidents in the most recent year and as of the date of publication of the annual report, the possible impacts and countermeasures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained: N/A

5.7 Important Contracts:

Nature of Contract	Counterparty	Contract Period	Major Content
Construction Contract	Shangfa Construction Co., Ltd	04.22.2021.~12.31.2022.	Construction project (congregate housing new construction at No. 9, Tianzhong Section, Linyuan District, Kaohsiung City)
Construction Contract	Shangfa Construction Co., Ltd	09.01.2021~ Warranty Period Expired	Construction project (Foundation-related engineering of consolidate housing at No. 1617, Guoan Section, Annan District, Tainan City)
Construction Contract	Shangfa Construction Co., Ltd	09.01.2021~ Warranty Period Expired	Construction project (congregate housing foundation related works at No. 35, Mingyi Section, Xiaogang District, Kaohsiung City)
Construction Work-In-Process, Transfer of Rights Contract	San Cia Development Construction Co., Ltd	11.30. 2021~04.30. 2022	Construction Work-In-Process (Foundation-related works at No. 126012611261-1, Sankuaicuo Section, Sanmin District, Kaohsiung City)
Credit Contract	Land Bank of Taiwan Kaohsiung Branch	07.08. 2020~202507.08	Land financing credit line, with land as collateral
Credit Contract	Land Bank of Taiwan Kaohsiung Branch	08.05. 2020~202508.05	Land financing credit line, with land as collateral
Credit Contract	KGI Bank Kaohsiung Branch	04.29. 2022.~202304.29	Short-term loan, with land as collateral
Credit Contract	Taiwan Cooperative Bills Finance Corporation) Kaohsiung Branch	06.01. 2021~12.21. 2022.	Short-term loan, with land as collateral
Credit Contract	Taiwan Life Insurance Co., Ltd.	10.05. 2021~10.15. 2026	Mid-term loan, with land as collateral
Credit Contract	Land Bank of Taiwan Tainan Branch	10.18. 2021~10.18. 2026	Mid-term loan, with land as collateral
Joint Credit Contract	Bank SinoPac Etc. Banks	06.30. 2022.~06.30. 2027	Mid-term loan credit line, with land as collateral

6. Financial Information

6.1 Five Year Financial Summary

6.1.1 Condensed Balance Sheet from 2018 to 2022

Unit: NTS in Thousands

Unit: INR in thousands

Year Item		Financial Summary for The Last Five Years (Note 1) (All data audited and certified by a CPA)					As of March 31, 2022
		2022	2021	2020	2019	2018	
Current assets		4,241, 006	3, 208,438	1, 831, 190	552, 120	562, 606	4,246,085
Property, plant and equipment		17,553	30,569	31, 005	31, 750	32, 293	103
Intangible assets		802	1, 677	2, 552	-	-	583
Other assets		4,015, 945	2, 002, 529	1, 334	24	36	4,016,172
Total assets		8,275, 306	5, 243, 213	1, 866,081	583, 894	594,935	8,262,943
Current liabilities	Before distribution	2, 005, 576	1, 936,294	1, 235, 424	776	1, 298	2,022,653
	After distribution	undistributed	undistributed	1, 235, 424	776	1, 298	undistributed
Non-current liabilities		4,205, 796	2, 196,534	70,420	2, 196,534	70,420	4,205,301
Total liabilities	Before distribution	6,261, 372	4,132, 828	1, 305, 844	69,576	70,098	6,227,954
	After distribution	undistributed	undistributed	1, 305, 844	69,576	70,098	undistributed
Equities attributable to shareholders of the Parent			-	-	-	-	
Capital stock		912,058	712,058	1,024,115	1, 024,115	1, 024,115	912,058
Capital Surplus		674,17	344,317	24,261	81, 330	81, 330	674,317
Retained earnings	Before distribution	424,550	76,010	(466,139)	(569,127)	(558,608)	448,614
	After distribution	undistributed	undistributed	(466,139)	(569,127)	(558,608)	0
Other equity interests		0	(22, 000)	(22, 000)	(22, 000)	(22, 000)	0
Treasury stock			-	-	-	-	
Non-controlling interest			-	-	-	-	
Total equity	Before distribution	2, 013, 934	1, 110,385	560,237	514,318	524,837	2,034,989
	After distribution	undistributed	undistributed	560,237	514,318	524,837	undistributed

* If the Company has prepared Stand-alone Financial Statements, it should also prepare a concise balance sheet and comprehensive income statement for the last five years.

* If the financial information of the International Financial Reporting Standards (IFRS) is used for less than 5 years, the following table (2) Financial information of the General Accounting Standards of R.O.C should be prepared separately.

Note 1: Any year that has not been audited and certified by an accountant should be indicated.

Note 2: Those who have undergone asset revaluation in the current year should indicate the date of revaluation and the value-added amount of revaluation.

Note 3: As of the date of publication of the annual report, if a TWSE listed company or whose shares have been traded in a securities firm's business premises has the most recent financial information that has been checked, certified or reviewed by an accountant, it should also be disclosed.

Note 4: The above-mentioned number after distribution, please fill in according to the resolution of the Shareholders' Meeting in the next year.

Note 5: If the financial information is notified by the competent authority to be corrected or restated, it shall be listed with the corrected or restated figures, and the circumstances or reasons shall be indicated.

6.1.2 Condensed Statement of Comprehensive Income

Condensed Statement of Comprehensive Income from 2018 to 2022

Unit: NTS in Thousands

Item \ Year	Financial Summary for The Last Five Years (All data audited and certified by a CPA)					As of March 31, 2023
	2022	2021	2020	2019	2018	
Operating revenue	595,265	12,297	98,432	11	17	272,237
Gross Profit (Loss)	448,141	6,637	63,494	(36)	(36)	49,783
Operating Income (Loss)	416,623	(9,571)	46,003	(8,216)	(8,196)	35,367
Non-operating income and (expenses)	(36,343)	39,582	1,372	(2,303)	(3,683)	(14,048)
Net profit (loss) before tax	380,280	30,011	47,375	(10,519)	(11,879)	21,319
Income (Loss) from continuing operations	373,549	30,092	45,919	(10,519)	(11,879)	21,055
Loss on discontinued operations		-	-	-	-	
Net Income (Loss)	373,549	30,092	45,919	(10,519)	(11,879)	21,055
Other comprehensive income (loss) (Net after tax)		-	-	-	-	
Total comprehensive income (loss) for the period	373,549	30,092	45,919	(10,519)	(11,879)	21,055
Net income (loss) attributable to shareholders of the parent company	373,549	30,092	45,919	(10,519)	(11,879)	21,055
Net income (loss) attributable to non-controlling interest		-	-	-	-	
Comprehensive income (loss) attributable to shareholders of the parent company	373,549	30,092	45,919	(10,519)	(11,879)	21,055
Comprehensive income (loss) attributable to non-controlling interests		-	-	-	-	
Earnings per share (EPS)	5.17	0.57	0.90	(0.10)	(0.12)	0.23

* If the Company has prepared Stand-alone Financial Statements, it should also prepare a concise balance sheet and comprehensive income statement for the last five years.

* If the financial information of the International Financial Reporting Standards (IFRS) is used for less than 5 years, the following table (2) Financial information of the General Accounting Standards of R.O.C should be prepared separately.

Note 1: Any year that has not been audited and certified by an accountant should be indicated.

Note 2: Those who have undergone asset revaluation in the current year should indicate the date of revaluation and the value-added amount of revaluation.

Note 3: As of the date of publication of the annual report, if a TWSE listed company or whose shares have been traded in a securities firm's business premises has the most recent financial information that has been checked, certified or reviewed by an accountant, it should also be disclosed.

Note 4: The above-mentioned number after distribution, please fill in according to the resolution of the Shareholders' Meeting in the next year.

Note 5: If the financial information is notified by the competent authority to be corrected or restated, it shall be listed with the corrected or restated figures, and the circumstances or reasons shall be indicated.

6.1.3 Names and Audit Opinions of the External Auditors (CPAs) for the Last Five (5) Years:

Year	The External Audit Firm	Name of CPAs	Audit Opinion
2022	KPMG Taiwan	Chen, Guo-Tsun , Chen, Yong-Hsiang	Unqualified Opinion
2021	KPMG Taiwan	Chen, Guo-Tsun , Chang, Shu-Ying	Unqualified Opinion
2020	KPMG Taiwan	Chen, Guo-Tsun , Chang, Shu-Ying	Unqualified Opinion
2019	KPMG Taiwan	Chen, Guo-Tsun , Chang, Shu-Ying	Unqualified Opinion Add other mentionable matters
2019	En Tai Audit Firm	Pan-Tsu-Hsin, Tsai, Tsun-Hui Chen, Chao-Hong, Wan, Wen-Hui	Unqualified Opinion
2018	En Tai Audit Firm	Pan-Tsu-Hsin, Tsai, Tsun-Hui	Unqualified Opinion

6.2 Five Year Financial Analysis

6.2.1 Financial Analysis

Financial Analysis from 2018 to 2022

Year (Note 1) Items (Note 3)		Financial analysis for the last Five years					As of 03.31.2023 (Note 2)
		2022	2021	2020	2019	2018	
Financial structure (%)	Debt Ratio	75.66	78.82	69.98	11.92	11.78	75.37
	Ratio of long-term capital to property, plant and equipment	34,261.57	10,817.88	2,034.05	1,836.59	1,838.28	1,035,161.06
Solvency (%)	Current ratio	206.32	165.70	148.22	71,149.48	43,344.07	209.93
	Quick ratio	52.71	13.95	10.52	44,538.53	27,433.98	63.05
	Interest earned ratio (times)	747.32	781.14	11,844.75	NA	NA	119.03
Operating performance	Accounts receivable turnover (times)	NA	NA	NA	NA	NA	6.4167
	Average collection period	NA	NA	NA	NA	NA	56.88
	Inventory turnover (times)	4.83	0.24	3.66	0.02	0.03	7.2607
	Accounts payable turnover (times)	223.93	737.94	10,444.84	116.05	19.17	338.82
	Average days in sales	75.56	149,559	9,973	18,250	12,167	5,027.08
	Property, plant and equipment turnover (times)	2,473.98	39.94	3.01	0.03	0.05	1,778.75
	Total assets turnover (times)	8.81	0.35	0.08	0.00	0.00	3.49
Profitability	Return on total assets (%)	5.53	0.85	3.75	(1.78)	(1.98)	0.27
	Return on stockholders' equity (%)	23.91	3.60	8.55	(2.02)	(2.24)	1.34
	Pre-tax income to paid-in capital (%)	41.69	4.21	4.63	(1.03)	(1.16)	2.34
	Profit ratio (%)	62.75	244.71	46.65	(95,627.27)	(69,876.47)	7.73
	Earnings per share (NT\$)	5.17	0.57	0.90	(0.10)	(0.12)	0.23
Cash flow	Cash flow ratio (%)	2.28	(53.07)	(117.02)	(1,375.90)	2,621.49	6.95
	Cash flow adequacy ratio (%)	89.84	97.12	(98.19)	NA	(註1)	89.94
	Cash reinvestment ratio (%)	2.13	(78.42)	(227.48)	(1.81)	5.67	6.32
Leverage	Operating leverage	1.03	0.24	1.95	1.00	1.00	1.05
	Financial leverage	1.16	0.68	1.00	1.00	1.00	2.05
Analysis of financial ratio differences for the last two years, (Not required if the difference does not exceed 20%) Reasons for Changes in financial ratio : - Ratio of long-term capital to property, plant and equipment: The increase in 2022 compared to 2021 is mainly due to the long-term borrowings in 2022 and the increase in surplus, while the amount of real estate, plant and equipment in the second year is equivalent, resulting in a substantial increase in the ratio; - Accounts payable turnover: In 2022, due to the increase in operating costs compared with the previous year, the increase in accounts payable is small, resulting in an increase in the turnover rate of accounts payable; - Return on total assets: In 2022, the after-tax net profit increased compared with the previous year, while the average total assets only increased significantly, so that the return on assets did not rise but drop; - Return on stockholders' equity: In 2022, the net profit after tax increase compared with the previous year, while the average total equity increased only slightly, resulting in an increase in the return on equity; - Profit ratio: In 2022, the net profit after tax increase compared with the previous year, and the net sales increased by about 96% compared with the previous year, so that the net profit ratio increased compared with the previous year; - Earnings per share: In 2022, due to the substantial increase in net profit compared with the previous year, the earnings per share increased; - Cash flow ratio: Although the land purchase and Construction Work-In-Process continue to invest in 2022, due to the substantial increase in net profit, the net cash inflow from operating activities was NT\$ 46,880,000, so the cash flow ratio is positive; - Cash reinvestment ratio: Operating activities in 2022 will generate net cash inflows, while operating activities in the previous year were net cash outflows, and cash outflows in 2022 decreased compared with the previous year, resulting in a positive increase in the cash reinvestment ratio.							

- * If the Company has prepared Stand-alone Financial Statements, it should also prepare a condensed balance sheet and comprehensive income statement for the last five years.
- * If the financial information of the International Financial Reporting Standards (IFRS) is used for less than 5 years, the following table (2) Financial information of the General Accounting Standards of R.O.C should be prepared separately.
- Note 1: Any year that has not been audited and certified by an accountant should be indicated
- Note 2: Those who have undergone asset revaluation in the current year should indicate the date of revaluation and the value-added amount of revaluation
- Note 3: At the end of this table of the annual report, the following calculation formula should be listed:
1. Financial structure
 - (1) Debt to assets ratio = total liabilities / total assets.
 - (2) Long-term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plants and equipment.
 2. Solvency
 - (1) Current ratio = current assets / current liabilities.
 - (2) Liquidity ratio = (current assets - inventory - prepaid expenses) / current liabilities.
 - (3) Interest protection multiples = earnings before interest and taxes / interest expenses of the period.
 3. Operating performance
 - (1) Receivables (including accounts receivable and note receivable from business operations) turnover ratio = net sales revenue / average receivables (including accounts receivable and note receivable from business operations) balance of each period.
 - (2) Average collection period = 365 / receivables turnover ratio.
 - (3) Inventory turnover ratio = cost of goods sold / average inventory.
 - (4) Accounts payable (including accounts payable and note payable from business operations) turnover ratio = cost of goods sold / average accounts payable (including accounts payable and note payable from business operations) balance of each period.
 - (5) Days sales of inventory = 365 / inventory turnover ratio.
 - (6) Property, plants and equipment turnover ratio = net sales revenue / average net property, plants and equipment.
 - (7) Total assets turnover ratio = net sales revenue / average total assets.
 4. Profitability
 - (1) Return on asset = [post-tax profit or loss + interest expenses × (1 - tax rate)] / average total assets.
 - (2) Return on equity = post-tax profit or loss / average total equity.
 - (3) Net profit margin = post-tax profit or loss / net sales revenue
 - (4) Earnings per share = (profit or loss attributable to owner(s) of the parent company - preference share dividends) / weighted-average number of shares issued, (Note 4)
 5. Cash Flow
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
 - (2) Net cash flow adequacy ratio = net cash flow from operating activities in the last 5 years / (capital expenditures + increase in inventory + cash dividends) in the last 5 years.
 - (3) Cash reinvestment ratio = (net cash flows from operating activities - cash dividends) / (gross property, plants and equipment + long-term investment + other non-current assets + working capital), (Note 5)
 6. Leverage
 - (1) Operating leverage = (net operating income - changes in operating costs and expenses) / operating profit (Note 6).
 - (2) Financial leverage = operating profit / (operating profit - interest expenses).
- Note 4: The calculation formula for the above-mentioned earnings per share shall be measured with the following precautions:
1. It shall be based on weighted-average number of common shares instead of number of shares issued as of the

end of the year.

2. Where there is capital addition or treasury share transaction, weighted-average number of shares shall be calculated after considering the circulation period.
3. Where there is Retained Earnings Transferred to Capital or Capital Increase by Capital Surplus, when calculating the earnings per share for the previous year and mid-year, it shall be retrospectively adjusted according to the proportion of capital increase without considering the issuing period of the capital increase.
4. If the preference share is a non-convertible cumulative preference share, its dividends (paid or not) of the year shall be subtracted from net profit after tax or added to net loss after tax, If the preference share is non-cumulative, the preference dividends shall be deducted from net profit after tax if there is a net profit after tax; if it is a loss, there is no need for adjustment.

Note 5: The following precautions shall be paid when measuring cash flow analysis:

1. Net cash flow from operating activities referred to the net cash inflow from operating activities shown in the cash flow statement.
2. Capital expenditure referred to the annual cash outflows for capital investment.
3. The increase in inventory is only listed when the ending balance is greater than the beginning balance, If the inventory decreases at the end of the year, the increase in inventory will be regarded as zero.
4. Cash dividends include cash dividends of common shares and preference shares.
5. Gross property, plants and equipment referred to the total property, plant and equipment before accumulated depreciation.

Note 6: The issuer shall classify various operating costs and operating expenses into fixed and variable categories. If estimation or subjective judgment is involved, the issuer shall pay attention to its rationality and maintain consistency.

Note 7: If the Company's shares have no face value or if the face value of each share is not NT\$10, the aforementioned calculation of ratio involving paid-in capital shall be calculated based on the equity ratio of the balance sheet attributable to the owner(s) of the parent company.

6.3 Audit Committee's Review Report in 2022

San Di Properties Co., Ltd.

Audit Committee's Review Report

The Board of Directors hereby furnishes and submits the Company's 2022 Stand-alone Financial Statements, the Proposal for Distribution of Profit, and the Business Report, which have been audited by the Certified Public Accounts (CPAs) of the external audit firm KPMG Taiwan. The abovementioned Audit Report, the Financial Statements and the Proposal for Distribution of Profit have been reviewed by the Company's Audit Committee. The Audit Committee found the same to be true and correct and that there are no discrepancies, Therefore, this Review Report is hereby issued pursuant to Article 14-4 of the Securities and Exchange Law and Article 219 of the Company Law and submitted for your kind approval.

To: The Company's 2022 General Meeting of Shareholders

San Di Properties Co., Ltd.

Convener of the Audit Committee: **Gu, Mou-Chin**

March 10, 2023

6.4 The Financial Report of the Company which have been Audited and Certified by Certified Public Accountants in the Most Recent Years

Please refer to the attached Appendix

6.5 Unconsolidated Financial Reports which have been Audited and Certified by Certified Public Accountants in the Most Recent Years: N/A

6.6 Financial Difficulties of the Company and its Affiliates in the Most Recent Years up to the financial report publishing date: N/A

7. Financial Status and Operating Results

7.1 Financial Status

Unit: NTS in Thousands

Item	Year	As of 12.31.2022	As of 12.31.2021	Difference	
				Amount	%
Current Assets		4,241, 006	3, 208,438	1, 032, 568	32.18
Non-current Assets		4,034,300	2, 034,775	1, 999,525	98.27
Total Assets		8,275, 306	5, 243, 213	3, 032, 093	57.83
Current Liabilities		2, 055, 576	1, 936,294	119,282	6.16
Non-Current Liabilities		4,205, 796	2, 196,534	2, 009,262	91.47
Total liabilities		6,261, 372	4,132, 828	2, 128,544	51.50
Capital Stock		912, 058	712, 058	200,000	28.09
Capital Surplus		674,317	344,317	330,000	95.84
Retained Earnings		427,559	76,010	351, 549	462.50
Total Stockholders' Equity		2, 013, 934	1, 110,385	903, 549	81.37
The main reasons for major changes and their reasons; 1. Current Assets increased compared with the previous period: mainly due to the increase in land purchased and construction projects invested, and the pre-sale of construction projects is in good condition , relative to other financial assets-current and other current assets due to a substantial increase 2. Current Liabilities and Total liabilities increased compared with the previous period: mainly due to the increase in long-term loans expected to mature within one or one business week 3. The increase of Capital Stock and Capital Surplus compared with the previous period: mainly due to the cash capital increase in the form of private placement in 2022 4. Retained Earnings and Total Stockholders' Equity increased compared with the previous period: mainly due to the increase in profits in 2022					

7.2 Financial Performance

7.2.1 Analysis of Business Operating Results

Unit: NTS in Thousands

Item \ Year	2022	2021	Increase (Decrease) Amount	Percentage Change %
Operating revenue, net	595,265	12,297	582,968	4,740.73
Operating cost	147,124	5,660	141,464	2,499.36
Operating Gross Profit	448,141	6,637	441,504	6,652.16
Operating costs	31,518	16,208	15,310	94.46
Operating profit, net	416,623	(9,571)	426,194	4,452.97
Non-operating income and expenses	(36,343)	39,582	(75,925)	(191.82)
Net profit before tax	380,280	30,011	350,269	1,167.14
Earnings per Share	5.17	0.57	4.6	807.02

Explanation: Where the percentage of changes in the Company's consolidated assets, liabilities, and shareholders' equity in the past two years was more than 20% and the amount of changes reached NT\$30 million, the impact and future response actions:

1. Operating revenue (net) and Operating cost:

The increase in 2022 compared with 2021 was mainly due to the increase in housing completion and delivery in 2022, resulting in an increase in income and costs.

2. Operating costs:

The increase in 2022 compared to 2021 was mainly due to the increase in advertising expenses and salary expenses

3. Non-operating income and expenses:

The decrease in 2022 compared to 2021 is mainly due to the decrease in financial costs.

4. Expected sales volume of the next year and its basis, and Possible impact on the Company's financial business and response plan: Please refer to Page 3 "The 2023 Summary of Business Plan"

7.3 Cash flow

7.3.1 Analysis of cash flow changes in the last two years

Unit: NT\$ Thousands

Item \ Year	2022	2021	Difference		
			Amount	%	Remarks
Operating Activities	46,880	(1,027,669)	1,074,549	-104.56	Cash flow from operating activities decreased due to increase in inventory
Investment Activities	(2,005,997)	(2,002,298)	-3,699	0.18	It was due to the increase in expenditures for joint construction deposits in the current period
Financing Activities	2,242,699	3,032,337	-789,638	-26.04	The decrease in cash flow from financing activities was due to the decrease in short-term borrowings
Net Cash Flow	283,582	2,370	281,212	11,865.49	Mainly due to the disposal of construction land in 2022, the decrease in inventory, and the cash inflow from operating activities

7.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$ Thousands

Cash Balance, Beginning of Year	Estimated Net cash flow from operating activities	Cash Outflow of the Year	Cash Balance (Insufficiency) Amount	Remedial Measures for Cash Insufficiency	
				Investment Plan	Financing Plan
124,477	(1, 630,369)	1, 615, 682	109,790	-	-

1. Cash Flow Analysis for the Coming Year:

- (1) Operating activities: Mainly due to investment in construction projects of various construction projects, sales expenses and purchase of land on the embankment Section of Kaohsiung City
- (2) Investment activities: The Company expects no major investment activities in the future except for the expansion of its core business
- (3) Financing activities: It is expected that the issuance of securities in the financial market and the transfer of construction financing for projects under construction will generate cash inflows

2. Remedial Measures for Cash Insufficiency, if any: N/A,

7.4 Major Capital Expenditure Items on the Financial Operations during the Last Fiscal Year:

The Company has no major capital expenditures in the last two years. Cash inflows are generated by the issuance of marketable securities and the transfer of construction financing for projects under construction.

7.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plan for the Coming Year

1. Total 38 units of buildings will be built in the Tianzhong Section of Linyuan District, Kaohsiung City. Up to December 2021, total 32 units of buildings have been sold in advance, sales rate reached 84%. The time of completion and handover of the buildings are expected to be completed in the fourth quarter of 2022. The construction progress is the completion of the roof RC on the fourth floor.
2. In the building construction project in the Guoan Section of Annan District, Tainan City, the construction schedule and the sampling inspection records have been duly reported to the competent authorities. In terms of sales, the sale promotion has been started publicly since February 2022.
3. For the building construction project in Mingyi Section, Xiaogang District, Kaohsiung City, the construction schedule has been duly reported to the competent authorities. In terms of sales, sales promotion has been started since February 2022.

7.6 Analysis of Risk Management and Assessment up to the Date of Publishing the Annual Report:

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Procedures: N/A

7.6.2 The main reasons for policy gains or losses in high-risk, highly leveraged investments, loans to others, endorsement guarantees and derivatives trading and future countermeasures:

The Company does not engage in any high-risk, high-leverage investment and derivative commodity transactions, and has established the "Derivative Commodity Transaction Processing Procedures" in accordance with regulations.

7.6.3 Future R&D plan and estimated R&D expenses: N/A

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales: N/A

7.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales:

The Company has already established the information security management strategies and related management measures, and the Company will implement such strategies and measures constantly and regularly hold IT executive staff meetings to discuss relevant information security strategies and experience sharing.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Procedures:

The Company always adheres to the principle of honesty and prudence as its business philosophy, provides customers with the best service, maintains a good corporate image to expand business, and has no reports of any bad corporate image.

7.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: N/A.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: N/A.

7.6.9. Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: N/A

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: N/A.

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: N/A

7.6.12 Litigation or Non-Litigation Matters, the Company's Directors, supervisors, General Manager, substantial person in charge, major shareholders holding more than 10% of the shares, and major lawsuits that have been confirmed or are still pending in the subordinate company, non-litigation or administrative disputes, the outcome of which may have a significant impact on shareholders' rights or securities prices, the facts in dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the litigation and the handling status as of the publication date of the annual report: N/A

7.6.13 Other important risks and countermeasures: N/A

7.7 Other important matters: N/A

8. Special Disclosure

8.1 Summary of Affiliate Companies in the Last Years: N/A

(1) 2022 Business Report of the Subsidiaries: N/A

(2) Consolidated Financial Statements and Relationship Report on Subsidiaries: N/A

8.2 Private Placement Securities during the Last Fiscal Year and Until the Publishing date of the Annual Report: N/A.

8.3 Shares in the Company Held or Disposed by Subsidiaries during the Last Fiscal Year and Until the Publishing date of the Annual Report:

8.4 Other Necessary Supplementary Explanations: N/A.

8.5 Any matter that has material effect on the shareholders' equity or the price of securities as set out in Article 36, Paragraph 3, Item 2 of the Company Law during the last fiscal year and until the publishing date of the annual report: N/A.

9. Appendix

Financial Report in the Most Recent Years

SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL
CORPORATION.)
Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

Address: 16F.-3, No. 175, Zhongzheng 2nd Rd., Lingya Dist., Kaohsiung, Taiwan, R.O.C.
Telephone: (07)225-9599

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

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安侯建業聯合會計師事務所
KPMG

高雄市801647前金區中正四路211號12樓之6
12th Fl., - 6, No. 211, Zhongzheng 4th Road,
Kaohsiung City 801647, Taiwan (R.O.C.)

電話 Tel	+ 886 7 213 0888
傳真 Fax	+ 886 7 271 3721
網址 Web	home.kpmg/tw

Independent Auditors' Report

To the Board of Directors of SANDI PROPERTIES CO., LTD.:

Opinion

We have audited the financial statements of SANDI PROPERTIES CO., LTD. (formerly: YU FOONG INTERNATIONAL CORPORATION.) ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of inventory

Please refer to Note 4(g), 5, and 6(d) of the financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the explanation of inventory valuation.

Description of key audit matter:

The Company's inventory is measured at the lower of cost or net realizable value. Because of the high capital investment and long payback period in the real estate industry, which is deeply affected by politics, macroeconomics, and reforms in real estate taxation, there may be a risk of the cost of inventory exceeding net realizable value. Thus, the valuation of inventory is the key audit matter our audit focused on.

How the matter was addressed in our audit:

As mentioned above, our principal audit procedures included obtaining the evaluation data of the net realizable value of the Company's inventory. We referred to the latest real estate selling price registration announced by the Ministry of the Interior or the average selling price obtained from the transaction market in neighboring areas, and converted it into the net realizable value of the real estate inventory for sale to compare whether there was a significant difference with the Company's evaluation data. Also, we checked the reasonableness of the aforementioned net realizable value by comparing and evaluating the appraisal report from the real estate appraiser appointed by the Company's management.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yung-Hsiang Chen and Kuo-Tsung Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 10, 2023

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and 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 financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Financial Statements Originally Issued in Chinese)
SANDI PROPERTIES CO., LTD. (FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 408,059	5	124,477	2	2100	Short-term borrowings (notes 6(k) and 8)	\$ 1,458,295	18	1,710,600	33
1170	Accounts receivable, net (note 6(b)(t))	12,080	-	-	-	2110	Short-term notes and bills payable (notes 6(l) and 8)	-	-	33,951	1
1200	Other receivables, net (note 6(c))	30,419	1	42,773	1	2130	Current contract liabilities (notes 6(t) and 9)	498,978	6	66,902	1
1210	Other receivables from related parties, net (note 6(c), and 7)	28,757	-	-	-	2150	Notes payable	2,151	-	906	-
1220	Current tax assets	2	-	2	-	2170	Accounts payable	27,077	-	1,258	-
130X	Inventories (notes 6(d), and 8)	3,157,337	38	2,937,142	56	2180	Accounts payable to related parties (note 7)	-	-	100,007	2
1476	Other current financial assets (notes 6(e), and 8)	437,465	5	75,524	1	2200	Other payables (note 6(u))	53,502	1	21,162	-
1479	Other current assets (notes 6(g)(j))	166,887	2	28,520	1	2230	Current tax liabilities	1,330	-	-	-
		<u>4,241,006</u>	<u>51</u>	<u>3,208,438</u>	<u>61</u>	2280	Current lease liabilities (note 6(n))	1,732	-	1,369	-
Non-current assets:						2300	Other current liabilities (note 6(h))	<u>12,511</u>	<u>-</u>	<u>139</u>	<u>-</u>
1517	Financial assets at fair value through other comprehensive income, non-current (note 6(f))	-	-	-	-		Non-Current liabilities:	<u>2,055,576</u>	<u>25</u>	<u>1,936,294</u>	<u>37</u>
1600	Property, plant and equipment (notes 6(h))	17,553	-	30,569	1	2540	Long-term borrowings (note 6(m) and 7)	4,000,000	48	2,000,000	38
1755	Right-of-use assets (notes 6(i))	802	-	1,677	-	2570	Deferred tax liabilities (note 6(p))	59,465	1	68,658	1
1920	Refundable deposits (notes 7)	<u>4,015,945</u>	<u>49</u>	<u>2,002,529</u>	<u>38</u>	2580	Non-current lease liabilities (note 6(n))	<u>146,331</u>	<u>2</u>	<u>127,876</u>	<u>2</u>
		4,034,300	49	2,034,775	39		Total liabilities	<u>4,205,796</u>	<u>51</u>	<u>2,196,534</u>	<u>41</u>
								<u>6,261,372</u>	<u>76</u>	<u>4,132,828</u>	<u>78</u>
							Equity attributable to owners of parent (note 6(q)):				
						3100	Ordinary shares	<u>912,058</u>	<u>11</u>	<u>712,058</u>	<u>14</u>
						3200	Capital surplus	<u>674,317</u>	<u>8</u>	<u>344,317</u>	<u>7</u>
						3300	Retained earnings:				
						3310	Legal reserve	3,009	-	-	-
						3350	Unappropriated retained earnings	<u>424,550</u>	<u>5</u>	<u>76,010</u>	<u>1</u>
								<u>427,559</u>	<u>5</u>	<u>76,010</u>	<u>1</u>
						3400	Other equity interest	-	-	(22,000)	-
							Total equity	<u>2,013,934</u>	<u>24</u>	<u>1,110,385</u>	<u>22</u>
Total assets		<u><u>\$ 8,275,306</u></u>	<u><u>100</u></u>	<u><u>5,243,213</u></u>	<u><u>100</u></u>		Total liabilities and equity	<u><u>\$ 8,275,306</u></u>	<u><u>100</u></u>	<u><u>5,243,213</u></u>	<u><u>100</u></u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

SANDI PROPERTIES CO., LTD.**(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)****Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenues (note 6 (t) and 7)	\$ 595,265	100	12,297	100
5000	Operating costs (note 6(d) and 7)	<u>147,124</u>	<u>25</u>	<u>5,660</u>	<u>46</u>
5900	Gross profit from operations	<u>448,141</u>	<u>75</u>	<u>6,637</u>	<u>54</u>
6000	Operating expenses (notes 6(g),(o),(r),(q),(u) and 12):				
6100	Selling expenses	9,368	1	8	-
6200	Administrative expenses	<u>22,150</u>	<u>4</u>	<u>16,200</u>	<u>132</u>
	Total operating expenses	<u>31,518</u>	<u>5</u>	<u>16,208</u>	<u>132</u>
6900	Net operating income (loss)	<u>416,623</u>	<u>70</u>	<u>(9,571)</u>	<u>(78)</u>
7000	Non-operating income and expenses:				
7100	Interest income	578	-	80	1
7020	Other gains and losses, net	21,826	4	43,908	357
7050	Finance costs	<u>(58,747)</u>	<u>(10)</u>	<u>(4,406)</u>	<u>(36)</u>
	Total non-operating income and expenses	<u>(36,343)</u>	<u>(6)</u>	<u>39,582</u>	<u>322</u>
7900	Profit before income tax	380,280	64	30,011	244
7950	Less: income tax expenses (benefit) (note 6(p))	<u>6,731</u>	<u>1</u>	<u>(81)</u>	<u>(1)</u>
	Profit	<u>373,549</u>	<u>63</u>	<u>30,092</u>	<u>245</u>
8300	Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	Total comprehensive income	<u><u>\$ 373,549</u></u>	<u><u>63</u></u>	<u><u>30,092</u></u>	<u><u>245</u></u>
	Earnings per share (note 6(s))				
9750	Basic earnings per share(NT dollars)	<u><u>\$ 5.17</u></u>		<u><u>0.57</u></u>	
9850	Diluted earnings per share(NT dollars)	<u><u>\$ 5.16</u></u>		<u><u>0.57</u></u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
SANDI PROPERTIES CO., LTD. (FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve	Retained earnings Unappropriated retained earnings (Deficit yet to be compensated)	Total	Total other equity interest Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2021	\$ 1,024,115	24,261	-	(466,139)	(466,139)	(22,000)	560,237
Profit for the year ended December 31, 2021	-	-	-	30,092	30,092	-	30,092
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	-
Total comprehensive income for the year ended December 31, 2021	-	-	-	30,092	30,092	-	30,092
Capital reduction to offset accumulated deficits	(512,057)	-	-	512,057	512,057	-	-
Capital increase by cash	200,000	320,000	-	-	-	-	520,000
Share-based payments transactions	-	56	-	-	-	-	56
Balance at December 31, 2021	712,058	344,317	-	76,010	76,010	(22,000)	1,110,385
Profit for the year ended December 31, 2022	-	-	-	373,549	373,549	-	373,549
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	-
Total comprehensive income for the year ended December 31, 2022	-	-	-	373,549	373,549	-	373,549
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	3,009	(3,009)	-	-	-
Capital increase by cash	200,000	330,000	-	-	-	-	530,000
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(22,000)	(22,000)	22,000	-
Balance at December 31, 2022	\$ 912,058	674,317	3,009	424,550	427,559	-	2,013,934

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities:		
Profit before income tax	\$ <u>380,280</u>	<u>30,011</u>
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,221	1,311
Interest revenue	(578)	(80)
Interest expense	58,747	4,406
Gain on disposal of property, plant and equipment	(950)	-
Share-based payments transactions	-	56
Gain on rent concessions	(800)	-
Reversal of impairment loss	<u>(4,835)</u>	<u>-</u>
Total adjustments to reconcile profit	<u>52,805</u>	<u>5,693</u>
Changes in operating assets and liabilities:		
Increase in accounts receivable	(12,080)	-
Decrease (increase) in other receivables	12,354	(42,773)
Increase in other receivables from related parties	(28,757)	-
Increase in inventories	(140,462)	(1,079,490)
Increase in other current financial assets	(350,905)	(68,621)
Increase in other current assets	(138,367)	(26,870)
Increase in contract liabilities	432,076	66,902
Increase in notes payable	1,245	278
Increase in accounts payable	25,819	1,258
(Decrease) increase in accounts payable to related parties	(100,007)	100,007
Increase in other payables	28,164	17,140
Increase in other current liabilities	<u>12,372</u>	<u>74</u>
Total adjustments	<u>(205,743)</u>	<u>(1,026,402)</u>
Cash inflow (outflow) generated from operations	174,537	(996,391)
Interest received	578	84
Interest paid	(113,641)	(31,685)
Income taxes (paid) refund	<u>(14,594)</u>	<u>323</u>
Net cash flows from (used in) operating activities	<u>46,880</u>	<u>(1,027,669)</u>

(English Translation of Financial Statements Originally Issued in Chinese)
SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(47)	-
Proceeds from disposal of property, plant and equipment	18,502	-
Increase in refundable deposits	(2,013,416)	(2,001,195)
Increase in other financial assets	(11,036)	(1,103)
Net cash flows used in investing activities	<u>(2,005,997)</u>	<u>(2,002,298)</u>
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term borrowings	(252,305)	589,000
Decrease in short-term notes and bills payable	(33,951)	(75,607)
Increase from long-term borrowings	2,000,000	2,000,000
Payment of lease liabilities	(1,045)	(1,056)
Capital increase by cash	530,000	520,000
Net cash flows from financing activities	<u>2,242,699</u>	<u>3,032,337</u>
Net increase in cash and cash equivalents	283,582	2,370
Cash and cash equivalents at beginning of period	124,477	122,107
Cash and cash equivalents at end of period	<u><u>\$ 408,059</u></u>	<u><u>124,477</u></u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)
Notes to the Financial Statements
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

SanDi Properties Co., Ltd. (formerly: Yu Foong International Corporation) (the Company) was incorporated on October 11 as a company limited by shares under the laws of the Republic of China (R.O.C.) on Oct 11, 1955. The address of its registered office and principal place of business is 16F-3, No. 175, Zhongzheng 2nd Rd., Lingya Dist., Kaohsiung City 802406, Taiwan (R.O.C). The company passed a resolution that changed name from “Yu Foong International Corporation” to “SanDi Properties Co., Ltd.” by the shareholders’ meeting. The major business activities of the Company are residential and building development, leasing and sales and real estate trading.

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

The financial statements were authorized for issue by the Board of Directors on March 10, 2023.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

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

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

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

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated in Note 3, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

- (a) Statement of compliance

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

- (b) Basis of preparation

- (i) Basis of measurement

Except for the Financial assets at fair value through other comprehensive income are measured at fair value, the financial statements have been prepared on the historical cost basis.

- (ii) Functional and presentation currency

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

- (c) Foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent

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reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- (i) an investment in equity securities designated as at fair value through other comprehensive income;
 - (ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
 - (iii) qualifying cash flow hedges to the extent that the hedge are effective.
- (d) Classification of current and non-current assets and liabilities

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

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

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

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing of equity instruments do not affect its classification.

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(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

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2) Fair value through other comprehensive income (FVOCI)

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

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

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

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

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

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established, which is normally the ex-dividend date.

3) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

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- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows, such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

5) Impairment of financial assets

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

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and

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- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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

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

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;

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- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

6) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

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3) Financial liabilities

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

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

4) Derecognition of financial liabilities

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

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

5) Offsetting of financial assets and liabilities

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

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditures incurred in acquiring the inventories in bringing them to their existing location and condition and capitalized costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The methods of determining the net realizable value are as follows:

(i) Land held for development

The Company's management estimates the net realizable value of land held for development based on market value.

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(ii) Construction-in-progress

Net realizable value is the estimated selling price (based on market value), less the estimated costs of completion and selling expenses.

(iii) Properties and land held for sale

Net realizable value is the estimated selling price (based on market value), less the estimated costs of selling expenses.

The superficieses acquired by the Company are of land leased by the Company for construction projects. The royalties and rentals over the expected lives of the superficieses are measured according to IFRS 16 and recognized within inventory costs.

(h) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 “Joint Arrangements” defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. When assessing whether a joint arrangement is a joint operation or a joint venture, the Company considers the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

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

1) Buildings	44 years
2) Computer equipment	4~6 years

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

(j) Lease

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

(i) As a lessee

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

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

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

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

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

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

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

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

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

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

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- 1) the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- 2) the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- 3) any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- 4) there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(k) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

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

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

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

(l) Revenue

(i) Revenue from contracts with customers

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

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1) Sale of goods

The Company recognizes revenue when a customer takes possession of the product. Payment of the transaction price is due immediately when the customer purchases the product.

2) Land development and sale of real estate

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

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

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

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

2) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

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

(m) Employee benefits

(i) Defined contribution plans

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

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iii) Short-term employee benefits

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

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(n) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the company confirmed the number purchased by the employees.

(o) Income Taxes

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

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

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

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

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

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Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

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

(p) Earnings per share

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

(q) Operating segments

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

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

The preparation of the financial statements in conformity with the Regulations requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. It recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

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Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

Valuation of inventories

As obsolete inventories are measured at the lower of cost or net realizable value, the Company evaluates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and the writes down the cost of inventories to net realizable value. The net realizable value of the obsolete inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the politics, macroeconomics, and reforms in real estate taxation, there may be significant changes in the net realized value of obsolete inventories. Please refer note 6(d) for inventory valuation.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	\$ 120	25
Demand deposits	407,865	124,446
Check deposits	74	6
Cash and cash equivalents in the statement of cash flows	\$ 408,059	124,477

(b) Accounts receivable

	December 31, 2022	December 31, 2021
Accounts receivable	\$ 12,080	-
Less: Loss allowance	-	-
	\$ 12,080	-

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, The loss allowance provision was determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 12,080	-	-

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The movement in the allowance for accounts receivable was as follows:

	2022	2021
Balance at January 1 (Balance at December 31)	\$ -	-
The aforementioned financial assets were not pledged as collaterals.		

(c) Other receivables

	December 31, 2022	December 31, 2021
Other receivable—joint arrangement sales commission	\$ 30,419	42,773
Other receivable—related parties	28,757	-
Less: Loss allowance	-	-
	\$ 59,176	42,773

Please refer to note 6(g) for joint arrangement and note 7 for related-party transactions.

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

(d) Inventories

	December 31, 2022	December 31, 2021
Merchandise	\$ -	259
Land held for development	295,247	256,617
Construction in progress	1,858,518	1,916,297
Properties and land held for sale	256,113	-
Right-of-use assets	747,459	701,182
Prepayments for land	-	62,787
	\$ 3,157,337	2,937,142

On September 10, 2021, the Company contracted with the Southern Region Branch, National Property Administration, Ministry of Finance to set the superficies of the state-owned land that was not for public use, thereby obtaining the superficies whose duration was 70 years (from September 10, 2021 to September 9, 2091). During the 70 years, the Company is entitled to construct buildings for sale on the underlying land in accordance with the purposes and usage rules specified in the contract. For leases of land with superficies, the Company recognizes right-to-use assets and lease liabilities according to IFRS 16.

The costs of sales were as follows:

	2022	2021
Inventory that has been sold	\$ 147,333	5,736
Reversal of write-downs	(209)	(76)
	\$ 147,124	5,660

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The previous write-down inventories were sold, therefore, the net realizable value of inventories lowered than cost no longer existed. The reversal of write-down was recognized as a reduction of operating costs.

The information of capitalized interests was as follows:

	2022	2021
Capitalized interest amount	<u>\$ 56,040</u>	<u>27,933</u>
Capitalized interest rate	<u>2.18 %</u>	<u>1.91 %</u>

The aforesaid inventories had been pledged as collateral. Please refer to note 8.

(e) Other current financial assets

	December 31, 2022	December 31, 2021
Account of pre-sale real estate values trust	\$ 419,526	68,621
Account of disposal of property, plant and equipment values trust	6,000	-
Restricted bank deposits (reserve account)	<u>11,939</u>	<u>6,903</u>
Total	<u>\$ 437,465</u>	<u>75,524</u>

Please refer to note 6(w) for other credit risk information; The aforesaid assets had been pledged as collateral, please refer to note 8.

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

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
— Common stocks unlisted on domestic markets — Enterprise Bank of Hualien	<u>\$ -</u>	<u>-</u>

The Company invests in equity instruments for long-term strategic purpose rather than for trading. Therefore, the equity instruments have been designated as at FVOCI.

On September 15, 2022, the Ministry of Economic Affairs has completed the registration of the liquidation completion of Enterprise Bank of Hualien. Therefore, the Company derecognized Enterprise Bank of Hualien, which was designated as at FVOCI. The fair value at the time of disposal was \$0 thousand and the accumulated losses on disposal amounted to \$22,000 thousand, hence the transfer of the aforementioned losses from other equity to retained earnings. During 2021, none of the Company's strategic investments was disposed of, and none of the gains or losses accumulated during the year was transferred within equity.

The aforementioned financial assets were not pledged as collaterals.

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(g) Joint arrangement

For joint sale of real estate, the Company and an advertising agency entered into a project agreement instead of establishing an independent entity. The advertising agency acts as the executor responsible for sales plans, management and entry of sales contracts under mutual control. Both parties shall convene a joint meeting in advance to handle matters pursuant to concurrent resolutions. Each party shall use its own assets and incur its own liabilities in the performance of contractual obligations. Revenues and related expenses arising from the sale of real estate shall be recognized by the Company and the advertising agency on a 50% share basis.

As of December 31, 2022 and 2021, the Company's share of expenses recognized by the advertising agency under joint operation was as follows:

	December 31, 2022	December 31, 2021
Yuguang	\$ 2,004	5,996
Wenfu	-	506
Mingyi(Land lot No. 90)	-	941
	<u>\$ 2,004</u>	<u>7,443</u>

The above-mentioned amounts were recognized in the line item of other current assets — costs to fulfil a contract; please refer to note 6(j).

During 2022 and 2021, the Company's share of "income and expenses, net" recognized by the advertising agency under joint operation was as follows:

	2022	2021
Yuguang	\$ 8,351	26,778
Wenfu	4,841	8,574
Mingyi(Land lot No. 90)	1,931	8,556
	<u>\$ 15,123</u>	<u>43,908</u>

Please refer to note 6(v) for the recognition of the aforementioned amounts in the line item of other gains and losses.

The Company contracted with an advertising agency, a sales agent, for a real estate joint sale project. As of December 31, 2022 and 2021, the share of expenses recognized by the Company was as follows:

	December 31, 2022	December 31, 2021
Guoan	\$ -	1,506
Sankuaicuo	-	2,997
	<u>\$ -</u>	<u>4,503</u>

The above-mentioned amounts were recognized in the line item of other current assets — incremental costs to obtaining a contract; please refer to note 6(j).

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During 2022 and 2021, the share of “income and expenses, net” recognized by the Company was as follows:

	2022	2021
Song Hua Yuan II	\$ 630	7,158
Guoan	15,045	-
Mingyi (Land lot No.35)	9,365	-
Sankuaicuo	(14,997)	-
	\$ 10,043	7,158

The above-mentioned amounts were recognized as reductions from other current assets – incremental costs to obtaining a contract; please refer to note 6(j).

As of December 31, 2022, the accumulated reductions from “other current assets–incremental costs to obtaining a contract” in respect of Song Hua Yuan II amounted to \$5,650 thousand. During 2022, the Company transferred \$1,711 thousand, the balance of reductions from “other current assets–additional costs to obtaining a contract”, as “operating expenses–selling expenses”, so as to meet the timing of revenue recognition.

(h) Property, plant and equipment

The movements in cost, depreciation, and impairment of the property, plant and equipment of the Company were as follows:

	Land	Buildings and construction	Computer equipment	Total
Cost or deemed cost:				
Balance on January 1, 2022	\$ 17,640	20,457	282	38,379
Additions	-	-	47	47
Disposals	(8,820)	(10,228)	-	(19,048)
Balance on December 31, 2022	\$ 8,820	10,229	329	19,378
Balance on January 1, 2021	\$ 17,640	20,457	282	38,379
Balance on December 31, 2021	\$ 17,640	20,457	282	38,379
Depreciation and impairments loss:				
Balance on January 1, 2022	\$ 2,340	5,308	162	7,810
Depreciation	-	293	53	346
Reversal of impairment loss	(2,340)	(2,495)	-	(4,835)
Disposals	-	(1,496)	-	(1,496)
Balance on December 31, 2022	\$ -	1,610	215	1,825
Balance on January 1, 2021	\$ 2,340	4,917	117	7,374
Depreciation	-	391	45	436
Balance on December 31, 2021	\$ 2,340	5,308	162	7,810

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	<u>Land</u>	<u>Buildings and construction</u>	<u>Computer equipment</u>	<u>Total</u>
Carrying amounts:				
Balance on December 31, 2022	\$ <u>8,820</u>	<u>8,619</u>	<u>114</u>	<u>17,553</u>
Balance on January 1, 2021	\$ <u>15,300</u>	<u>15,540</u>	<u>165</u>	<u>31,005</u>
Balance on December 31, 2021	\$ <u>15,300</u>	<u>15,149</u>	<u>120</u>	<u>30,569</u>

(i) Collateral

The property, plant and equipment of the Company were not pledged as collateral or restricted.

(ii) Impairment losses

As the recoverable amounts of CGUs within land, buildings and structures had become lower than the carrying amounts thereof, the Company recognized accumulated impairment losses of \$2,340 thousand and \$2,860 thousand respectively as of December 31, 2016. In May 2022, the Company sold property, plant and equipment whose recoverable amounts were higher than the carrying amounts, hence the recognition of \$2,425 thousand as the gains on reversal of impairment. In December 2022, the Company retested impairment for the CGU, and the recoverable amount was estimated at \$19,000 thousand, which exceeded the carrying amount of \$17,439 thousand. Consequently, the difference between the amounts was reversed.

In October 2022, the Company sold a portion of property, plant, and equipment for a total contract price of \$19,000 thousand (including land and buildings). As of December 31, 2022, the ownership has not been transferred, and the advance receipts amounting to \$6,000 thousand have been recognized in the line item of other current liabilities stated in the balance sheet.

(iii) Disposal

Please refer to note 6(v) for the gain or loss on disposal of property, plant and equipment.

(i) Right-of-use assets

The Company leases vehicles, information about leases for which the Company as a lessee was presented below:

	<u>Vehicles</u>
Cost:	
Balance at January 1, 2022	\$ <u>2,625</u>
Balance at December 31, 2022	\$ <u>2,625</u>
Balance at January 1, 2021	\$ <u>2,625</u>
Balance at December 31, 2021	\$ <u>2,625</u>

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	<u>Vehicles</u>
Accumulated depreciation	
Balance at January 1, 2022	\$ 948
Depreciation	875
Balance at December 31, 2022	<u>\$ 1,823</u>
Balance at January 1, 2021	\$ 73
Depreciation	875
Balance at December 31, 2021	<u>\$ 948</u>
Carrying amounts:	
Balance at December 31, 2022	<u>\$ 802</u>
Balance at January 1, 2021	<u>\$ 2,552</u>
Balance at December 31, 2021	<u>\$ 1,677</u>

(j) Other current assets

The details of other current assets were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepaid insurance premiums	\$ 26	29
Prepayment for system maintenance	-	17
Prepayment for purchases	60	-
Current incremental costs of obtaining a contract	158,012	14,898
Costs to fulfil a contract	2,004	7,443
Input tax and offset against business tax payable	6,770	6,058
Others	15	75
	<u>\$ 166,887</u>	<u>28,520</u>

Current assets recognized as incremental costs of obtaining a contract with customers represent recoverable commission fees paid to intermediaries for real estate transactions as expected by the Company. Capitalized commission fees are amortized when the related revenues are recognized. During 2022 and 2021, the Company recognized \$4,483 thousand and \$0 thousand as amortization expenses, respectively.

(k) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured bank loans	\$ 1,458,295	1,710,600
Unused short-term credit lines	\$ 4,552,505	197,300
Range of interest rates	<u>2.43~2.854%</u>	<u>1.60~2.05%</u>

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

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(l) Short-term notes and bills payable

The details of short-term notes and bills payable of the Company were as follows:

	December 31, 2022	December 31, 2021
Commercial papers payable	\$ -	34,000
Less: Discount on short-term notes and bills payable	-	49
Total	<u>\$ -</u>	<u>33,951</u>
Range of interest rates	<u>-</u>	<u>2.038%</u>

The Company had been pledged as collateral for short-term notes and bills payable, please refer to note 8. Unused credit lines is combined in short-term borrowings, please refer to note 6(k).

(m) Long-term borrowings

The details of long-term borrowings of the Company were as follows:

December 31, 2022				
	Currency	Rate	Maturity date	Amount
Secured bank loans	NTD	2.33~2.425%	October 26, 2026~ March 5, 2027	\$ 4,000,000
Less: Current portion				-
Total				<u>\$ 4,000,000</u>
Unused long-term credit lines				<u>\$ 200,000</u>

December 31, 2021				
	Currency	Rate	Maturity date	Amount
Secured bank loans	NTD	1.80%	October 26, 2026	\$ 2,000,000
Less: Current portion				-
Total				<u>\$ 2,000,000</u>
Unused long-term credit lines				<u>\$ -</u>

(i) Issuance of bank loans

For the years ended December 31, 2022 and 2021, the incremental amounts were \$2,000,000 thousand with the annual interest rate of 2.33% and 2.425% maturing on March, 2027 and October, 2026.

(ii) Collateral for bank loans

The Company had been pledged as collateral for long-term borrowings, please refer to note 7.

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(n) Lease liabilities

The carrying value of lease liabilities of the Company were as follows:

	December 31, 2022	December 31, 2021
Current	\$ <u>1,732</u>	<u>1,369</u>
Non-current	\$ <u>146,331</u>	<u>127,876</u>

For the maturity analysis, please refer to note 6(w) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	2022	2021
Interest on lease liabilities	\$ <u>24</u>	<u>42</u>
Expenses relating to short-term leases	\$ <u>105</u>	<u>103</u>
COVID-19-related rent concessions (recognized as other income)	\$ <u>800</u>	<u>-</u>

The amounts recognized in the statement of cash flows for the Company were as follows:

	2022	2021
Total cash outflow for leases	\$ <u>4,202</u>	<u>1,856</u>

The Company leases vehicles, with lease terms of 3 years. The maturity date will be on November 24, 2023. For the lease of superficies, please refer to note 6(d).

(o) Employee benefits

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

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$310 thousand and \$305 thousand for the years ended December 31, 2022 and 2021, respectively.

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(p) Income tax

(i) The components of income tax expense (benefit) in the years 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current tax expense		
Current period	\$ 1,354	-
Land value increment tax	<u>14,570</u>	<u>61</u>
	<u>15,924</u>	<u>61</u>
Deffered tax expense(benefit)		
Origination and reversal of temporary differences	<u>(9,193)</u>	<u>(142)</u>
Income tax expense (benefit)	<u>\$ 6,731</u>	<u>(81)</u>
	<u>2022</u>	<u>2021</u>
Income tax recognized in other comprehensive income	<u>-</u>	<u>-</u>
Income tax recognized in equity	<u>\$ -</u>	<u>-</u>

Reconciliation of income tax expense(benefit) and profit before tax for 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
Profit before income tax	<u>\$ 380,280</u>	<u>30,011</u>
Income tax using the Company's domestic tax rate	76,056	6,002
Land value increment tax	3,798	61
Land tax exempt income	(81,986)	(621)
Current-year losses for which no deferred tax asset was recognized	12,927	-
Recognize unrecognized tax losses from the previous period	-	(5,355)
Additional tax on undistributed earnings	1,354	-
Finance and tax difference in interest capitalization	(1,579)	-
Others	<u>(3,839)</u>	<u>(168)</u>
Income tax expenses(benefit)	<u>\$ 6,731</u>	<u>(81)</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

For the years ended December 31, 2022 and 2021, the Company had no unrecognized deferred tax liabilities.

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2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2022	December 31, 2021
The carryforward of unused tax losses	\$ <u>68,714</u>	<u>4,079</u>

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

Year of loss	Unused tax loss	Expiry date
2019	\$ 4,079	2029
2022	<u>64,635</u>	2032
	<u>\$ 68,714</u>	

3) Recognized deferred tax liabilities

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

	Land value increment tax	Finance and tax difference in interest capitalization	Total
Balance on January 1, 2022	\$ 68,658		68,658
Debit (credit) profit or loss	<u>(10,772)</u>	<u>1,579</u>	<u>(9,193)</u>
Balance on December 31, 2022	<u>\$ 57,886</u>	<u>1,579</u>	<u>59,465</u>
Balance on January 1, 2021	\$ 68,800	-	68,800
Credit profit or loss	<u>(142)</u>	<u>-</u>	<u>(142)</u>
Balance on December 31, 2021	<u>\$ 68,658</u>	<u>-</u>	<u>68,658</u>

The Company's tax returns for the years through 2020 were assessed by R.O.C. tax authority.

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(q) Capital and other equities

As of December 31, 2022 and 2021, the total value of authorized ordinary shares were \$1,500,000 thousand and \$1,106,860 thousand, with par value of \$10 per share. The paid-in capital were 91,206 thousand and 71,206 thousand respectively. All the capital were fully paid in.

Reconciliation of shares outstanding for 2022 and 2021 was as follows:

(in thousands of shares)	Ordinary Shares	
	2022	2021
Balance on January 1	71,206	102,412
Capital reduction	-	(51,206)
Issued for cash	20,000	20,000
Balance on December 31	91,206	71,206

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on 21 June, 2022 for the issuance of ordinary shares for cash within a year under private placement, with the number of shares issued to not exceed 20,000 thousand. Subsequently, a resolution was passed during the board meeting held on 2 December, 2022 for the issuance of 20,000 thousand ordinary shares under private placement, with per value of \$26.5 per share, amounting to \$530,000 thousand, with 12 December, 2022 as the date of capital increase. The relevant statutory registration procedures have since been completed.

The aforementioned private placement of ordinary shares and the transfer of any subsequently obtained bonus shares would be subject to section 43(8) requirements under the Securities and Exchange Act. The Company can only apply for these shares to be traded on the Taiwan Stock Exchange after a three-year period has elapsed from the delivery date of the private placement securities, and after applying for a public offering with the Financial Supervisory Commission.

A resolution was passed during the board meeting held on September 6, 2021 for the issuance of 20,000 thousand for cash, with a par value of \$10 per share, amounting to \$200,000 thousand. The issued price was \$26 per share. The Company has received approval by the administration for this capital increase, with November 25, 2021 as the date of capital increase. The relevant statutory registration procedures have been completed on December 20, 2021.

On October 30, 2020, the Company's Board of Directors resolved to reduce capital to offset accumulated deficits. On December 18, 2020, the Company passed a resolution in a shareholders' meeting to reduce capital by \$512,057 thousand and cancel 51,206 thousand shares with a reduction rate of 50%. Approved by the competent authorities, the record date of the above-mentioned capital reduction was January 20, 2021. On February 25, 2021, related registration procedures have been completed.

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(ii) Capital surplus

The components of the capital surplus were premium on issuance of capital stock.

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

(iii) Retained earnings

The Company's articles of incorporation require that after-tax earnings shall first be offset against any deficit, and 10% of the remaining balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of legal reserve equals the total authorized capital. Special reserve may be appropriated for operations or to meet regulations. The remaining earnings, if any, may be appropriated according to the proposal presented in the annual shareholders' meeting by the Board of Directors.

The proportion of cash dividends shall not be less than 5% of the total dividends for the year by principle. However, when the cash dividend per share is less than \$1, issuing stock dividends is allowed.

1) Legal reserve

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

2) Earnings distribution

On June 21, 2022, the company's stockholders' regular meeting resolved that the 2021 surplus should not be distributed; in 2020, it was accumulated losses, and the profit and loss appropriation plan was passed by the resolution of the shareholders' regular meeting on July 22, 2021. For 2021 and 2020 annual surplus distribution related information can be inquired at the Market Observation Post System website.

The amounts of cash dividends on the appropriations of earnings for 2022 had been approved in the shareholders' meeting on March 10, 2023. The relevant dividend distributions to shareholders were as follows:

	2022	
	Amount per share (dollars)	Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 1.00	<u><u>91,206</u></u>

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(iv) Other equity (net of tax)

	Financial assets measured at fair value through other comprehensive income
Balance on January 1, 2022	\$ (22,000)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	<u>22,000</u>
Balance on December 31, 2022	<u>\$ -</u>
Balance on January 1, 2021	<u>(22,000)</u>
Balance on December 31, 2021	<u><u>\$ (22,000)</u></u>

(r) Share-based payment

In 2021, the company's remuneration cost recognized by the cash capital increase reserved for employees subscription is \$56 thousand.

(s) Earnings per share

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

	2022	2021
Basic earnings per share :		
Profit attributable to ordinary shareholders of the Company	\$ <u>373,549</u>	<u>30,092</u>
Weighted-average number of ordinary shares outstanding	<u>72,246,855</u>	<u>53,178,362</u>
Basic earnings per share (in dollars)	<u>\$ 5.17</u>	<u>0.57</u>
Diluted earnings per share :		
Profit attributable to ordinary shareholders of the Company	\$ <u>373,549</u>	<u>30,092</u>
Weighted-average number of ordinary shares	72,246,855	53,178,362
Effect of employee share bonus	125,524	11,881
Weighted-average number of ordinary shares outstanding (diluted)	<u>72,372,379</u>	<u>53,190,243</u>
Diluted earnings per share (in dollars)	<u>\$ 5.16</u>	<u>0.57</u>

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	2022	2021
Primary geographical markets:		
Taiwan	\$ <u>595,265</u>	<u>12,297</u>
Major products/services lines:		
Sales of real estates	\$ 595,048	12,128
Others	<u>217</u>	<u>169</u>
Total	<u>\$ 595,265</u>	<u>12,297</u>

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(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable	\$ 12,080		-
Less: Allowance for impairment	-	-	-
Total	\$ 12,080	-	-
Contract liabilities-Sales of real estates	\$ 498,978	66,902	-

- (i) For details on accounts receivable and allowance for impairment, please refer to note 6(b).
- (ii) The amount of revenue recognized for the years ended December 31, 2022 and 2021 that was included in the contract liability at the beginning of the period were \$24,411 thousand and \$0 thousand, respectively.
- (iii) The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes.

(u) Employee and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee remuneration and less than 3% as directors' remuneration when there is profit for the year. Employees who entitled to receive the above-mentioned employee remuneration, in shares or cash shall be determined by a resolution at a meeting of Board of Directors, include the employees of the Company who meet certain specific requirements. The aforesaid distribution shall be submitted to the shareholders' meeting.

For the years ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting to \$3,885 thousand and \$360 thousand, respectively, and directors' remuneration amounting to \$3,885 thousand and \$0 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. If there is difference between the estimated amount and actual distribution of next year, the Company recognizes it in profit and loss of the next year, as a change in accounting estimates. If a resolution is made by the meeting of Board of Directors to distribute employee remuneration by shares, the number of shares to be distributed will be calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors. These remunerations were expensed under operating expenses for the years end 2022 and 2021. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022 and 2021.

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(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ 569	70
Interest income from security deposits	<u>9</u>	<u>10</u>
	<u><u>\$ 578</u></u>	<u><u>80</u></u>

(ii) Other gains and losses

The details of other income were as follows:

	<u>2022</u>	<u>2021</u>
Net gains on advertisement of joint arrangement	\$ 15,123	43,908
Reversal of impairment loss	4,835	-
Gain on rent concessions	800	-
Gain on disposal of property, plant and equipment	950	-
Others	<u>118</u>	<u>-</u>
	<u><u>21,826</u></u>	<u><u>43,908</u></u>

(iii) Finance costs

The details of finance costs were as follows:

	<u>2022</u>	<u>2021</u>
Interest expense		
Bank loans	\$ (111,732)	(31,643)
Lease liabilities	(3,055)	(696)
Less: Capitalized interest	<u>56,040</u>	<u>27,933</u>
	<u><u>\$ (58,747)</u></u>	<u><u>(4,406)</u></u>

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

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2) Credit risk of other financial assets

Please refer to note 6(b) for credit risk information on accounts receivable.

Other financial assets at amortized cost includes other receivables and other financial assets.

All of these other financial assets at amortized cost are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f). No impairment losses allowance were recognized or reversed for the years ended December 31, 2022 and 2021.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2022							
Non derivative financial liabilities							
Short-term borrowings							
(floating rate)	\$ 1,458,295	(1,535,205)	(607,222)	(10,810)	(21,744)	(895,429)	-
Notes receivable (no-interest)	2,151	(2,151)	(2,151)	-	-	-	-
Accounts payable (no-interest)	27,077	(27,077)	(27,077)	-	-	-	-
Other payables (no-interest)	53,502	(53,502)	(53,502)	-	-	-	-
Long-term borrowings							
(floating rate)	4,000,000	(4,369,706)	(47,905)	(47,311)	(95,169)	(4,179,321)	-
Lease liabilities							
(including due within one year)							
(fixed interest)	148,063	(275,497)	(2,450)	(2,300)	(3,999)	(11,998)	(254,750)
	<u>\$ 5,689,088</u>	<u>(6,263,138)</u>	<u>(740,307)</u>	<u>(60,421)</u>	<u>(120,912)</u>	<u>(5,086,748)</u>	<u>(254,750)</u>
December 31, 2021							
Non derivative financial liabilities							
Short-term borrowings							
(floating rate)	1,710,600	(1,779,596)	(605,456)	(409,470)	(14,573)	(750,097)	-
Short-term notes are bills payable							
(fixed interest)	33,951	(34,000)	(34,000)	-	-	-	-
Notes receivable (no-interest)	906	(906)	(906)	-	-	-	-
Accounts payable (no-interest)	1,258	(1,258)	(1,258)	-	-	-	-
Accounts payable-related parties							
(no interest)	100,007	(100,007)	(100,007)	-	-	-	-
Other payables (no-interest)	21,162	(21,162)	(21,162)	-	-	-	-
Long-term borrowings							
(floating rate)	2,000,000	(2,165,881)	(18,134)	(17,910)	(36,044)	(2,093,793)	-
Lease liabilities							
(including due within one year)							
(fixed interest)	129,245	(241,840)	(1,831)	(2,176)	(4,202)	(10,354)	(223,277)
Total	<u>\$ 3,997,129</u>	<u>(4,344,650)</u>	<u>(782,754)</u>	<u>(429,556)</u>	<u>(54,819)</u>	<u>(2,854,244)</u>	<u>(223,277)</u>

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

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(iii) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding liabilities 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 Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1%, with all other variable factors remaining constant. The Company's net income would have increased or decreased by \$43,666 thousand and \$29,956 thousand for the years ended December 31, 2022 and 2021, respectively. This is mainly due to the Company's borrowing at variable rates.

(iv) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities 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 Company'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 :

	December 31, 2022				
	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 408,059	-	-	-	-
Accounts receivable	12,080	-	-	-	-
Other financial assets	437,465	-	-	-	-
Other receivables	30,419	-	-	-	-
Other receivable from related parties	28,757	-	-	-	-
Refundable deposits	4,015,945	-	-	-	-
Total	\$ 4,932,725				
Financial liabilities at amortized cost					
Short-term borrowings	\$ 1,458,295	-	-	-	-
Notes payable	2,151	-	-	-	-
Accounts payable	27,077	-	-	-	-
Other payables	53,502	-	-	-	-
Long-term borrowings	4,000,000	-	-	-	-
Lease liabilities	148,063	-	-	-	-
Total	\$ 5,689,088				

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	December 31, 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Common stocks unlisted on domestic markets	\$ -	-	-	-	-
Financial assets at amortized cost					
Cash and cash equivalents	124,477	-	-	-	-
Other financial assets	75,524	-	-	-	-
Other receivables	42,773	-	-	-	-
Refundable deposits	<u>2,002,529</u>	-	-	-	-
Subtotal	<u>2,245,303</u>				
Total	<u>\$ 2,245,303</u>				
Financial liabilities at amortized cost					
Short-term borrowings	\$ 1,710,600	-	-	-	-
Short-term notes and bills payable	33,951	-	-	-	-
Notes payable	906	-	-	-	-
Accounts payable	1,258	-	-	-	-
Account payable from related parties	100,007	-	-	-	-
Other payables	21,162	-	-	-	-
Long-term borrowings	2,000,000	-	-	-	-
Lease liabilities	<u>129,245</u>	-	-	-	-
Total	<u>\$ 3,997,129</u>				

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

Level 1: quoted prices (unadjusted) in the active markets for identified assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2) Fair valuation technique of financial instruments not measured at fair value

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. Quoted prices of major stock exchange and quoted prices of government bonds are the basis for measuring the fair value of stocks listed on an exchange, stocks listed on the OTC, and debt instruments with quoted prices in an active market.

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(x) Financial risk management

(i) Overview

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

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

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

(ii) Structure of risk management

The Company's primary objectives of financial risk management are to manage market risk, credit risk and liquidity risk associated with operating activities. The Company identifies, measures and manages the aforementioned risks in accordance with the Company's policies and risk appetite.

The Company has established proper policies, procedures and internal control according to relevant regulations. Important financial activities shall be reviewed by the Board of Directors in accordance with related regulations and internal control system. During the execution period of financial management activities, the Company shall ensure compliance with relevant regulations governing financial risk management. The Internal Audit Department is also responsible for independent review of risk management and control procedures.

(iii) Credit risk

The Company's bank deposits and time deposits for other financial assets are deposited in the accounts with credit-worthy financial institutions which are highly unlikely to default. Besides, the Company transacts with various financial institutions to diversify risk.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Bank loans are an important source of liquidity. The Company's management monitors banking facilities and ensures compliance with the terms of loan agreements.

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(v) Market risk

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

The Company adopts a policy to ensure the exposure to changes in interest rates on borrowings is evaluated based on the trend in market interest rates. The Company can manage its interest rate risk through maintaining an appropriate portfolio of floating interest rates and fixed interest rates.

(y) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to ensure the complete credit rating and the ratio of capital.

As of December 31, 2022, the Company's capital management strategy is consistent with the prior year as 2021, and the gearing ratio is maintained to ensure credit rating and ensure financing at reasonable cost. The Company's Debt ratio is as follows:

	December 31, 2022	December 31, 2021
Total Liabilities	\$ 6,261,372	4,132,828
Total Capital and equity	\$ 8,275,306	5,243,213
Debt ratio	75.66%	78.82 %

The Debt ratio was reduced on 31 December, 2022, due to the Capital increase by cash.

(z) Investing and financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes Change in acquisition of right-of-use assets	December 31, 2022
Short-term borrowings	\$ 1,710,600	(252,305)	-	1,458,295
Short-term notes and bills payable	33,951	(33,951)	-	-
Long-term borrowings	2,000,000	2,000,000	-	4,000,000
Lease-liabilities	129,245	(1,045)	19,863	148,063
Total liabilities from financing activities	\$ 3,873,796	1,712,699	19,863	5,606,358

	January 1, 2021	Cash flows	Non-cash changes Change in acquisition of right-of-use assets	December 31, 2021
Short-term borrowings	\$ 1,121,600	589,000	-	1,710,600
Short-term notes and bills payable	109,558	(75,607)	-	33,951
Long-term borrowings	-	2,000,000	-	2,000,000
Lease-liabilities	2,479	(1,056)	127,822	129,245
Total liabilities from financing activities	\$ 1,233,637	2,512,337	127,822	3,873,796

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(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related parties during the periods covered in the financial statements:

<u>Name of related party</u>	<u>Relationship with the Company</u>
Chung, Yu-Lin	Chairman of the Company
Chung, Chia-Tsun	The first immediate family of the chairman of the Company
San Di Constrution Co., Ltd.	Same chairman as the Company
San Chia Construct Development Co., Ltd.	Same chairman as the Company
Kaohsiung Transportation Co., Ltd.	The entity's chairman is the first immediate family of the chairman of the Company
Dongli Investment Consulting Co., Ltd.	Same chairman as the Company

(b) Significant transactions with related parties

(i) Operating revenues

The amounts of significant sales by the Company to related parties were as follows:

	<u>2022</u>	<u>2021</u>
Other related-parties — Dongli	\$ 12	-
Other related-parties — San Di Construction Co., Ltd.	-	11
	<u>12</u>	<u>11</u>

The selling prices for sales to realated parties were not significantly different from those for third-party customers. The terms of receiving payment were not materially different from those of non-related parties.

(ii) Purchase

On November 30, 2021, the Company contracted with other related-parties-San Chia Construct Development Co., Ltd., to transfer the right of construction in progress at Sankuaicuo Sec., Sanmin Dist., Kaohsiung City (including construction license) with a contract price of \$100,007 thousand.

The Company's purchases from related parties are priced based on the original acquisition costs incurred by the related parties and paid according to payment terms specified in contracts.

(iii) Payable to related parties

<u>Account items</u>	<u>Relationship</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable	Other related-parties—San Chia	\$ -	<u>100,007</u>

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(iv) Financing

- 1) In September 2021, the Company borrowed \$150,000 thousand without interest charge from its related party, Yu-Lin, Chung. As of December 31, 2021, the borrowings have been repaid.

(v) Other

- 1) Please refer to note 9 for joint construction projects with related parties.
- 2) In September 2021, the Company contracted with Chung, Chia-Tsun, a related party, for a joint construction with separate sale. As of December 31, 2022, the performance bond paid to Chung, Chia-Tsun, the landowner, amounted to \$2,000,000 thousand, which was recognized in the line item of guarantee deposits paid. Additionally, Chung, Chia-Tsun, a related party, pledged the land at Kanjiaobei Sec., Rende Dist., Tainan City to secure long-term loans from financial institutions.
- 3) In November 2021, the Company contracted with Kaohsiung Transportation Co., Ltd., a related party, for a joint construction project with separate sale. As of December 31, 2022, the performance bond paid to Kaohsiung Transportation Co., Ltd., the landowner, amounted to \$2,000,000 thousand, which was recognized in the line item of guarantee deposits paid. In addition, the related party, Kaohsiung Transportation Co., Ltd., pledged the land at Sankuaicuo Sec., Sanmin Dist., Kaohsiung City to secure long-term loans from financial institutions.
- 4) In November 2021, the Company contracted with its related party, Kaohsiung Transportation Co., Ltd., for a joint construction project with separate sale. During 2022, the Company paid \$28,757 thousand on behalf of the landowner its share of both advertisement expenses and sales commissions incurred for the joint construction project. As of December 31, 2022, the amount, which has not been settled, was included in the line item of other receivables.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31	
	2022	2021
Short-term employee benefits	\$ 13,227	5,761
Post-employment benefits	178	174
Share-based payment	-	28
	\$ 13,405	5,963

The details of share-based payment please refer to note 6(r).

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(8) Pledged assets:

The carrying values of pledged assets as security were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Inventories	Short-term borrowings and short-term notes and bills payable	\$ 2,132,309	2,287,119
Other current financial assets	Pre-sale real estate value trust	\$ 419,526	68,621
Other current financial assets	Short-term borrowings	7,612	6,903
		<u><u>\$ 2,559,447</u></u>	<u><u>2,362,643</u></u>

(9) Commitments and contingencies:

- (a) The Company's project contracts under which the obligations have not been performed and the prices of contracts entered into with customers were as follows:

	December 31, 2022	December 31, 2021
Total price of sales contracts signed (before tax)	<u><u>\$ 4,496,558</u></u>	<u><u>348,957</u></u>
Amount received according to contracts (before tax)	<u><u>\$ 498,978</u></u>	<u><u>66,902</u></u>

- (b) Other unrecognized contractual commitments were as follows:

Item	December 31, 2022	December 31, 2021
Land development and design	<u><u>\$ 39,353</u></u>	<u><u>12,259</u></u>
Outsourcing engineering	<u><u>\$ 183,854</u></u>	<u><u>293,897</u></u>

- (c) As of December 31, 2022, the Company's joint construction projects were as follows:

Project Name	Landowner	Land Lot No.	Nature of Joint Construcion	Expected Completion Year
Tzuli Project	Kaohsiung Transportation Co., Ltd.	Sankuaicuo Sec., Sanmin Dist., Kaohsiung City	Joint construction and separate sale	To be determined
Rende Project	Chung, Chia-Tsun	Kanjiaobei Sec., Rende Dist., Tainan City	Joint construction and separate sale	To be determined
Rende Project	Kingtown & Construction Co., Ltd.	Kanjiaobei Sec., Rende Dist., Tainan City	Joint development	To be determined

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(10) Losses Due to Major Disasters:none

(11) Subsequent Events:none

(12) Other:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	2022			2021		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		-	10,657	10,657	-	7,238	7,238
Labor and health insurance		-	500	500	-	541	541
Pension		-	310	310	-	305	305
Remuneration of directors		-	5,173	5,173	-	825	825
Others		-	594	594	-	343	343
Depreciation		-	1,221	1,221	-	1,311	1,311
Amortization		-	-	-	-	-	-

The additional information of number of employees and employee benefits in the year 2022 and 2021 were as follows:

	2022	2021
Number of employees	<u>15</u>	<u>16</u>
Number of non-employee directors	<u>6</u>	<u>6</u>
Average employee benefits	<u>\$ 1,340</u>	<u>843</u>
Average employee salaries	<u>\$ 1,184</u>	<u>724</u>
Adjustment of average employee salaries	<u>63.54%</u>	<u>(12.35)%</u>
Supervisor's remuneration	<u>\$ -</u>	<u>81</u>

Information on the Company's salary and remuneration policy (including directors, managers and employees) is as follows:

- (b) Director's salaries including:
- (i) In accordance with the articles of incorporation the Company should contribute less than 3% as directors' and supervisors' remuneration when there is profit for the year.
 - (ii) Allocated based on the degree of participation to the Company's operation and contribution of directors and supervisors.

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- (c) The General Manager, Deputy General Manager, Managers and employees' salaries including wages, bonus and compensation:
 - (i) Salaries for the general manager, deputy general manager, managers of the Company is based on the guidance, which was approved by the compensation committee and the board of directors, and contribution to the Company.
 - (ii) In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation when there is profit for the year.
 - (iii) Bonus is paid on the basis of personal performance and contribution to the Company.

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the Regulations for the Company for the year ended December 31, 2022:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures): None
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
The Company	4 land parcels at land lot No. 769-772 Zhongguan Sec., Guanyin Dist., Taoyuan City	March 29, 2022	November 6, 1969	24,381	455,694	455,694	431,313	Atai Fuji Motor Co., Ltd.	Non related parties	To generate benefits from assets and improve financial structure	Price was determined with reference to market price and appraisal report	-

- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
 - (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
 - (ix) Trading in derivative instruments: None.
- (b) Information on investees: None
- (c) Information on investment in Mainland China: None
- (d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
San Di Construction Co., Ltd.		15,546,907	21.83 %
Lu Ying Investment Co., Ltd.		6,226,333	8.74 %
Chung, Chia-Tsun		5,908,001	8.29 %
Cyu, Pei-Fen		3,890,014	5.46 %

Note: (1) The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

- (2) If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.

(Continued)

SANDI PROPERTIES CO., LTD.
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Notes to the Financial Statements

(14) Segment information:

(a) General information

Information provided to chief operating decision makers to allocate resources and measure department performance focuses on the type of products delivered or services rendered. The Company mainly engages in the construction of commercial and industrial buildings, rental and sale of housing, trading of real estate, and distribution of miscellaneous merchandise. The Company's chief unit for making operating decisions measures the results of its operations as a whole, so as to determine policies on resource utilization and evaluate the overall performance. Therefore, the Company has not segmented itself by industry, hence no need to disclose financial information of operating segments.

(b) Product and service information

Revenue from external customers of the Company were as follows:

<u>Product and service</u>	<u>2022</u>	<u>2021</u>
Land and building sale revenue	\$ 595,048	12,128
Others	217	169
Total	<u>\$ 595,265</u>	<u>12,297</u>

(c) Geographic information

In presenting information on the basis of geography, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets.

<u>Geographical information</u>	<u>2022</u>	<u>2021</u>
Revenue from external customers:		
Taiwan	<u>\$ 595,265</u>	<u>12,297</u>
	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Non-current assets:		
Taiwan	<u>\$ 18,335</u>	<u>32,246</u>

Non-current assets including property, plant and equipment, right-of-use assets and other non-current assets.

SANDI PROPERTIES CO., LTD.
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Notes to the Financial Statements

(d) Major customers

The sales to individual customers that constituted 10% or more of the Company net sales were as follows:

<u>Customer name</u>	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>% of net sales</u>	<u>Amount</u>	<u>% of net sales</u>
A	\$ -	-	-	-
B	-	-	-	-
C	-	-	-	-
D	-	-	11,768	95.70
E	<u>455,694</u>	<u>76.55</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 455,694</u></u>	<u><u>76.55</u></u>	<u><u>11,768</u></u>	<u><u>95.70</u></u>

SANDI PROPERTIES CO., LTD.
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Statement of cash and cash equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash	Petty cash-TWD	\$ 50
	Cash on hand-TWD	70
Cash in banks	Demand deposit-TWD	407,865
	Check deposit-TWD	<u>74</u>
Total		<u><u>\$ 408,059</u></u>

SANDI PROPERTIES CO., LTD.
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Statement of other receivables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Non-related parties		
	Sales commission receivables from joint operations	\$ <u><u>30,419</u></u>

Statement of other receivable-related parties

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Kaohsiung Transportation Co.,Ltd.	Sales commissions receivable from landowners of joint-construction-and-separate-sale projects	\$ <u><u>28,757</u></u>

SANDI PROPERTIES CO., LTD.
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Statement of inventories

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>	<u>Mortgage or guarantee provided</u>
Land held for development:		
Shuangling Sec., and Shangling Sec., Zhongli Dist., and Zhongguan Sec., Guanyin Dist., Taoyuan City	\$ 141,179	Mortgage to financial institutions
Huasing Sec., and Dingan Sec., North Dist., Tainan City	<u>154,068</u>	None
	<u>295,247</u>	
Construction in Progress:		
Mingyi Sec., Xiaogang Dist., Kaohsiung City	224,087	Mortgage to financial institutions
Sankuaicuo Sec., Sanmin Dist., Kaohsiung City	136,526	None
Guoan Sec., Anan Dist., Tainan City	427,837	Mortgage to financial institutions
Wusheng Sec., West Central Dist., Tainan City	1,060,551	Mortgage to financial institutions
Kanjiaobei Sec., Rende Dist., Tainan City	<u>9,517</u>	None
	<u>1,858,518</u>	
Properties and land held for sale:		
Tianjhongyang Sec., Linyuan Dist., Kaohsiung City	<u>256,113</u>	None
Right-of-use Assets:		
Pingshi Sec., East Dist., Tainan City	<u>747,459</u>	Mortgage to financial institutions
Total	<u><u>\$ 3,157,337</u></u>	

SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statement of other current financial assets

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(e).

Statement of other current assets

Please refer to Note 6(j).

SANDI PROPERTIES CO., LTD.
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**Statement of changes in property, plant and equipment
and accumulated depreciation**

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(h).

**Statement of changes in right-of-use assets and
accumulated depreciation**

Please refer to Note 6(i).

SANDI PROPERTIES CO., LTD.
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Statement of refundable deposits

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Refundable deposits	Using phone deposit	\$ 12
	Rental of vehicle deposit	1,300
	Rental of office deposit	25
	Joint construction deposit	4,000,000
	Disaster management deposit	14,585
	Others	<u>23</u>
		<u><u>\$ 4,015,945</u></u>

SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statement of short-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Type</u>	<u>Description</u>	<u>Ending Balance</u>	<u>Range of interest rate</u>	<u>Bank Credit Line</u>	<u>Collateral</u>	<u>Note</u>
Secured bank loans	Financial institutions	\$ <u><u>1,458,295</u></u>	2.43%~2.854%	(note)	Land held for development, construction in progress, right- of-use assets and restricted bank deposits	

Note: The credit lines of short-term borrowings amounted to \$6,010,800 thousand.

SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statement of contract liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Advance real estate receipts	Tianjhongyang Project	\$ 82,818
	Mingyi Project (Land lot No. 35)	84,209
	Guoan Project	142,388
	Sankuaicuo Project	189,563
		<u>\$ 498,978</u>

Statement of notes payable

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Non related-party:		
B Company	Sales commission	\$ 2,083
Others(note)	Operating	68
		<u>\$ 2,151</u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

SANDI PROPERTIES CO., LTD.
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Statement of accounts payable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Non-Related Parties		
A Company	Operating	\$ 26,608
Others (note)	Operating	469
		<u>\$ 27,077</u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

Statement of other payables

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Non-Related Parties:		
Salary	Salary payable of December,2022	\$ 480
Bonus	Year-end bonus payable of 2022	505
Remuneration of employees	Remuneration of employees payable of 2022	3,885
Remuneration of directors	Remuneration of directors payable of 2022	3,885
Professional fees	Professional service fees payable of 2022	529
Interest	Interest payable	6,292
Joint arrangement	Management fee, salary and bonus, etc.	37,740
Others	Pension, labor and health insurance and agency fee, etc.	186
Total		<u>\$ 53,502</u>

SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statement of other current liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Receipts under custody	Withholding registration fee, scrivener fee, income tax and labor and health insurance	\$ 3,581
Advance payment	Sales of real estate and adding cost for project changing, etc.	6,124
Temporary credits	Incorrect remittance for the advertising company of joint arrangement	<u>2,806</u>
Total		<u><u>\$ 12,511</u></u>

SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statement of long-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Amount			Term of contract	Rate	Collateral or Pledge	Note
		Within 1 year	Exceed 1 year	Total				
Taiwan Life Insurance Co., Ltd.	Secured bank loans	\$ -	2,000,000	2,000,000	Please refer to note 6(m)	2.425 %	Please refer to note 7	-
Syndication from Bank SinoPac and 4 other banks	Secured bank loans	-	2,000,000	2,000,000	Please refer to note 6(m)	2.330 %	Please refer to note 7	-
		<u>\$ -</u>	<u>4,000,000</u>	<u>4,000,000</u>				

SANDI PROPERTIES CO., LTD.
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Statement of lease liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Creditor	Amount			Term of contract	Rate
	Within 1 year	Exceed 1 year	Total		
Yong Xin Car Rental Co., Ltd.	\$ 744	-	744	The principal shall be repaid in 36 monthly installments of \$75 thousand commencing from November 2020.	0.17% (monthly)
Southern Region Branch National Property Administration	988	146,331	147,319	From September 2021, the principal shall be repaid in 840 monthly installments, of which \$230 thousand shall be repaid per month until December 2021. During the remaining period, principal shall be repaid in monthly installments of \$333 thousand.	0.17% (monthly)
	<u>\$ 1,732</u>	<u>146,331</u>	<u>148,063</u>		

Statement of deferred tax liabilities

Please refer to note 6(p).

SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statement of operating revenues

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Land</u>	<u>Building</u>	<u>Amount</u>
Sales of real estate	Song Hua Yuan II	\$ 64,420	74,943	139,363
Sales return and allowance		-	(9)	(9)
Net sale of real estate		<u>\$ 64,420</u>	<u>74,934</u>	\$ 139,354
Revenue of sell land held for construction sites and roads	Land held for construction sites and roads at Zhongguan Sec., Guanyin Dist., Taoyuan City			455,694
Sales revenue of merchandise	Cookwares			<u>217</u>
Operating revenue				<u>\$ 595,265</u>

Statement of operating costs

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cost of real estate	Song Hua Yuan II	\$ 122,484
Costs to sell land held for construction sites and roads	Land held for construction sites and roads at Zhongguan Sec., Guanyin Dist., Taoyuan City	24,381
Cost of merchandise sold	Cookwares	468
Reversal of write-downs		<u>(209)</u>
Total		<u>\$ 147,124</u>

SANDI PROPERTIES CO., LTD.
(FORMERLY: YU FOONG INTERNATIONAL CORPORATION.)

Statement of selling expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Commission expense	Commission expense of sale real estate	\$ 9,299
Other expense(note)	Professional fees and miscellaneous expense ,etc.	<u>69</u>
Total		<u><u>\$ 9,368</u></u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

Statement of administrative expenses

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Salary	Salary and bonus, etc.	\$ 10,657
Remuneration of directors	Remuneration of directors	3,885
Professional fees	Professional service fees of accountants and appraiser	1,991
Traffic allowance	Traffic allowance	1,288
Depreciation	Depreciation of property,plant and equipment and right-of-use assets	1,221
Others(note)	Insurance expense,tax and miscellaneous expense, etc.	<u>3,108</u>
Total		<u><u>\$ 22,150</u></u>

Note: The amount of individual item in others does not exceed 5% of the account balance.

SANDI PROPERTIES CO., LTD.
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Statement of interest income

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(v).

Statement of other gain or loss

Please refer to note 6(v).

Statement of finance costs

Please refer to note 6(v).