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<http://www.shininggroup.com>



Shining Building Business Co., Ltd.

2023 Annual Report

Persistence, Perseverance, Quality Assurance

Issued on May 15, 2024

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Title: Special Assistant

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Title: Not applicable

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2.Company Address and Telephone Number**Headquarters**

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Branch

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4.Auditors

Auditors: Hung, Suk-Fan, Shiao, You-Wen

Crowe (TW) CPAs

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Name: Nil

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www.shininggroup.com.tw

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I. Letter to Shareholders

1.1 Business Result of 2023

1.1.1 Implementation Results of the Business Plans in 2023

The total of consolidated revenue in 2023 is NT\$ 3,778,781 thousand, composed of domestic accounts mainly from revenue of house sales “Shining Yuchuan” at NT\$ 107,404 thousand, “Shining Hengmei” at NT\$ 2,174,162 thousand, and revenue from Shining’s subsidiary Tai Yu Construction at NT\$ 7,556 thousand; in addition, the revenue is also contributed by the revenue of the Company’s re-invested Chinese subsidiary Qingdao Ding-Lin Hotel at NT\$ 352,570 thousand and real estate income at NT\$ 122,790 thousand along with Nanjing Ding-Zheng Hotel’s revenue at NT\$ 391,255 thousand and real estate income at NT\$ 592,137 thousand, topped with revenue from lease at NT\$ 30,907 thousand; the pandemic has resulted in the Company’s loss per share at NT\$ 0.2 in 2023.

1.1.2 Status of Budget Implementation

In accordance with the provisions in “Regulations Governing the Publication of Financial Forecasts of Public Companies,” a comparison on the budget implementation cannot be conducted as the Company did not prepare the financial forecast for the year 2023.

1.1.3 Financial Income and Expenditure and Profitability Analysis (IFRS Consolidated Financial Report)

Unit: NTD Thousands

Items	Actual Numbers for 2022	Actual Numbers for 2023	Gain (Loss) Condition	
			Amount	Ratio (%)
Operating Revenue	1,330,284	3,778,781	2,448,497	184.06%
Operating Cost	975,138	2,783,093	1,807,955	185.41%
Operating Margin	355,146	995,688	640,542	180.36%
Operating Expense	1,296,584	1,275,508	(21,076)	(1.63%)
Operating Profit	(941,438)	(279,820)	661,618	(70.28%)
Net Income After Tax of the Parent Company	(1,375,980)	(195,191)	1,180,789	(85.81%)

Year			2022	2023
Profitability	Return on Assets (%)		(2.97)	0.62
	Return on Shareholders’ Equity (%)		(14.20)	(3.59)
	Ratio to Paid-in Capital %	Operating Profit	(9.63)	(2.86)
		Pre-Tax Income	(19.01)	(4.27)
	Profit (Loss) Margin Before Tax (%)		(122.97)	(10.22)
	EPS from Parent Company (NTD)		(1.41)	(0.20)

1.1.4 R&D Status

The Company has set up Shining Real Estate Research Office responsible for survey, research, tracking and keeping on the trend of real estate market, along with in-depth research on political and economic circumstances within the real estate market and periodic preparation of research reports. The prepared research and survey report has now become one of the most credible reference nationwide for real estate information that has precise grasps over the market pulse.

1.2 Operation Plans for 2024

1.2.1 Management Guidelines:

1.2.1.1 Persistence in Excellence, and Assurance in Quality

1.2.1.2 Equivalent Standard for Various Different Products

1.2.1.3 Focus on Main Business and Deep Cultivation in the Market

1.2.1.4 Management and Control over Quality through Up-and-Down-Stream Vertical Integration

1.2.1.5 Perseverance on Brand and Sustainable Management

1.2.1.6 Social Responsibility for Brand Image

1.2.1.7 The Spirit of the Tiger Theory

1.2.2 Projected Sales and Their Accordance:

Table of Anticipated Promotion of Shining Projects in Taiwan and Mainland in the Next 5 Years (Totally NT\$ \$84 Billion)

(NT\$ millions)		
Projects		Estimated/Project Promotion Target Amount
		Anticipated Project Promotion Target Amounts for Newly Acquired Lands
Taiwan	Shining Hengmei (sold out)	2,199
	Shining Rural Dome (sold out)	2,570
	Urban Renewal Project at Jilin Rd., Taipei City	2,748
	Urban Renewal Project in Wanhua Dist., Taipei City	5,240
	Urban Renewal Project at Nong'an St, Taipei City	5,550
	Joint Construction Project in Beitou Dist., Taipei City	573
	Newly Acquired Lands in Northern Taiwan	3,500
	Newly Acquired Lands (Douliu)	2,620
	Subtotal TAIWAN	21,500
Mainland China	R6 Site in Chengdu City	10,130
	R4 Site in Chengdu City	10,859
	R2 Site in Chengdu City	5,234
	R1 Site in Chengdu City	10,265
	Newly Acquired Lands	22,500
	Subtotal MAINLAND CHINA	36,486
Target Amounts for Project Promotions and Land Acquisitions in 2023Q4~2028		57,986
Total		83,986

1.2.3 Significant Production and Sales Policies:

Shining Group is currently actively preparing to implement the ESG plan (Environmental, Social Responsibility, and Governance) to respond to the accelerated actions of various countries and enterprises in promoting carbon neutrality and net zero carbon emissions. In particular, the declaration action at COP28 announced the imposition of carbon tax starting in 2025, and various building materials are also trading carbon rights. The company will cooperate with government policies to promote green building projects.

1.3 Future Development Strategies for the Company

(1) Domestic Projects:

In the first quarter of 2024, Shining officially launched the "Shining The Zhongshan" project in Zhongshan District, Taipei City, and the "Shining Yun Feng" project in Douliu, Yunlin. The redevelopment project in Wanhua is also scheduled to enter the market for sale in the third quarter of 2024. Both projects reserve large areas as outdoor green spaces, with rooftop solar panels for energy-saving installations. They are designed to incorporate self-grown fruits and vegetables from rooftop gardens into meals, and the exterior and structure are designed for zero net carbon emissions, embodying the company's social responsibility for ESG environmental sustainability.

(2) Projects in Mainland China:

Regarding investments in mainland China, as of the fourth quarter of 2023, first- and second-tier cities in China no longer have price restrictions or purchase restrictions, allowing for early repayment of loans and reducing the down payment ratio (self-owned funds), providing more credit support to real estate enterprises and developers, properly resolving inventory, and achieving "delivery guarantee". The real estate market in mainland China has stabilized.

Shining's R6 residential project in Chengdu's Hanbitianxia, with a total sales value of approximately NT\$10 billion, will be launched for sale in 2024. It is optimistic about the population dividend and the impact of rail transit on residential and commercial development and investment, which will bring value-added effects and create more abundant profit advantages. In addition to the R6+R4 residential plots, Shining also owns two commercial plots, C1 and C2, across Fengtai 3rd Road. The commercial plots in this area are served by three subway lines, including S11, surrounding the third ring road commercial district of Chengdu, and the No. 9 and No. 18 lines leading to Chengdu Tianfu International Airport. This not only helps boost the sales of residential properties R6+R4 that are about to go on sale but also accelerates the rate of inventory turnover. Shining is accelerating the planning and promotion of the commercial complex design and leasing plan, hoping to synchronize completion with the subway.

1.4 Impacts to the Company under external competition, regulation and macro management circumstances

In Taiwan, over the past two years, due to the government's intensive efforts to curb speculation in the housing market, it has implemented various anti-speculation policies, which have also suppressed the performance of the housing market. Starting from 2024, the government has raised the minimum wage, adjusted military and police salaries, adjusted electricity prices, and other measures. In addition, with the implementation of the COP28 United Nations Climate Change Conference's carbon rights, all production prices will rise. Since the real estate industry is the most sensitive to global economic performance, it is estimated that prices of building materials such as steel bars, cement, aluminum, copper, and glass will rise, raising construction costs. It takes three to four years for each new project to be completed and delivered. There is temporarily no room for price reduction in housing prices.

With the release of negative news such as the average land rights ordinance and the integration of land and housing 2.0 and the release of new benefits such as the New Green and Peaceful, stability gradually returned from the fourth quarter of 2023, and the volume of project launches increased. The hoarding tax, which was passed in the third reading recently, will be implemented in July 2024, and some developers will return to layout pre-sale markets. In addition, there is an increase in redevelopment and rebuilding projects, and the rigid demand for first-time purchases and housing exchanges has also increased.

Looking ahead to the 2024 housing market, the five major trends are as follows: (1) Economic recovery is accelerating, but conservative consumption and rigid demand are the mainstream, with low total prices and small unit sizes; (2) The hoarding tax catalyzes a wave of second-hand house listings; (3) With the arrival of interest rate cuts, high-asset groups will pour into the stock market and high-end residential and commercial real estate; (4) Developers pay more attention to redevelopment and rebuilding; (5) The era of EGS is coming, and developers and builders design green standards or green buildings to obtain more carbon reduction volume incentives.

Shining has 20 years of experience in commercial real estate layout. After crossing into mainland China with Taiwan's experience, it is continuously preparing for the second Hanbi building in Taiwan. It will also layout in the United States, Southeast Asia, and other places, accelerating internationalization. With a total planned sales of about NT\$100 billion in land cases, it is sufficient for future five-year project launches, with an annual plan to maintain a project launch volume of NT\$20 to NT\$30 billion.

According to a report by the Global Construction Alliance, the construction industry accounts for nearly 40% of global carbon emissions. To move towards the goal of net zero emissions, Shining actively promotes green building designs, smart cities, and other plans, which is unstoppable.

II. Company Profile

2.1 Date of Incorporation: May 29, 1990

2.2 Company History

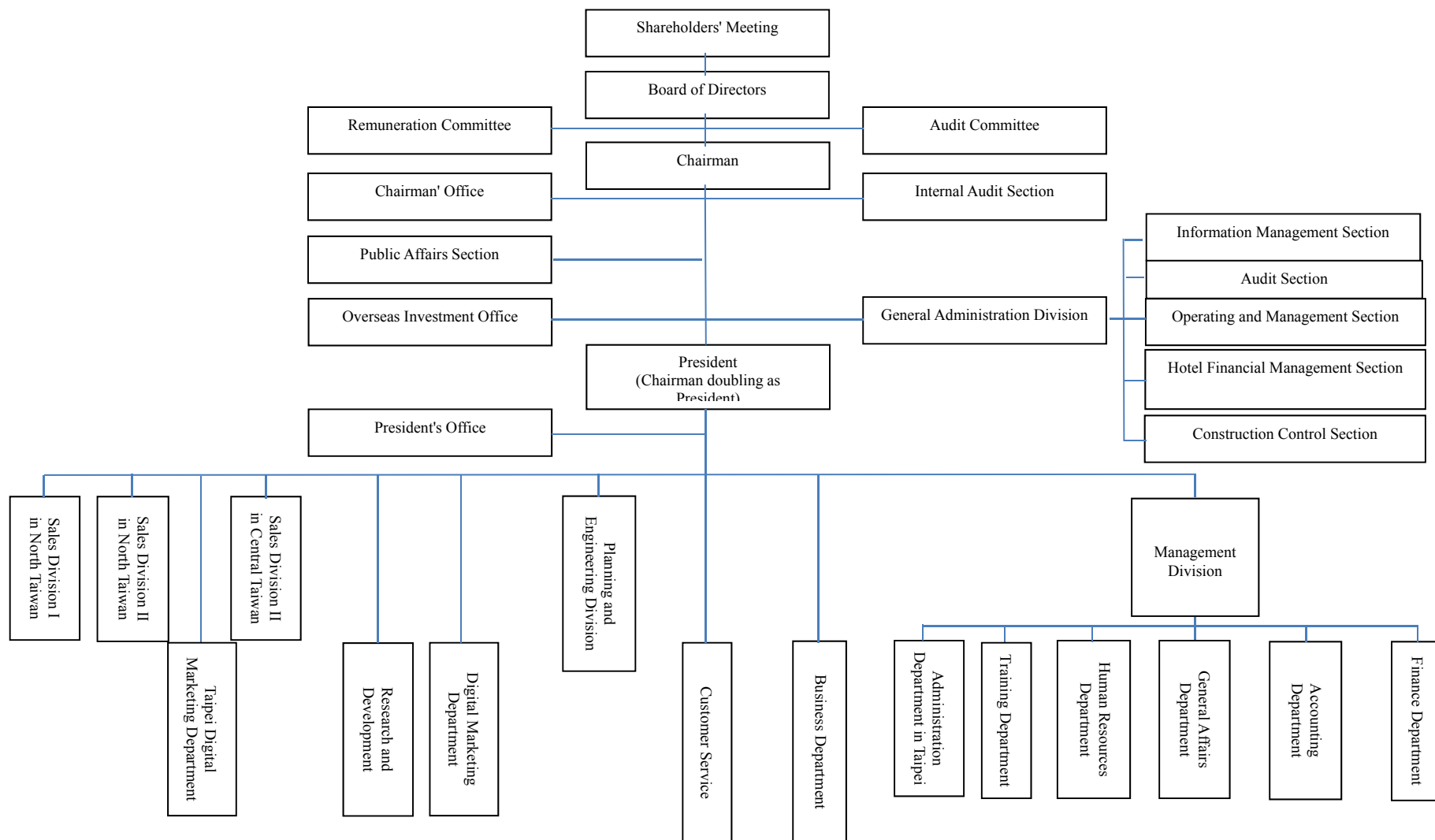
In 1980, Mr. Lai, Cheng-I, the founder and chairman of Shining Building Business Co., Ltd. (hereinafter referred to as the founder and was wholeheartedly committed to serving the society and improving national living quality and therefore launched the first construction project, "Guang Xing Garden Plaza", in Changhua. In the same time, he put his heart and soul into construction industry with attitudes of integrity, aggressiveness, responsibilities, and innovation for fulfilling the high degree of demands by neoteric on the spiritual life and living quality, and making most direct contribution to society. In May 1990, the Company was formally established with a capital of NT\$6.5 million. Its scope of business is construction of commercial buildings and sales and lease of general public housing, high-grade residences, and commercial offices. "Persistence, Perseverance, and Quality Assurance" is upheld as the unchangeable eternal faith and sustainable business philosophy of the Company. In 1991, the "Shining Science Building" was officially launched, which won National Golden Lion Award in 1991 and National Golden Award for Architecture—Best Quality in 1994. In November 1996, initial public offering was conducted. In June 2001, transaction in the over-the-counter market was approved. In January 2005, the stock officially went public and listed. For promoting the projects across Taipei and New Taipei, the Taipei branch was established in July of the same year. As the end of 2023, the capital increase has reached NT\$10,775,892,450 through many times of capitalization of retained earnings and private issuance of preferred shares that makes the Company become a large domestic construction company, which has promoted several development projects in Taichung, Changhua, Yunlin, Taipei City, and New Taipei City.

For controlling construction quality, the Company invested and established the subsidiary, Tai Yu Construction Co., Ltd., in October 1990, and entrusted all construction projects of the Company to it. Other than consolidation of the main business in the industry, real estate development, Shining Group has a foothold in Taiwan, but reaches out to China and expands its horizons to include the whole world. For accelerating its cross-strait deployment, the Company set its goals as building The Lalu Hotel in China and investing in hotel-style apartments, shopping malls and offices in order to achieve the target in regard to stepping into the real estate market in China. In May 2010, Investment Commission initially approved the Company's investment for establishment of the subsidiary, Qing Dao Ding Lin Real Estate Co., Ltd. Successively, investments for establishment of other subsidiaries are implemented for Nan Jing Ding Zheng Real Estate Co., Ltd. and Cheng Du Ding Kang Real Estate Co., Ltd. The Company transformed Taiwan experience into China experience and enter China market with "THE LALU" as its brand. With more than 30 years of experience in tourism and real estate industry and an excellent team with super awesome teams in all kinds of businesses, including land development, planning and design, construction, hotel preparation, and operation management, etc., the Company has become a multinational corporation of immovable property development with diversity. After the Company's launching and opening initial Lalu Hotel in Qing Dao of China in 2014, the "LALU" has become the cultural and creative brand of International chain hotels.

III. Corporate Governance Report

3.1 Organization System

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

3.1.2.1 Chairman' Office & Public Affairs Section

1. In charge of plan preparation and execution of different public relations programs, investment planning, reviewing contracts and important documents, dealing with litigation cases, planning legal matters, and releasing various orders.

3.1.2.2 Internal Audit Section

- (1) In charge of assessment of internal control system, planning of audit plans, improvement tracking of abnormalities audited, maintenance of audit system, proposal of audit reports, verification of self-assessment, and report summary, etc.
- (2) Use digital tools to promote the transformation of the overall company, continue to create service value and commodity competitiveness, in order to achieve sustainable management
 - a. Build centralized data
 - b. Improve employee data competitiveness
 - c. Implement a data-centric business/department management approach
- (3) Prepare to build an industry-related content platform to help companies and partners obtain the benefits of brand promotion and community promotion in the digital market, so that businesses and sales can reach target customers and expand marketing effectiveness.

3.1.2.3 General Administration Office

In charge of execution of the Company's annual plan, financial planning of reinvestments, analysis and recommendations in regard to business data of each business unit, establishment of meeting systems, creation, inspection, and implementation of system standardization, establishment and maintenance of MIS systems, management and maintenance of computer hardware and operating systems, management of programs and database, development of informatization in the Company, establishment of marketing database, creation of construction cost database, planning and execution of network integration.

3.1.2.4 President's Office

Execution of various project plans, mid-term and long-term guideline for management and strategic planning, president's staff unit.

3.1.2.5 Planning and Engineering Division

Utility maximization of land development, recommendations and proposals on the planning direction of construction development, implementation of resolutions of company plans, supervisory control of the schedule and quality of design layouts and customers' alteration of design, design quality control, final acceptance of construction, and customers' acceptance before property handover, etc.

3.1.2.6 Sales Division & Research and Development Department

Achievement of annual business goals in coordination with promotional programs, providing professional training and talent development to sales staff of entry level and management level, collection of customer data and establishment of database, planning and implementation of annual and developmental advertisements, market research and data analysis for assisting the

community to establish the first session management committee, control of schedule, quality, and final acceptance of construction, market analysis, product positioning, commodity and marketing packaging plans, new product planning, sales operation control, market absorption capacity survey, operating scheme of competitors analysis, evaluation and acquisition of lands, urban renewal and capacity transfer, analysis of land development costs, etc.

3.1.2.7 Business Department

In charge of customer contract signing, payment collection, identity verification procedure of bank, and property handover.

3.1.2.8 Customer Service Department

In charge of community customer complaints, cross-department communication and coordination, repairing and sustainable maintenance services, handover of community public facilities, and community arts and cultural activities, etc.

3.1.2.9 Management Division

In charge of general accounting affairs, stock operations, budget operations, tax declaration, financial statements and information release to Market Observation Post System, execution of company capital increase, capital movement, cash flow control, management of public affairs, fixed assets, and public facilities, company trip arrangements, maintenance of occupation safety, personnel administrative operations, maintenance of company organization structure, human resource development, employee motivation and improvement of employee morale, employee education and training programs, and human resource integration and development of all business units.

3.1.2.10 Overseas Investment Office

In charge of matters of overseas investment businesses, including the acquisition of land, planning and design, schedule management of factory construction, and various preparatory works before the opening of hotels and shopping malls.

3.1.2.11. Digital Marketing Department:

Set up, manage and maintain the Company's website and a digital community; in charge of the implementation and outcomes, and marketing activities and community promotion content consistent with the brand; use digital utilities to maintain the Company's customer relationships and deliver customer feedbacks to relevant departments in real time; provide digital database analysis and marketing support for the Company's sales.

3.2 Information on the Company's directors, supervisors, president, vice president, associate vice president, and the manager of each department and branch institution

3.2.1 Information on Directors and Supervisors

3.2.1.1 Directors

April 29, 2024

Title	Nationality or Place of Registration	Name	Gender/Age	Date Elected	Term of Office	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held by Nominee Arrangement		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Second Degree Relative of Consanguinity			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Ding Lin Investment & Development Co., Ltd.	Male 66-70	2022.6.24	3 years	2001.06.05	96,008,678	9.82	146,008,678	13.6	-	-	-	-	Department of Electrical Engineering, Southern Taiwan University of Science and Technology General Chamber of Commerce of the Republic of China—President Taiwan Tourist Hotel Association—President International Real Estate Development Association of Taiwan—President Council of Industrial & Commercial Development— Honorary President Construction and Development Association of Taiwan Province—President Tai Chung City Chamber of Commerce—President	Shining Building Business Co., Ltd.—Chairman Ding Lin Investment & Development Co., Ltd.—Chairman Lalu Hotel Co., Ltd.—Chairman Guang Yu Investment & Development Co., Ltd.—Chairman Quan Yang Investment Co., Ltd.—Person In Charge Bai Huang Investment Co., Ltd.—Person In Charge Ding Lin International Enterprise Co., Ltd.—Chairman Shining Cultural and Educational Foundation—Chairman Shining Communication Co., Ltd.—Person In Charge Shining Real Estate Co., Ltd.—Chairman	Director	Chen, Shu-Fen	The Spouse	Note 1
		Representative: Lai, Cheng-I		2022.6.24		1990.05.29	3,596,942	0.37	3,596,942	0.33	441,231	0.04	116,917,486	10.85						
Director	R.O.C.	Ding Zheng Investment Co., Ltd.	Female 66-70	2022.6.24	3 years	2007.06.13	94,131,799	9.63	143,631,799	13.33	-	-	-	-	Economics Department, Soochow University	Ding Zheng Investment Co., Ltd.—Chairman Yi Yang Investment Co., Ltd.—Chairman	Chairman	Lai, Cheng-I	The Spouse	
		Representative: Chen, Shu-Fen		2022.6.24		1990.05.29	441,231	0.05	441,231	0.04	3,596,942	0.33	116,917,486	10.85						
Director	R.O.C.	Zheng Kee Investment Co., Ltd.	Male 66-70	2022.6.24	3 years	2005.05.10	42,824,268	4.38	42,824,268	3.97	-	-	-	-	Fiber Engineering Department, National Taiwan University of Science and Technology	Shining Building Business Co., Ltd.—Director of General Administration Division Shining Hydropower Engineering Co., Ltd.—Person In Charge Zheng Kee Investment Co., Ltd.—Chairman Li Jing Investment Co., Ltd.—Chairman Billion Capital Holding Co., Ltd.—Person In Charge Quantum Investment Ltd.—Person In Charge	Nil	Nil	Nil	
		Representative: Chang, Ying-Yin		2022.6.24		2004.06.10	44,273	0.00	44,273	0.00	1,964	0.00	-	-						

Title	Nationality or Place of Registration	Name	Gender/Age	Date Elected	Term of Office	Date First Elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held by Nominee Arrangement		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Second Degree Relative of Consanguinity			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Yi Yang Investment Co., Ltd.	Female 55-60	2022.06.24	3 years	2004.06.10	18,695,522	1.91	18,695,522	1.73	-	-	-	-	Department of Business Administration, Tunghai University	Shining Building Business Co., Ltd. — Vice Director of General Administration Division Headway Investment LTD- Person in charge Gold Square Investment LTD- Person in charge	Nil	Nil	Nil	
		Representative: Liao, Pei-Chi		2022.06.30		2013.6.20	37,022	0.00	37,022	0.00	-	-	-	-						
Independent Director	R.O.C.	Chiu, Wen-Jui	Male 61-65	2022.6.24	3 years	2005.05.10	12,426	0.00	12,426	0.00	-	-	-	-	Department of Electrical Engineering, Va Nung University Chiang Shun Post Co., Ltd. — Vice Chairman	IC Artis Co., Ltd. — Director	Nil	Nil	Nil	
Independent Director	R.O.C.	Huang, Jian-Ji	Male 56-60	2022.6.24	3 years	2019.6.25	-	-	-	-	-	-	-	-	PhD Department of Electrical Engineering, National Cheng Kung University Department of Multimedia Game Development and Application., Hung Kuang University — Dean & Associate Professor	Department of Multimedia Game Development and Application., Hung Kuang University — Associate Professor	Nil	Nil	Nil	
Independent Director	R.O.C.	Yang, Chih-Chung	Male 56-60	2022.6.24	3 years	2019.6.25	-	-	-	-	-	-	-	-	Master Degree Institute of Transportation, National Chiao Tung University Hubbard Administration Management Co., Ltd. — Person In Charge	Hubbard Administration Management Co., Ltd. — Person In Charge	Nil	Nil	Nil	

Note 1: In order to implement the Company's governance system, the Company's Board of Directors resolved on November 8, 2023 to change the President of the Company from Lai, Cheng-I to Fang, Wei-Min.

3.2.1.2 Major Shareholders of the Institutional Shareholders

April 29, 2024

Name of Institutional Shareholders	Major Shareholders of Juridical Person
Ding Lin Investment & Development Co., Ltd.	Lai, Cheng-I(21.95%) ; Chen, Shu-Fen(17.07%) ; Jing Ting Investment Co., Ltd.(14.63%) ; He Yi Investment Co., Ltd.(14.63%)
Ding Zheng Investment Co., Ltd.	Lai, Cheng-I(25.00%) ; Chen, Shu-Fen (15.00%) ; Jing Ting Investment Co., Ltd.(15.00%) ; He Yi Investment Co., Ltd.(15.00%)
Zheng Kee Investment Co., Ltd.	Lai, Cheng-I(52.00%) ; Chen, Shu-Fen (38.00%)
Yi Yang Investment Co., Ltd.	Chen, Shu-Fen(100.00%)

3.2.1.3 Major Shareholders of the Institutional Shareholders are Representatives of Institutional Shareholders

April 29, 2024

Name of Juridical Person	Major Shareholders of Juridical Person
Jing Ting Investment Co., Ltd.	Lai, Guang-Yang(99.00%)
He Yi Investment Co., Ltd.	Lai, Ding-Chao(99.00%)

3.2.1.4 Information of Directors and Supervisors

(1) Disclosure of directors' professional qualifications and independent directors' independence information:

Criteria Name	Professional Qualification and Work Experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman Lai, Cheng-I	1. Bachelor of Electrical Engineering, Southern Taiwan University of Science and Technology. Established Shining Construction in 1990. Served two consecutive terms as Chairman of the R.O.C. General Chamber of Commerce. He possesses 30 years of experience in construction and operation management. 2. The Chairman has professional qualifications and experience in leadership and decision-making, business management, operational judgment, business and commerce.	1. Chairman Lai, Ching-Yi is the representative of the corporate director of Dinglin Investment and Development Company, not an independent director. 2. The rest of the Company meets the independence criteria set forth in Article 3.1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies issued by the Financial Supervisory Commission.	-
Director Chen, Shu-Fen	1. Bachelor of Economics from Soochow University, Chairman of Ding Cheng Investment Co., Ltd. and Yi Yang Investment Co. 2. Specialized in cost analysis and a keen observer of market price fluctuations.	1. The Director, Ms. Chen, Shufen, is the representative of the Company's corporate director, Ding Zheng Investment (Stock) Company, and is not an independent director. 2. The rest of the directors meet the independence criteria listed in Article 3, Item 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	-
Director Chang, Ying-Yin	1. Bachelor of Science in Fiber Engineering Technology from National Taiwan University of Science and Technology, 30 years of service in the company, currently the Director of the General Management Office of the Company 2. Expert in business organization and management skills.	1. The director, Mr. Chang, Ying-Yin is a representative of Chengji Investment (Co., Ltd.) and is not an independent director. 2. The rest of the directors meet the independence criteria set out in Article 3, Item 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	-

Criteria Name	Professional Qualification and Work Experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Director Liao, Pei Chi	1. Bachelor of Business Administration from Tunghai University and has been the head of accounting of the Company for over 20 years. 2. professional qualifications and experience in finance, accounting, auditing and business management	1. the Director, Liao, Pei Chi, is the representative of Yi Yang Investment Company and is not an independent director 2. the rest meet the independence criteria set out in Article 3, Item 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.	—
Independent Director Chiu, Wen-Rei	1. Bachelor of Science in Electronics from Manneng University of Science and Technology and was the Vice Chairman of MICROLINK COMMUNICATIONS INC. 2. over 20 years of management expertise with extensive experience in China company management and corporate counseling.	Meet the qualifications set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14b is of the Securities and Exchange Act. 2. Independent director's experience: more than 9 years.	-
Independent Director Huang, Jian-Ji	1. PhD in Electrical Engineering from National Cheng Kung University, teaching for about 30 years, currently Associate Professor & Head of Department of Multimedia Game Development and Application at Hung Kuang University of Science and Technology. 2. Expertise in multimedia application design, logic training and internet marketing	1. meet the eligibility requirements set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14b is of the Securities and Exchange Act. 2. Years of experience as an independent director: 3 to 9 years	-
Independent Director Yang, Chih-Chung	1. Master of Transportation Research Institute, National Chiao Tung University, and has been working in Hubbard College of Administration Co. 2. He is a professional lecturer and consultant in business management and has been listed as one of the top 500 business management lecturers by Management Magazine.	1. meet the eligibility requirements set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14bis of the Securities and Exchange Act. 2. years of experience as an independent director: 3-9 years	-

Note: All directors of the Company have not in specified in any subparagraph of Article 30 of the Company Act after investigation.

(2) Board Diversity and Independence.

a. Board Diversity Policy.

In accordance with the Company's "Corporate Governance Best Practice Principles" 4-3-1-1, the Board of Directors should have a diverse composition and generally possess the knowledge, skills and qualities necessary to perform its duties. In order to achieve the desired goal of corporate governance, the Board of Directors as a whole should possess the following competencies: 1. operational judgment, 2. accounting and financial analysis, 3. management skills, 4. crisis management skills, 5. industry knowledge, 6. international market perspective, 7. leadership skills, and 8. decision-making skills. At present, the Board consists of 7 directors, including 3 independent directors and 4 non-independent directors. The Company attaches importance to gender equality in the composition of the Board and aims to increase the number of female directors to one-third, with 71% (5 seats) of the Board members being male and 29% (2 seats) being female. Currently, the Board of Directors has a diverse composition with one female and six male members, ranging in age from 56 to 66, and possessing different professional knowledge and skills, with expertise in management, finance and accounting. three of the independent directors are management consultants and university professors with many years of business experience, and have provided advice on corporate management on numerous occasions.

b. Board Independence.

The Company's Articles of Incorporation state that the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. 43% (3) of the 7 directors are independent directors and 57% (4) are part-time staff directors. Except for Chairman Lai, Cheng-I and Director Chen Shu-Fen, who are husband and wife, the other directors shall not be subject to the provisions of Article 26-3, Items 3 and 4 of the Securities

and Exchange Act. The Board Independence holds definitely.

3.2.2 Information on the Company's president, vice president, associate vice president, and the manager of each department and branch institution

April 29, 2024

Title (Note 1)	Nation ality	Name	Gender	Date Elected	Shares Held		Shares Held by Spouse & Minors		Shares Held by Nominee Arrangement		Selected Education, Past Positions & Current Positions at Non-Profit Organizations	Selected Current Positions at the Company and Other Companies	Managers Who are Spouses or within Second Degree Relative of Consanguinity			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President		Lai, Cheng-I	Male	2008.09.04	3,596,942	0.33	441,231	0.04	116,917,486	10.85	Department of Electrical Engineering, Southern Taiwan University of Science and Technology General Chamber of Commerce of the Republic of China— President Taiwan Tourist Hotel Association— President International Real Estate Development Association of Taiwan— President Council of Industrial & Commercial Development— Honorary President Construction and Development Association of Taiwan Province— President Tai Chung City Chamber of Commerce— President	Ding Lin Investment & Development Co., Ltd.— Chairman Lalu Hotel Co., Ltd.— Chairman Guang Yu Investment & Development Co., Ltd.— Chairman Quan Yang Investment Co., Ltd.— Person In Charge Bai Huang Investment Co., Ltd.— Person In Charge Ding Lin International Enterprise Co., Ltd.— Chairman Shining Cultural and Educational Foundation— Chairman Shining Communication Co., Ltd.— Person In Charge Shining Real Estate Co., Ltd.— Chairman	Nil	Nil	Nil	Note 1
President	R.O.C.	Fang, Wei-Min	Male	2023.11.08	52	-	-	-	-	-	Department of Electronic Engineering, Jianguo University	N/A	N/A	N/A	N/A	Note 1
Director of General Administration Division	R.O.C.	Chang, Ying-Yin	Male	1997.06.16	44,273	0.00	1,964	0.00	-	-	Fiber Engineering Department, National Taiwan University of Science and Technology	Shining Hydropower Engineering Co., Ltd.— Person In Charge Zheng Kee Investment Co., Ltd.— Chairman Li Jing Investment Co., Ltd.— Chairman Billion Capital Holding Co., Ltd.— Person In Charge Quantum Investment Ltd.- Person in Charge	Nil	Nil	Nil	
Chief Financial Officer	R.O.C.	Chen, Chung-Yuan	Male	2020.07.24	17,543	0.00	135,794	0.01	-	-	Executive Master of Business Administration (Finance Group), College of Social Sciences and Management, National Chung Hsing University	Nil	Nil	Nil	Nil	
Chief Accounting Officer	R.O.C.	Liao, Pei-Chi	Female	2000.10.01	37,022	0.00	-	-	-	-	Business Administration Department, Tung Hai University	Headway Investment Ltd.— Person In Charge Gold Square Investment Ltd.— Person In Charge	Nil	Nil	Nil	
Director of Internal Audit Section	R.O.C.	Lin, Yin-Win	Female	2002.03.27	-	-	-	-	-	-	Business Administration Department, Overseas Chinese University	Nil	Nil	Nil	Nil	
Associate Vice President of Administration Department in Taipei	R.O.C.	Lo, Man-Li	Female	2014.01.01.	101	0.00	-	-	-	-	Department of Finance, National Chung Hsing University	Taipei Branch of Shining Building Business Co., Ltd.— Person In Charge	Nil	Nil	Nil	
Associate Vice President of Operating and Management Section	R.O.C.	Lee, Chao-Chang	Male	2017.07.01	-	-	-	-	-	-	Institute of Statistics, National Taipei University	Nil	Nil	Nil	Nil	

Note 1: In order to implement the Company's governance system, the Company's Board of Directors resolved on November 8, 2023 to change the President of the Company from Lai, Cheng-I to Fang, Wei-Min.

3.3 Remuneration Paid to Directors, Independent Directors, Supervisors, President, and Vice President in Most Recent Year

- 3.3.1 Under one of conditions below, the remuneration of the individual directors or supervisors shall be disclosed, otherwise, disclosed with the name of each individual and the corresponding remuneration class interval in a summary table.
- 3.3.1.1 A company that has posted after-tax deficits in the individual financial reports or respective financial reports within the most recent three fiscal years shall disclose the remuneration paid to individual directors and supervisors and their names. This requirement, however, shall not apply if the Company has posted net income after tax in the individual financial report or respective financial report for the most recent fiscal year and such net income after tax is sufficient to offset the accumulated deficits.
- 3.3.1.2 A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors..
- 3.3.1.3 A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month.
- 3.3.1.4 If all directors and supervisors receive remuneration for directors and supervisors of all companies in the financial report, accounting for more than 2% of the net profit after tax, and individual directors or supervisors receive remuneration exceeding NT\$15 million, the remuneration of the individual directors or supervisors shall be disclosed.
- 3.3.1.5 A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the Company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the Company shall be excluded from evaluation.
- 3.3.1.6 The average annual salary of the full-time non-supervisory employees in a TWSE or TPEX listed company is less than NT\$500,000.
- 3.3.1.7 A TWSE or TPEX listed company had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year.
- 3.3.1.8 A TWSE or TPEX listed company had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000.

3.3.2 If the circumstance in sub-item "3.3.1.1" or in sub-item "3.3.1.5" of the preceding item applies to a company listed on the TWSE or the TPEX, it shall disclose the individual remuneration paid to each of its top five management personnel, such as president, vice president, chief executive officer, chief financial officer, and the remuneration paid to directors, supervisors, president, and vice president.

3.3.2.1 Remuneration of General Directors and Independent Directors (By disclosing the name of each individual and the corresponding remuneration amount)

December 31, 2023 Unit: In Thousands of New Taiwan Dollars

Title	Name	Director Thousands of Ne								Aggregate of four items of remunerations (A+B+C+D) as a % of Net Income (Loss) (Note 11)		Compensation Earned by a Director Who is an Employee of the Company or of The Company's Consolidated Entities								Aggregate of seven items of remunerations (A+B+C+D+E+F+G) as a % of Net Income (Loss) (Note 10)		Compensation Paid to Directors from Non-consolidated Affiliates (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay and Pensions (B)		Compensation to Directors (C) (Note 3)		Allowances (D) (Note 4)				Base Compensation, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pensions (F)		Profit Sharing (G) (Note 6)						
		From the Company	From All Consolidated Entities (Note 7)	From the Company	From All Consolidated Entities (Note 7)	From the Company	From All Consolidated Entities (Note 7)	From the Company	From All Consolidated Entities (Note 7)	From the Company	From All Consolidated Entities (Note 7)	From the Company	From All Consolidated Entities (Note 7)	From the Company	From All Consolidated Entities (Note 7)	From the Company		From All Consolidated Entities (Note 7)		From the Company	From All Consolidated Entities (Note 7)	
																Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)			
Chairman	Ding Lin Investment & Development Co., Ltd. Representative: Lai, Cheng-I	0	0	0	0	0	0	80	80	(0.04%)	(0.04%)	4,293	4,293	0	0	-	-	-	-	(2.24%)	(2.24%)	Nil
Director	Ding Zheng Investment Co., Ltd. Representative: Chen, Shu-Fen	0	0	0	0	0	0	80	80	(0.04%)	(0.04%)	1,709	1,709	87	87	-	-	-	-	(0.96%)	(0.96%)	Nil
Director	Zheng Kee Investment Co., Ltd. Representative: Chang, Ying-Yin	0	0	0	0	0	0	80	80	(0.04%)	(0.04%)	2,585	2,585	108	108	-	-	-	-	(1.42%)	(1.42%)	Nil
Director	Yi Yang Investment Company Limited represented by Liao Pei Chi							80	80	0.04%	0.04%	1,404	1,404	67	67	-	-	-	-	(0.79%)	(0.79%)	Nil
Independent Director	Chiu, Wen-Jui	0	0	0	0	0	0	640	640	(0.33%)	(0.33%)	-	-	-	-	-	-	-	-	(0.33%)	(0.33%)	N/A
Independent Director	Huang, Jian-Ji	0	0	0	0	0	0	640	640	(0.33%)	(0.33%)	-	-	-	-	-	-	-	-	(0.33%)	(0.33%)	Nil
Independent Director	Yang, Chih-Chung	0	0	0	0	0	0	640	640	(0.33%)	(0.33%)	-	-	-	-	-	-	-	-	(0.33%)	(0.33%)	Nil

*Please specify the policy, system, standard and structure of remuneration for independent directors, and specify the correlation with the amount of remuneration paid according to the responsibilities, risks, investment time and other factors:

The remuneration of directors and the remuneration of the chairman shall be agreed by the board of directors with reference to the standards of relevant peers and listed companies.

*Except as disclosed in the table above, the remuneration received by the directors of the Company for providing services in the most recent year (such as acting as consultants for all non-employees of the Company's re-investment business in the financial report of the parent company, etc.): None.

*Directors' remuneration is only for transportation fees, and there is no other remuneration.

Note 1: The names of directors should be separately disclosed, in which the institutional shareholder should indicate the name of institutional shareholders and representatives respectively. If a director concurrently serves as the president or vice president, the table and the below Table 3 should be filled out.

Note 2: It refers to the remuneration of directors received in the most recent year, including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.

Note 3: It refers to the remuneration of directors to be distributed in accordance with the proposal approved by the Board of Directors in the most recent year.

- Note 4: It refers to the relevant expenses for business operations paid to directors in the most recent year, including transportation allowance, special allowance, various allowances, and the provision of dormitory and vehicle, etc. When a house, car, and other transportation or exclusive personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration.
- Note 5: It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, transportation allowance, special allowance, and the provision of dormitory and vehicle received by the directors who concurrently serve as employees, including president, vice president, and other managerial officers and employees, in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization, should also be included in remuneration.
- Note 6: It refers to the employee compensation, including stock and cash, received by the directors who concurrently serve as employees, including concurrently serving as president, vice president, and other managerial officers and employees, in the most recent year. It is required to disclose the amount of employee remuneration to be distributed in accordance with the proposal approved by the Board of Directors. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year and the attached Table 1-3 shall be filled out as well.
- Note 7: Shall disclose the total amount of remuneration paid to the directors by all the companies, including the Company, enclosed in the consolidated financial statements.
- Note 8: Disclose the name of the directors in the respective range of total remuneration received from the Company.
- Note 9: Shall disclose the name of the directors in the respective range of total remuneration received from all the companies, including the Company, enclosed in the consolidated financial statements.
- Note 10: Net income (loss) after tax refers to the net income (loss) of the most recent year. After the adoption of International Financial Reporting Standards(IFRSs), it refers to the net income (loss) in the individual financial statements of the most recent year.
- Note 11:
- It is required to specify in this column the relevant remuneration amount the directors of the Company received from the invested companies other than the subsidiaries or parent company. If nil, please fill in "Nil".
 - If the Company's director has received the relevant remuneration from the invested companies other than the subsidiaries, the received amount should be included in Column I. In addition, the column title shall be revised as "Compensation Paid from Parent Company and Invested Companies".
 - Compensation shall mean the remuneration, reward, including the reward of employee, directors, and supervisors, and expense for business operation paid to the Company's directors by the invested companies other than the subsidiaries and such directors concurrently serves as directors, supervisors, or managerial officers of the invested companies.
- *Remark: Compensations in the table are different from incomes for income tax law. Therefore, figures in the table are mainly for information Disclosure and cannot be used as the basis for taxation.

3.3.2.2 Remuneration of President and Vice President (By disclosing the name of each individual and the corresponding remuneration amount)

December 31, 2023 Unit: In Thousands of New Taiwan Dollars

December 31, 2023 Unit: in Thousands of New Taiwan Dollars

Title	Name	Base Compensation (A) (Note 2)		Severance Pay and Pensions (B)		Bonuses and Allowances, etc. (C) (Note 3)		Profit Sharing (D) (Note 4)				Aggregate of four items of remunerations (A+B+C+D) as a % of Net Income (Loss) (Note 8)		Compensation Paid to Directors from Non-consolidated Affiliates (Note 9)
		From the Company	From All Consolidated Entities (Note 5)	From the Company	From All Consolidated Entities (Note 5)	From the Company	From All Consolidated Entities (Note 5)	From the Company		From All Consolidated Entities (Note 5)		From the Company	From All Consolidated Entities (Note 5)	
								Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)			
President	Lai, Cheng-I	4,293	4,293	-	-	-	-	-	-	-	-	(2.20)%	(2.20)%	Nil
President	Fang, Wei-Min	86	86	9	9	-	-	-	-	-	-	(0.05)%	(0.05)%	
Director	Chang, Ying-Yin	2,585	2,585	108	108	-	-	-	-	-	-	(1.38)%	(1.38)%	Nil

*Remark: Regardless of job title, information on someone with an equivalent job responsibility as president and vice president, such as chairman, chief executive officer, director, etc., all should be disclosed.

Note 1: The names of president and vice president should be separately disclosed. If a director concurrently serves as the president or vice president, the table and the aforementioned Table 1 should be filled out.

Note 2: It refers to the remuneration of president and vice president received in the most recent year, including salaries of president and vice president, special responsibility allowance, severance pay, etc.

Note 3: It refers to the bonuses, incentives, transportation allowance, special allowance, various allowances, and the provision of dormitory and vehicle., and other remuneration paid to president and vice president in the most recent year. When a house, car, and other transportation or exclusive personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization, should also be included in remuneration.

Note 4: It refers to the employee compensation, including stock and cash, to be distributed to president and vice president in accordance with the proposal approved by the Board of Directors. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year and the attached Table 1-3 shall be filled out as well. Net income (loss) after tax refers to the net income (loss) of the most recent year. After the adoption of International Financial Reporting Standards (IFRSs), it refers to the net income (loss) in the individual financial statements of the most recent year.

Note 5: Shall disclose the total amount of remuneration paid to president and vice president by all the companies, including the Company, enclosed in the consolidated financial statements.

Note 6: Disclose the name of president and vice president in the respective range of total remuneration received from the Company.

Note 7: Shall disclose the name of president and vice president in the respective range of total remuneration received from all the companies, including the Company, enclosed in the consolidated financial statements.

Note 8: Net income (loss) after tax refers to the net income (loss) of the most recent year. After the adoption of International Financial Reporting Standards(IFRSs), it refers to the net income (loss) in the individual financial statements of the most recent year.

Note 9: a. This column should clearly indicate the amount of remuneration received by the general manager and deputy general manager of the Company from the investment business other than the subsidiary or the parent company (if there is no such thing, please fill in "none").

b. If the general manager and deputy general manager of the Company receive remuneration related to the re-investment business or the parent company other than the subsidiary, the remuneration received by the general manager and deputy general manager of the Company for the re-investment business or the parent company other than the subsidiary shall be incorporated into Column E of the remuneration scale, and the name of the field shall be changed to "Parent company and all re-investment undertakings".

c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses and other related remuneration received by the general manager of the Company as a director, supervisor or manager of a subsidiary or a parent company in an investment business other than a subsidiary. c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses and other related remuneration received by the general manager and deputy general manager of the Company as directors, supervisors or managers of non-subsidiary re-investment undertakings.

*The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Law. Therefore, the purpose of this table is for information disclosure purposes and not for taxation purposes.

Note 10: The Chairman of the Company, Lai Cheng-I, served as the President of the Company. In order to implement the Company's governance system, the Company's Board of Directors resolved on November 8, 2023 to change the President of the Company from Lai, Cheng-I to Fang, Wei-Min.

3.3.2.3 Top Five Highest Paid Executives of the Company, listed on the TWSE (Note 1) (By disclosing the name of each individual and the corresponding remuneration amount)

As of December 31, 2023 Unit: In Thousands of New Taiwan Dollars

Title	Name	Base Compensation (A) (Note 2)		Severance Pay and Pensions (B)		Bonuses and Allowances, etc. (C) (Note 3)		Profit Sharing (D) (Note 4)				Aggregate of four items of remunerations (A+B+C+D)) as a % of Net Income (Loss) (Note 6)		Compensation Paid to Directors from Non-consolidated Affiliates (Note 7)
		From the Company	From All Consolidated Entities (Note 5)	From the Company	From All Consolidated Entities (Note 5)	From the Company	From All Consolidated Entities (Note 5)	From the Company		From All Consolidated Entities (Note 5)		From the Company	From All Consolidated Entities (Note 5)	
								Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)			
President	Lai, Cheng Yi	4,293	4,293	-	-	-	-	-	-	-	-	(2.20)%	(2.20)%	Nil
Director	Chang, Ying-Yin	2,585	2,585	108	108	-	-	-	-	-	-	(1.38)%	(1.38)%	Nil
Chief Financial Officer	Chen, Chung-Yuan (Note 8)	1,607	1,607	63	63	-	-	-	-	-	-	(0.86)%	(0.86)%	Nil
Chief Accounting Officer	Liao, Pei Chi	1,404	1,404	67	67	-	-	-	-	-	-	(0.75)%	(0.75)%	Nil
Assistant Vice President	Lee, Chao-Chang	1,243	1,243	63	63	-	-	-	-	-	-	(0.67)%	(0.67)%	Nil

Note 1: "Top five highest paid executives" refers to managerial officers of the Company. The scope of application for managers is defined in accordance with the Tai.Chai.Chen (III) No. 0920001301 Letter dated March 27, 2003 by the Securities and Futures Commission, Ministry of Finance. As for the calculation and

determination principle of the "top five highest paid executives", it is calculated in accordance with the sum of the salaries, severity pay and pensions, bonuses and special allowances received by the managerial officers of the Company from all companies in the consolidated financial statements, as well as profit sharing amount, that is aggregate of four items of remunerations (A+B+C+D). and then recognizes the top five highest paid executives through sorting. If directors concurrently serves as the managerial officers of the Company, the table and the aforementioned Table 1 should be filled out.

Note 2 It refers to the remuneration of top five highest paid executives received in the most recent year, including salaries of president and vice president, special responsibility allowance, severance pay, etc.

Note 3: It refers to the bonuses, incentives, transportation allowance, special allowance, various allowances, and the provision of dormitory and vehicle, etc., and other remuneration paid to top five highest paid executives in the most recent year. When a house, car, and other transportation or exclusive personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization, should also be included in remuneration.

Note 4: It refers to the employee compensation, including stock and cash, to be distributed to top five highest paid executives in accordance with the proposal approved by the Board of Directors. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year and the attached Table 1-3 shall be filled out as well.

Note 5: Shall disclose the total amount of remuneration paid to top five highest paid executives by all the companies, including the Company, enclosed in the consolidated financial statements.

Note 6: Net income (loss) after tax refers to the net income (loss) in the individual financial statements of the most recent year.

Note 7: a. This column should clearly indicate the amount of remuneration received by the Company's top five highest remuneration supervisors from reinvestment undertakings other than subsidiaries or related remuneration of the parent company (if none, please fill in "none").

b. Remuneration referred means the business execution expenses and other related remuneration received by the Company's top five highest remuneration directors, supervisors or managers of non-subsidiary reinvestment undertakings or parent companies.

*The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Law. Therefore, the purpose of this table is for information disclosure purposes and not for taxation purposes.

3.3.2.4. The name of the manager who is distributed employee remuneration: No employee remuneration has been allocated in 2023.

3.3.3 Separately compare and describe total remuneration, as a percentage of net income stated in the individual financial reports or respective financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, president and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

	2022		2023	
The total remuneration, as a percentage of net income after tax stated in the individual financial reports, as paid by this company and by each other company included in the consolidated financial statements to directors, supervisors, president and vice presidents	From the Company	From All Consolidated Entities	From the Company	From All Consolidated Entities
	(0.88%)	(0.88%)	(7.31%)	(7.31%)

3.3.3.1 The Company has set up an Audit Committee and does not have supervisors.

3.3.3.2 Performance Assessment and Remuneration of Directors and Managerial Officers:

- (1) According to Article 16-3 of the Company's Articles of Incorporation, the remuneration of directors and the remuneration of the chairman shall be agreed by the board of directors with reference to the standards of relevant peers and listed companies. The chairman's remuneration shall be determined in accordance with the relevant provisions on employee compensation and may include additional benefits. According to Article 25, if there is any earning after the Company's annual accounts, the Company shall set aside no less than 1% of the Company's balance as employee remuneration and distribute the dividends in the form of cash or stock in accordance with the resolution of Board of Directors. No more than 1% of the aforementioned earnings shall be appropriated as the remuneration of directors in accordance with the resolution of Board of Directors. The distribution proposal of employee remuneration and directors' remuneration shall be submitted to shareholders' meeting. If there is accumulated losses after the Company's annual accounts, the Company shall reserve an amount to offset the losses in prior years first and then appropriate employee remuneration and directors' remuneration in accordance with the aforementioned proportion.
- (2) The directors' remuneration shall be submitted by Remuneration Committee each year according to the Company's Articles of Incorporation and approved by the the Board of Directors. The company reported net loss after tax in 2023. Directors' remuneration is only for transportation fees, and there is no other remuneration.
- (3) In order to attract, retain and motivate outstanding employees. Employees' salaries are based on their academic background, professional knowledge, years of experience, and their KPI. Incentive-based salary and annual salary adjustment are based on the Company's operating conditions, and also the value of personal contribution and KPI. Employees' annual salaries are also adjusted to motivate and retain outstanding employees, and also to fulfill the Company's sustainable development goals. When evaluating, the Company shall take into consideration the amount of time an individual is devoted to, duties they are entrusted with, how well they have accomplished their goal, performance on another position, the salaries/remuneration paid to an individual on equivalent position in recent years, as well as determining if there is a reasonable link between individual performance, the Company's operation performance and future risks based on accomplishment of the Company's short and long-term business objectives and the Company's financial position. In accordance with the "Employee Promotion, Transfer and Rotation Regulations", "Employee Reward and Punishment Regulations " and "Employee Appraisal Regulations", the evaluation will be proposed by the Remuneration Committee and approved by the Board of Directors.

3.4 Particular of Corporate Governance

3.4.1 Board of Directors

The Board of Directors convened for 11 instances (A) in the most recent year. The attendance of the directors to the meetings is shown below:

Title	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Percentage of Actual Attendance (%) 【B/A】 (Note 2)	Remarks
Chairman	Ding Lin Investment & Development Co., Ltd. Representative: Lai, Cheng-I	9	2	82	
Director	Zheng Kee Investment Co., Ltd. Representative: Chang, Ying-Yin	11	-	100	
Director	Ding Zheng Investment Co., Ltd. Representative: Chen, Shu-Fen	11	-	100	
Director	Yi Yang Investment Co., Ltd. Representative: Liao, Pei Chi	11	-	100	
Independent Director	Chiu, Wen-Jui	11	-	100	
Independent Director	Huang, Jian-Ji	11	-	100	
Independent Director	Yang, Chih-Chung	7	4	64	

Other disclosure:

1. Where the proceedings of the Board meeting include one of the following circumstances, then the date, session, content of proposals, opinions of every independent director, and the Company's handling of the opinions shall be described.

1.1 Items listed in Article 14-3 of the Securities and Exchange Act:

Date	Board Meeting	Content of the Proposal	Opinions of Independent Directors	The Company's Response to the Opinions of Independent Directors
2023.2.13	The 5th meeting of the 13th Board of Directors	Approved increasing the investment in our subsidiary FAST GROWTH LTD by US\$10,000,000.	Nil	No Objection
2023.3.14	The 6th meeting of the 13th Board of Directors	Approved not to transfer funds prior to December 31, 2022 to the Company and its subsidiaries for accounts receivable and other receivables that have been outstanding for more than three months after the normal credit period and are significant in amount.	Nil	No Objection
2023.3.14	The 6th meeting of the 13th Board of Directors	Approved an decrease in the amount of RMB65,000,000 for the loan to Billion Capital Holding Co.	Nil	No Objection
2023.3.14	The 6th meeting of the 13th Board of Directors	Proposed to approve the lifting of the prohibition on directors of the Company from competing for office.	Nil	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	Approved the exclusion of employee and director remuneration for the year 2022 as a net loss before tax.	Nil	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	Approved the internal adjustment of the CPA Firm, to replace Auditor Wang, Jia-Xiang and Wang, Ri-Chun with Auditor Wang, Jia-Xiang and Shiao, You-Wen. The adjustment is effected upon the audit date of the financial statement in the fourth quarter of 2022.	Nil	No Objection

2023.3.28	The 7th meeting of the 13th Board of Directors	3	Approved the independence and suitability assessment for the year 2023 by a certified public accountant.	Nil	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	4	Approved the appointment of the Company's certified public accountant for 2023.	Nil	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	5	Approved the amendment of certain provisions of the Company's "Procedures for Handling Endorsements and Guarantees".	Nil	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	6	Approved the Company's proposed private placement of preferred shares.	Nil	No Objection
2023.4.14	The 8th meeting of the 13th Board of Directors	1	Approved the the unresolved matters on March 28. The Company is proposed to issue private placement of preferred shares	Nil	No Objection
2023.5.10	The 9th meeting of the 13th Board of Directors	1	Amended certain provisions of the Company's "Procedures for Loaning Funds to Others".	Nil	No Objection
2023.5.10	The 9th meeting of the 13th Board of Directors	2	Approved liability insurance for directors and officers in an amount not to exceed US\$3,000,000.	Nil	No Objection
2023.5.30	The 10th meeting of the 13th Board of Directors	1	Approved the price of the Company's 1st private placement of preferred shares for 2023 and related matters.	Nil	No Objection
2023.8.9	The 11th meeting of the 13th Board of Directors	1	Approved increasing the investment in our subsidiary FAST GROWTH LTD by US\$20,000,000.	Nil	No Objection
2023.8.9	The 11th meeting of the 13th Board of Directors	2	Approved increasing the investment in our subsidiary BILLION CAPITAL HOLDING CO., LTD by US\$5,000,000 via our subsidiary QUANTUM INVESTMENT LTD.	Nil	No Objection
2023.11.8	The 12th meeting of the 13th Board of Directors	1	Approved the amendment of certain provisions of the "Internal Control System and Internal Audit System" of the Company.	Nil	No Objection
2023.11.8	The 12th meeting of the 13th Board of Directors	2	Approved the acquisition of right-of-use assets from related-parties	Nil	No Objection
2023.11.8	The 12th meeting of the 13th Board of Directors	3	Approved no change in directors' compensation for the year.	Nil	No Objection
2024.1.5	The 13th meeting of the 13th Board of Directors	1	Approved increasing the investment in our subsidiary BILLION CAPITAL HOLDING CO., LTD by US\$3,000,000 via our subsidiary QUANTUM INVESTMENT LTD.	Nil	No Objection
2024.1.5	The 13th meeting of the 13th Board of Directors	2	Approved the Company's transfer development rights of the disposal of property	Nil	No Objection
2024.3.13	The 14th meeting of the 13th Board of Directors	1	Approved the ratification of endorsement and guarantee line amendment for our subsidiary Billion Capital Holding Co.,Ltd.	Nil	No Objection
2024.3.13	The 14th meeting of the 13th Board of Directors	2	Approved the exclusion of employee and director remuneration for the year 2023 as a net loss before tax.	Nil	No Objection

2024.3.13	The 14th meeting of the 13th Board of Directors	3	Approved not to transfer funds prior to December 31, 2023 to the Company and its subsidiaries for accounts receivable and other receivables that have been outstanding for more than three months after the normal credit period and are significant in amount.	Nil	No Objection
2024.3.13	The 14th meeting of the 13th Board of Directors	4	Approved the internal adjustment of the CPA Firm, to replace Auditor Wang, Jia-Xiang and Shiao, You-Wen with Auditor Shiao, You-Wen and Hung, Suk-Fan. The adjustment is effected upon the audit date of the financial statement in the fourth quarter of 2023.	Nil	No Objection
2024.3.13	The 14th meeting of the 13th Board of Directors	5	Approved the independence and suitability assessment for the year 2024 by a certified public accountant.	Nil	No Objection
2024.3.13	The 14th meeting of the 13th Board of Directors	6	Approved the appointment of the Company's certified public accountant for 2024.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	1	Approved the ratification of endorsement and guarantee line amendment for our subsidiary Billion Capital Holding Co.,Ltd. and Qingdao Dinglin International Business Management Co.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	2	Approved not to transfer funds prior to March 31, 2024 to the Company and its subsidiaries for accounts receivable and other receivables that have been outstanding for more than three months after the normal credit period and are significant in amount.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	3	Approved the Company's proposed private placement of preferred shares for 2023 that the un-issued shares will not be issued.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	4	Approved increasing the investment in our subsidiary BILLION CAPITAL HOLDING CO., LTD by US\$ 3,000,000 via our subsidiary QUANTUM INVESTMENT LTD.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	5	Approved liability insurance for directors and officers in an amount not to exceed US\$3,000,000.	Nil	No Objection

1.2 In addition to the aforementioned matters, any other resolutions from the Board meetings where an independent director expressed a dissenting or qualified opinion that have been recorded or stated by writing: No such circumstances

2. When directors recuse themselves for being a stakeholder in certain proposals due to conflict of interests, the name of the directors, the content of the proposal, reasons for recusal and the results of voting counts shall be stated: None of the Company's directors needs to recuse themselves for being a stakeholder in the proposals of Board of Directors due to conflict of interests.

3. Listed and over-the-counter (OTC) companies should disclose the information about the assessment cycle and period, assessment scope and method, and evaluation content of the board's self- (or peer) assessment and fill out the attached Table 2 in regard to the implementation status of self-assessment by the Board of Directors.

Implementation to Self-Evaluation or Peer Evaluation of Board of Directors

Evaluation Cycle (Note 1)	Evaluation Periods (Note 2)	Scope of Evaluation (Note 3)	Method of Evaluation (Note 4)	Evaluation Indicators (Note 5)	Result of Evaluation
Once a Year	1 January to 31 December 2023	Board of Directors	Self-Evaluation of the Performance by Board of Directors	(1) Participation in the operation of the Company (2) Improvement of the quality of the board of directors' decision making (3) Composition and structure of the Board of Directors (4) Election and continuing education of the directors (5) Internal control	Excellent The average grade is 4.93.
Once a Year	1 January to 31 December 2023	Respective Member of Board of Directors	Self-Evaluation of the Performance by the Respective Member of Board of Directors	(1) Alignment of the goals and missions of the Company (2) Awareness of the duties of a director (3) Participation in the operation of the Company (4) Management of internal relationship and communication (5) Election and continuing education of the directors (6) Internal control	Excellent The average grade is 4.98.
Once a Year	1 January to 31 December 2023	Audit Committee	Peer Evaluation	(1) level of involvement in the Company's operations (2) Recognition of functional committee responsibilities (3) Enhancing the quality of decision making in functional committees (4) Composition of functional committees and selection of members (5) internal control	Excellent Average grade is 4.98
Once a Year	1 January to 31 December 2023	Remuneration Committee	Peer Evaluation	(1) level of involvement in the Company's operations (2) Recognition of functional committee responsibilities (3) Enhancing the quality of decision making in functional committees (4) Composition of functional committees and selection of members (5) internal control	Excellent Average grade is 4.98

Note 1: The implementation cycle of the evaluation by the Board of Directors is listed.

Note 2: The period covered by the evaluation of the Board of Directors is listed.

Note 3: The scope of evaluation includes performance evaluation of the Board of Directors, individual directors, and functional committees.

Note 4: The method of evaluation includes internal self- evaluation by the Board of Directors, self- evaluation by directors, peer evaluation, evaluation through the appointment of external professional institutions and experts, or other appropriate methods for performance evaluation.

Note 5: The evaluation content includes at least the following items according to the scope of the evaluation:

(1) Performance evaluation of the board of directors: it includes at least the degree of participation in the

<p>Company's operations, the quality of the board's decision-making, the composition and structure of the board of directors, the selection and continuous education of directors, internal control, etc.</p> <p>(2) Performance evaluation of individual directors: it includes at least the mastery of the Company's goals and tasks, the awareness of directors' responsibilities, the degree of participation in the Company's operations, internal relationship management and communication, the professional and continuing education of directors, internal control, etc.</p> <p>(3) Performance evaluation of functional committees: participation in company operations, awareness of functional committee responsibilities, quality of functional committee decisions, composition and selection of functional committee members, internal control, etc.</p> <p>4. Measures taken to strengthen the functions of the Board for the current year and the most recent year and the implementation</p> <p>4.1 The Board of Directors of the Company adopt diversified policy for the composition of its members who possess various professional knowledge and skills. The independent directors of the Audit Committee are the ones who have business experience, are management consultants or academic professors, or possess other professional knowledge. Eight meetings have been convened in 2023. The following table sets out the training of directors in 2023.</p>										
Training Date	Course Name	Organizer	Training Hours	Directors	Directors	Directors	Directors	Independent director	Independent director	Independent director
				Lai Cheng-I	Chen, Shu-Fen	Chang, Ying-Yin	Liao, Pei-Chi	Chiu, Wen-Jui	Huang Jianji	Yang, Chih-Chung
2023.8.9	How do the directors supervise the Company to practice effective enterprise risk management and crisis management	Securities and Futures Institute	3	v	v	v	v	v	v	
2023.9.4	The 14th Taipei Corporate Governance Forum	Financial Supervisory Commission	6							v
2023.11.8	Updates on Tax Law and Introduction to Tax Mitigation for Major Shareholders	Securities and Futures Institute	3		v	v	v	v	v	
<p>4.2 The Company has set up Remuneration Committee for stipulating and reviewing the remuneration of directors, supervisors, and managerial officers and the committee meetings have been convened two times in 2023.</p> <p>4.3 The Company's website has disclosed the implementation status of functional committee and the communication between independent directors and internal audit supervisors and certified public accountants.</p>										

Note 1: For directors and supervisors who are juristic persons, the name of institutional shareholders and their representatives shall be disclosed.

Note 2:

- In case any director has been released of his/her duty before the end of the year end, the date of turnover shall be specified in the Remarks column. Actual presence (attendance) rate (%) shall be calculated based on the number of Board meetings convened and the actual attendance during his/her term of service.
- In case any seat of director has been re-elected before the end of the year, both the previous and current director shall be filled, and the Remarks column shall indicate whether a director was from a previous term, newly appointed, or re-appointed, and the date of re-election. Actual presence (attendance) rate (%) shall be calculated based on the number of Board meetings convened and the actual presence (attendance) during his/her term of service.

3.4.2 Operations of the Audit Committee

Audit Committee has convened 11 meetings (A) in the most recent year. The attendance records of independent directors are as follows:

Title	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Percentage of Actual Attendance (%) 【 B / A 】 (Note 2)	Remarks
Independent Director	Chiu, Wen-Jui	11	-	100%	
Independent Director	Huang, Jian-Ji	11	-	100%	
Independent Director	Yang, Chih-Chung	7	4	64%	

Other disclosures:

If any of the following circumstances applies to the operations of the Audit Committee, the date and period of the Audit Committee meeting, the content of the motion, the content of the objections, reservations or material recommendations of the independent directors, the results of the Audit Committee resolution and the Company's handling of the Audit Committee's opinion should be stated.

1.1 Items listed in Article 14-5 of Securities and Exchange Act.

Date	Board Meeting	Content of the Proposal	Resolutions of the Audit Committee	The Company's Handling of Opinions of the Audit Committee
2023.2.13	The 5th meeting of the 13th Board of Directors	1 Approved increasing the investment in our subsidiary FAST GROWTH LTD by US\$10,000,000.	Approved per the Proposal	No Objection
2023.3.14	The 6th meeting of the 13th Board of Directors	1 Approved not to transfer funds prior to December 31, 2022 to the Company and its subsidiaries for accounts receivable and other receivables that have been outstanding for more than three months after the normal credit period and are significant in amount.	Approved per the Proposal	No Objection
2023.3.14	The 6th meeting of the 13th Board of Directors	2 Approved the Company's unaudited financial statement for 2022	Approved per the Proposal	No Objection
2023.3.14	The 6th meeting of the 13th Board of Directors	3 Approved an decrease in the amount of RMB65,000,000 for the loan to Billion Capital Holding Co.	Approved per the Proposal	No Objection
2023.3.14	The 6th meeting of the 13th Board of Directors	4 Approved the " Internal Control System Statement " for 2022.	Approved per the Proposal	No Objection
2023.3.14	The 6th meeting of the 13th Board of Directors	5 Proposed to approve the lifting of the prohibition on directors of the Company from competing for office.	Approved per the Proposal	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	1 Approved the internal adjustment of the CPA Firm, to replace Auditor Wang, Jia-Xiang and Wang, Ri-Chun with Auditor Wang, Jia Xiang and Shiao, You-Wen. The adjustment is effected upon the audit date of the financial statement in the fourth quarter of 2022.	Approved per the Proposal	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	2 Approved the financial statement for 2022.	Approved per the Proposal	No Objection

2023.3.28	The 7th meeting of the 13th Board of Directors	3	Approved the independence and suitability assessment for the year 2023 by a certified public accountant.	Approved per the Proposal	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	4	Approved the appointment of the Company's certified public accountant for 2023.	Approved per the Proposal	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	5	Approved the amendment of certain provisions of the Company's "Procedures for Handling Endorsements and Guarantees".	Approved per the Proposal	No Objection
2023.3.28	The 7th meeting of the 13th Board of Directors	6	Approved the Company's proposed private placement of preferred shares.	Approved per the Proposal	No Objection
2023.4.14	The 8th meeting of the 13th Board of Directors	1	Approved the the unresolved matters on March 28. The Company is proposed to issue private placement of preferred shares.	Approved per the Proposal	No Objection
2023.5.10	The 9th meeting of the 13th Board of Directors	1	Amended certain provisions of the Company's "Procedures for Loaning Funds to Others".	Approved per the Proposal	No Objection
2023.5.10	The 9th meeting of the 13th Board of Directors	2	Approved liability insurance for directors and officers in an amount not to exceed US\$3,000,000.	Approved per the Proposal	No Objection
2023.5.30	The 10th meeting of the 13th Board of Directors	1	Approved the price of the Company's 1st private placement of preferred shares for 2023 and related matters.	Approved per the Proposal	No Objection
2023.8.9	The 11th meeting of the 13th Board of Directors	1	Approved the financial statement for the second quarter of 2023.	Approved per the Proposal	No Objection
2023.8.9	The 11th meeting of the 13th Board of Directors	2	Approved increasing the investment in our subsidiary FAST GROWTH LTD by US\$20,000,000.	Approved per the Proposal	No Objection
2023.8.9	The 11th meeting of the 13th Board of Directors	3	Approved increasing the investment in our subsidiary BILLION CAPITAL HOLDING CO., LTD by US\$5,000,000 via our subsidiary QUANTUM INVESTMENT LTD.	Approved per the Proposal	No Objection
2023.11.8	The 12th meeting of the 13th Board of Directors	1	Approved the amendment of certain provisions of the "Internal Control System and Internal Audit System" of the Company.	Approved per the Proposal	No Objection
2023.11.8	The 12th meeting of the 13th Board of Directors	1	Approved the acquisition of right-of-use assets from related-parties	Approved per the Proposal	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	1	Approved the ratification of endorsement and guarantee line amendment for our subsidiary Billion Capital Holding Co.,Ltd. and Qingdao Dinglin International Business Management Co.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	2	Approved not to transfer funds prior to March 31, 2024 to the Company and its subsidiaries for accounts receivable and other receivables that have been outstanding for more than three months after the normal credit period and are significant in amount.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	3	Approved the financial statement for the first quarter of 2024.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	4	Approved the Company's proposed private placement of preferred shares for 2023 that the un-issued shares will not be issued.	Nil	No Objection

2024.5.9	The 15th meeting of the 13th Board of Directors	5 Approved increasing the investment in our subsidiary BILLION CAPITAL HOLDING CO., LTD by US\$ 3,000,000 via our subsidiary QUANTUM INVESTMENT LTD.	Nil	No Objection
2024.5.9	The 15th meeting of the 13th Board of Directors	6 Approved liability insurance for directors and officers in an amount not to exceed US\$3,000,000.	Nil	No Objection

1.2 Except for the above matters, other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee: Nil

2. In regards to the recusal of independent directors due to conflict of interests, the names of the independent directors, the content of proposals, reasons for recusal, and results of voting shall be stated: The proposals of the Company's Audit Committee do not lead to the recusal of independent directors due to conflict of interests.
3. Communications between the independent directors and the Internal Audit supervisor and the CPAs (including material matters, methods, and results of communications over the Company's finances and business operations)
 - 3.1 The independent directors communicate with the Internal Audit supervisor and CPAs at least once a year through Audit Committee and they can communicate with each other directly when required. The communication between them is good and two times of communication has already been conducted one time in 2023.
 - 3.2 The internal audit supervisor usually submits audit reports to independent directors for inspection every month, and then submits the reports to Board of Directors. The implementation status and effectiveness of the auditing events have been fully communicated. The internal audit supervisor has attending 8 instances of the Board of Directors meetings in 2023.

In 2023, the communications between the independent directors and the Internal Audit supervisor and the CPAs is described as the follows:

Date	Matters Communicated	Subject of Communication	Suggestion and Results of Communication
28 March 2023	2022 Audit Result and Communication Matters between the Governance Units and the Company	1. Audit Scopes 2. Audit Discovery 3. Other Communication Matters Decree Updates	No Comments

Note:

- * In case any independent director has been released of his/her duty before the end of the year, the date of turnover shall be specified in the Remarks column. Actual presence (attendance) rate (%) shall be calculated based on the number of meetings convened and the actual attendance during his/her term of service.
- * In case any independent director has been re-elected before the end of the year, both the previous and current independent director shall be filled, and the Remarks column shall indicate whether an independent director was from a previous term, newly appointed, or re-appointed, and the date of re-election. Actual presence (attendance) rate (%) shall be calculated based on the number of meetings convened and the actual presence (attendance) during his/her term of service.

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

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Did the Company establish and disclose the Corporate Governance Best Practice Principles based on "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		For the establishment of a good corporate governance system, the Company referred to the relevant regulations of “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and stipulated “Corporate Governance Practice Principles” in 2020, which set up the effective structure of corporate governance.	No Significant Difference
2. Shareholding Structure and Shareholders’ Rights				
(1) Did 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 and a unit for stock affairs to deal with shareholders’ doubts, concerns, etc., as a whole.	No Significant Difference
(2) Did the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		(2) The Company masters the shareholding status of directors, managerial officers, and major shareholders holding more than 10% of the shares at all times and declares the shareholding of major shareholders on schedule. Please refer to 65 pages of the annual report.	No Significant Difference
(3) Did the Company establish and execute the risk management and firewall systems with its affiliated businesses?	V		(3) Both the Company and its reinvestment businesses are financial autonomy and business independence and the "Regulations and Procedures Governing Financial and Business Operation of Conglomerate, Specific Companies, and Related Parties", is stipulated, in which the implementation status is regularly audited by internal auditors.	No Significant Difference
(4) Did the Company establish internal rules that prohibit Company insiders from trading securities using undisclosed information?	V		(4) The Company has stipulated "Procedures for Handling Material Inside Information", which clearly indicates that insiders are prohibited to trade securities using undisclosed information known by them, and shall not disclose the undisclosed material information known by them to others for preventing others from using undisclosed information to trade securities.	No Significant Difference

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3. Composition and Responsibilities of the Board of Directors:				
(1) Does the Board of Directors formulate diversification policies, specific management objectives and implement them on the composition of members?	V		<p>(1) In accordance with Article 4-3-1-1 of the Company's “Corporate Governance Practice Principles”, the Board of Directors shall adopt a diversified approach for the composition of board members and all members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:</p> <ul style="list-style-type: none"> (a) Ability to make operational judgments. (b) Ability to perform accounting and financial analysis. (c) Ability to conduct management administration. (d) Ability to conduct crisis management. (e) Knowledge of the industry. (f) An international market perspective. (g) Ability to lead. (h) Ability to make policy decisions. <p>Currently, the Board of Directors has adopted a diversified approach for the composition of board members, in which one board member is female and five board members are male. All members of the board possess different professional knowledge and skills, such as management, finance, and accounting expertise, etc. The three independent directors, who provided advices on the Company's management matters repeatedly, are the management consultant, the professor of management information systems department of a university, or someone with years of business experience, respectively.</p>	No Significant Difference
(2) In addition to establishing the Remuneration Committee and Audit Committee according to the regulations, has the Company voluntarily established other functional committees?	V		(2) The Company's current Board of Directors is competent for performing the Duties of functional committees. In consideration of practical needs, the Company may set up other functional committees in accordance with the laws and regulations in the future.	No Significant Difference
(3) Did the Company establish a standard to measure the performance of the Board of Directors and implement it annually? Did the Company submit the results of performance	V		(3) The Company has stipulated the “Regulations Governing Performance Assessment of the Board of Directors” in 2020, conducted performance assessment for the Board of Directors and board members, and submitted the assessment results for 2023 to Board of Directors on March 13, 2024. Please refer to page 25 to 26	No Significant Difference

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons																					
	Yes	No	Abstract Illustration																						
assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, their nomination, and additional office term? (4)Did the Company regularly evaluate the independence of Certified Public Accountants (CPAs)?			of the 2023 annual report. (4) The Company evaluates the independence of certified public accountants (CPAs) once a year. On March 13, 2024, the Board of Directors passed the evaluation reports regarding the independence of CPAs. The 2024 evaluation indicators are described as follows: <table><tr><th>Evaluation Item</th><th>Yes</th><th>No</th></tr><tr><td>1. Whether the accountant and the audit team's professional service personnel have any investment relationship with the company.</td><td></td><td></td></tr><tr><td>2. Whether the accountant and the professional service personnel hold any director or officer positions in the company.</td><td></td><td></td></tr><tr><td>3. Whether there is any business relationship between the accounting firm and the company.</td><td></td><td></td></tr><tr><td>4. Whether there is a litigation relationship between the accounting firm and the company</td><td></td><td></td></tr><tr><td>5. The CPA has not provided audit services to the Company for seven consecutive years</td><td></td><td></td></tr><tr><td>6. whether the accountant has complied with the code #10 of Professional Ethics Conduct regarding independence.</td><td></td><td></td></tr></table>	Evaluation Item	Yes	No	1. Whether the accountant and the audit team's professional service personnel have any investment relationship with the company.			2. Whether the accountant and the professional service personnel hold any director or officer positions in the company.			3. Whether there is any business relationship between the accounting firm and the company.			4. Whether there is a litigation relationship between the accounting firm and the company			5. The CPA has not provided audit services to the Company for seven consecutive years			6. whether the accountant has complied with the code #10 of Professional Ethics Conduct regarding independence.			No Significant Difference
Evaluation Item	Yes	No																							
1. Whether the accountant and the audit team's professional service personnel have any investment relationship with the company.																									
2. Whether the accountant and the professional service personnel hold any director or officer positions in the company.																									
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Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Did the TWSE/TPEx listed company have designated appropriate personnel to handle corporate governance tasks and appointed a governance officer in charge of corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?	V		The Company has appointed a corporate governance officer on August 12, 2020, by Mr. Lee, S.C., Assistant Manager of the General Administration Office, which has been approved by the Board of Directors. The corporate governance officer is in charge of providing information required by directors to perform their duties, dealing with matters related to the Board meetings and shareholders' meetings in accordance with the law, handling company registration and change registration, and preparing meeting minutes of Board of Directors and shareholders' meetings, etc. 18 hours of training will be completed in 2023.	No Significant Difference
5. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers and suppliers)? Has a stakeholders' area been set up on the Company website? Are major Corporate Social Responsibility (CSR) topics that the stakeholders are concerned with addressed appropriately by the Company?	V		The Company proactively communicates with stakeholders and discloses the communication status of the stakeholders and the Company on the Company website, in which the stakeholders' section was set up. Stakeholders can leave questions through "Contact Us" which will be replied by relevant departments or use LINE friends and fan pages of FACEBOOK to leave a message in order to solve issues through the assistance of customer service system. Please refer to the Company's official website and pages 26-35 of the Sustainability Report 2022.	No Significant Difference
6. Does the Company appoint a professional shareholder services agency to deal with shareholder affairs?	V		The Company has appointed the stock affairs department of Fubon Securities Co., Ltd. to deal with the affairs of shareholders' meetings.	No Significant Difference
7. Information Disclosure				
(1) Did the Company establish a website to disclose information on financial operations and corporate governance?	V		(1) The Company has established an official website, www.shininggroup.com, to disclose information on financial operation, business operation, and corporate governance, etc. Information on financial operation, corporate governance, announcements, and material information can also be queried through linking to the Market Observation Post System.	No Significant Difference
(2) Did the Company have other information disclosure channels (such as establishing an	V		(2) Except the aforementioned (1), the digital marketing department is in charge of the maintenance of external information on the Company's official website; the	No Significant Difference

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPE _x Listed Companies” and Reasons										
	Yes	No	Abstract Illustration											
English language website, delegating a professional to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website)? (3) Does the Company publish and report its annual financial statements within two months after the end of an accounting period, and publish and report its financial statements for the first, second, and third quarters as well as its operating status for each month before the specified deadline?		V	accounting department is responsible for the information declaration on the Market Observation Post System and implementation of spokesperson system; and the institutional investor conference will be held at least once a year. The relevant information can also be inquired through the Company's official website and Market Observation Post System. (3) In accordance with the provisions of "Securities and Exchange Act", the Company announces and declares quarterly financial statements and monthly operating status before the specified deadline.											
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance (including but not limited to employee's rights, employee wellness, investor relations, supplier relations, stakeholders' rights, Directors and Supervisors training records, implementation of risk management policies and measurement standards, implementation of customer policies and purchase of liability insurance for the Directors and Supervisors of the Company)?	V		<table><tr><td>(1) Employee Rights and Employee Wellness</td><td>Please refer to the Company’s official website and pages 97-98 of the annual report.</td></tr><tr><td>(2) Investor Relations and Supplier Relations</td><td>Please refer to the Company’s official website and page 26-35 of the Sustainability Report 2022.</td></tr><tr><td>(3) Rights of Stakeholders</td><td>Please refer to the Company’s official website and pages 26-35 of the Sustainability Report 2022.</td></tr><tr><td>(4) Training Records of Directors and Supervisors</td><td>Please refer to the Company’s 2023 Annual Report pages 30.</td></tr><tr><td>(5) Risk Management Policies, Practices, and Risk Assessment Standards</td><td>The Company has disclosed the risk management policies and implementation status on the official website. Please refer to page 266-269 of the annual report.</td></tr></table>	(1) Employee Rights and Employee Wellness	Please refer to the Company’s official website and pages 97-98 of the annual report.	(2) Investor Relations and Supplier Relations	Please refer to the Company’s official website and page 26-35 of the Sustainability Report 2022.	(3) Rights of Stakeholders	Please refer to the Company’s official website and pages 26-35 of the Sustainability Report 2022.	(4) Training Records of Directors and Supervisors	Please refer to the Company’s 2023 Annual Report pages 30.	(5) Risk Management Policies, Practices, and Risk Assessment Standards	The Company has disclosed the risk management policies and implementation status on the official website. Please refer to page 266-269 of the annual report.	No Significant Difference
(1) Employee Rights and Employee Wellness	Please refer to the Company’s official website and pages 97-98 of the annual report.													
(2) Investor Relations and Supplier Relations	Please refer to the Company’s official website and page 26-35 of the Sustainability Report 2022.													
(3) Rights of Stakeholders	Please refer to the Company’s official website and pages 26-35 of the Sustainability Report 2022.													
(4) Training Records of Directors and Supervisors	Please refer to the Company’s 2023 Annual Report pages 30.													
(5) Risk Management Policies, Practices, and Risk Assessment Standards	The Company has disclosed the risk management policies and implementation status on the official website. Please refer to page 266-269 of the annual report.													

Evaluation Item	Implementation Status (Note)				Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration		
			(6) Implementation of Customer Policy	Please refer to the Company’s official website and pages 51-57 of the Sustainability Report 2022.	
			(7) Insurance against Directors’ and Supervisors’ Liabilities	The Company has purchased liability insurance for directors and managerial officers in June 2023.	
9. Please specify the Company's measures to improve the items listed in the corporate governance review result by Taiwan Stock Exchange's Corporate Governance Center and provide prioritized improvement plans for items yet to be completed.					
(1) Improvement in 2023: In order to make the Company's information more fully public, and to follow the “Corporate Governance 3.0 - Sustainable Development Roadmap”, starting from 2023, the Company shall disclose its unaudited financial information for the previous year to outside parties.					
(2) Priority enhancements and measures for 2023 that have not been improved: None					

Note 1: No matter the operation item is ticked "yes" or "no", the status shall be described in abstract illustration column.

3.4.4 Disclosure of the composition, responsibilities, and operations of the Remuneration Committee, if Applicable.

The company does not have a nomination committee, and the operation of the Remuneration committee is as follows:

3.4.4.1 Information of Remuneration Committee Members

Title (Note 1)	Criteria Name	Professional Qualification and Work Experience (Note 2)	Independence (Note 3)	Number of other public companies' remuneration committees in which the member served as part- time member
Independent Director (convener)	Chiu, Wen-Jui	<ol style="list-style-type: none"> 1. Bachelor of Science in Electronics from Manneng University of Science and Technology and was the Vice Chairman of MICROLINK COMMUNICATIONS INC. 2. He has over 20 years of expertise in the management field and has extensive experience in company management and corporate counseling in China. 	The requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the eligibility requirements of Article 14.2 of the Securities and Exchange Act are met.	Nil
Independent Director	Huang, Jian-Ji	<ol style="list-style-type: none"> 1. PhD in Electrical Engineering from National Cheng Kung University, teaching for about 30 years, currently Associate Professor & Head of Department of Multimedia Game Development and Application at Hong Kong University of Science and Technology. 2. Expertise in multimedia application design, logic training and internet marketing 	The requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the eligibility requirements of Article 14.2 of the Securities and Exchange Act are met.	Nil
Independent Director	Yang, Chih-Chung	<ol style="list-style-type: none"> 1. Master of Transportation Research Institute, National Chiao Tung University, has been working in Hubbard Administration System for more than 10 years, and is now in charge of Hubbard Administration Taiwan. 2. He is a professional lecturer and consultant in business management and has been listed as one of the top 500 business management lecturers by Management Magazine. 	The requirements of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the eligibility requirements of Article 14.2 of the Securities and Exchange Act are met.	Nil

Note 1: Please specify the relevant working years, professional qualifications and experience of the members of each remuneration committee and their independent status in the form. For independent directors, please refer to the relevant content of Director and supervisor Information (1) in Schedule 1 on Page 9. Please fill in the identity as an independent director or other (if it is a convenor, please mark it).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual remuneration committee members.

Note 3: Meet the independent status: specify whether the members of the remuneration committee meet the independent status, including but not limited to whether relatives within myself, spouse, second parent, etc. are directors, supervisors, or employees of the Company or its affiliated companies; the number and proportion of shares held by relatives within myself, spouse, second parent, etc. (or in the name of others); whether they are directors, supervisors, or employees of companies with specific relationships with the Company; the amount of remuneration obtained for providing business, legal, financial, accounting and other services of the Company or its affiliated companies in the last 2 years.

3.4.4.2 Operation of Remuneration Committee

- (a) There are 3 members in the Company's Remuneration Committee.
- (b) The term of office of the current members: From July 4, 2019 to June 24, 2022, there were 2 (A) meetings held by Remuneration Committee in the most recent year. The qualification and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	Attendance by proxy	Percentage of actual attendance (%) 【 B / A 】 (Note)	Remarks
Convener	Chiu, Wen-Jui	2	0	100	N/A
Committee Member	Huang, Jian-Ji	2	0	100	N/A
Committee Member	Yang, Chih-Chung	2	0	100	N/A
<p>Other Mentionable Items:</p> <p>1. If the board of directors declines to adopt or modifies a recommendation of 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 opinions of Remuneration Committee (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of Remuneration Committee, the circumstances and cause for the difference shall be specified): There is no such situation. The Board of Directors adopted all the recommendations of Remuneration Committee.</p> <p>2. Resolutions of the Remuneration Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members date of the meeting, session, content of the motces</p>					

3. Important Resolutions of Remuneration Committee:

Date	(Remuneration Committee Meeting prior to) Board Meeting	Content of the Proposal	Opinions of Independent Directors	Handlings of the Company to the Opinions of Independent Directors
2023.3.28	The 1st Remuneration Committee Meeting in 2023	To adopt a net loss before tax for the year 2022, with no provision for employee and director remuneration.	Nil	No Objection
2023.11.8	The 2nd Remuneration Committee Meeting in 2023	1. Approved no change in directors' compensation for the year	Nil	No Objection
2023.11.8	The 2nd Remuneration Committee Meeting in 2023	2. Approved the salary and compensation of the Company's managers in accordance with the general employee system, and no salary adjustment was made during the year. The calculation of employee bonuses and year-end bonuses is based on the general employee system.	Nil	No Objection

Note:

- * In case any independent director has been released of his/her duty before the end of the year, the date of turnover shall be specified in the Remarks column. Actual presence (attendance) rate (%) shall be calculated based on the number of meetings convened and the actual attendance during his/her term of service.
- * In case any independent director has been re-elected before the end of the year, both the previous and current independent director shall be filled, and the Remarks column shall indicate whether an independent director was from a previous term, newly appointed, or re-appointed, and the date of re-election. Actual presence (attendance) rate (%) shall be calculated based on the number of meetings convened and the actual presence (attendance) during his/her term of service.

(5) The implementation situation of promoting sustainable development

The implementation situation of promoting sustainable development and the differences from the Code of Practice for Sustainable Development of listed companies and the reasons

Promotional Items	Implementation (Note 1)			Differences and reasons from the Code of Practice for Sustainable Development of Listed Companies
	Yes	No	Explanation in Brief	
1. Does the company establish a governance structure to promote sustainable development, and set up a special (part-time) unit to promote sustainable development, and the board of directors authorizes the senior management to handle it, and the board of directors supervises the situation?	V		1. The Company's Code of Practice on Sustainable Development (formerly known as the Code of Practice on Corporate Social Responsibility, the name of which was approved by the Board of Directors on 16 February 2022) was adopted by the Board of Directors on 30 September 2010 and implemented. 2. In accordance with the "Sustainable Development Best Practice Principles", the Company has set up a special (part-time) unit to promote sustainable development. The management team of the General Management Office is responsible for proposing and implementing sustainable development policies, systems or related management guidelines and specific promotion plans, and reports regularly to the Board of Directors. 3. Mr. Lee Chao Chang, Director of the operation team of the general administration division, reported to the Board of Directors on 8 November 2023 on the implementation of various operations to promote sustainable development. Afterwards, the Board of Directors provided adjustment suggestions and future implementation plans for various implementation situations afterwards.	None
2. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to its operations in accordance with the principle of materiality and establish relevant risk management policies or strategies? (Note 2)	V		1. The Company has established a "Risk Management Policy" in 2020, which was implemented on September 30 2020 following its approval by the Board of Directors. 2. The Company shall report to the Board of Directors at least once a year on the operation of risk management, which was reported to the Board of Directors on 8 November 2023.	None
3.Environmental Issue				
(1)Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(1) Please refer to the Company's official website and pages 66-67 of the 2022 Sustainability Report .	None
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment?	V		(2) Please refer to the Company's official website and pages 66-67 of the 2022 Sustainability Report.	None
(3) Does the company assess the potential risks and opportunities of climate change to the company now and in the future, and	V		(3) Through the General Affairs Department and the Taipei Branch Management Department, the Company is responsible for internal electricity and water consumption, and has established various measures to save electricity	None

Promotional Items	Implementation (Note 1)			Differences and reasons from the Code of Practice for Sustainable Development of Listed Companies
	Yes	No	Explanation in Brief	
take measures to deal with climate-related issues?			and water, as well as to promote them from time to time, such as using energy-saving LED lamps, equipment with energy-saving labels, and monitoring whether there are any abnormalities in water and electricity bills in each period, and making timely inquiries and solutions if there are any abnormalities to avoid wasted energy. please refer to the Company's website and page 72-77 of the Sustainability Report 2022.	
(4) Does the company keep track of greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?	V		(4) In order to focus on the use of energy resources, the Company's headquarters and its subsidiary, Taiyu Construction, have jointly formulated relevant management measures for the use of water, electricity, waste pollution prevention and environmental pollution prevention, etc. For related information, please refer to the Company's official website and page 69-71 of the Sustainability Report 2022.	None
4.Social Issues (1) Has the Company set up management policies and procedures according to related laws and regulations as well as the International Bill of Human Rights?	V		(1) The company has formulated human rights policies in 2020, which comply with internationally recognized labor human rights, such as freedom of association, right to collective negotiation, caring for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, elimination of employment and employment discrimination, and confirmed that its human resources application policies have no differential treatment such as gender, race, socio-economic class, age, marriage and family status, so as to implement employment, employment conditions, salary, welfare Equality and fairness of training, evaluation and promotion opportunities. The company strengthens the implementation and advocacy of human rights policies in the annual education and training courses. Please refer to the company's official website and pages 78-93 of the 2022 corporate social responsibility report.2021. In 2023, the total number of trainees for all employees was 2082, with 197 training hours. The number of internal general training courses for new employees was 51, with 96 training hours..	None
(2) Has the Company established and adopted reasonable employee welfare measures (e.g. bonuses and salaries, leaves, ad other benefits), and had employee bonuses and salaries adequately reflect its operation performance or results?	V		(2) The articles of association stipulates that if there is profit in the year, no less than 1% shall be allocated as the employee's remuneration, which shall be decided by the Remuneration Committee and implemented by the board of directors every year. Please refer to the company's official website and page 98- 101 of the 2023 annual report for various welfare measures.	None

Promotional Items	Implementation (Note 1)			Differences and reasons from the Code of Practice for Sustainable Development of Listed Companies
	Yes	No	Explanation in Brief	
(3)Has the Company offered a safe and healthy work environment and routinely implements safety and health education for its employees?	V		(3) The working environment of the company's employees is a simple indoor office, which is subject to office disinfection and air conditioning cleaning from time to time, and safety personnel are specially responsible for maintaining the surrounding environment and portal safety; Employees' health examination shall be provided regularly every year, and medical staff can consult health problems. Please refer to the company's official website and pages 91-93 of the Sustainability Report. 2022.	None
(4)Has the Company established an effective career developmental plan for its employees?	V		(4) Each department of the company receives external training courses according to professional needs every year. In 2023, the total number of trainees for all employees was 451, with 1540 training hours. The number of internal general training courses for new employees was 33, with 363 training hours. The total number of trainees for all employees in 2023 was 33, with 159.6 training hours. In order to create a training plan for the Company's important management successors, the Company established "Shining Management Institution" and organized a series of online courses on business management. The total number of trainees in 2023 was 166, with 21 training hours.	None
(5)Do the company's products and services comply with relevant laws and international standards in relation to issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer or customer protection and grievance procedure policies implemented?	V		(5) The company emphasizes the spirit of lifelong service, assigns special personnel to solve the residential problems of residents, establishes a complete voucher system, tracks the processing progress, and ensures to provide customers with the best product and service performance and achieve the purpose of protecting their rights and interests. Gradually integrate with relevant laws and regulations and international standards. Please refer to pages 51-57 of Sustainability Report 2022.	None
(6)Has the Company had a supplier management policy and required all its suppliers be compliant with laws and regulations on environmental protection, occupational safety & health, and labor rights and verified their compliance?	V		(6) For the safety and health management of suppliers, the company has a standard table for contractors to deduct project funds in violation of safety and health management rules. For environmental protection manufacturers, they must have legal certificates or licenses from the government; Personnel related to occupational safety shall have complete education and training hours, relevant licenses and health certificates; And the manufacturer's safety maintenance management on the construction site. If there is any deficiency, the project payment will be deducted. For supplier management policies, please refer to the company's official website and pages 44-45 of 2022	None

Promotional Items	Implementation (Note 1)			Differences and reasons from the Code of Practice for Sustainable Development of Listed Companies
	Yes	No	Explanation in Brief	
			Sustainability Report.	
5. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Have the reports mentioned above received the confirmation or guarantee of a third-party authenticator?	V		The Company compiles sustainability reports and other reports that disclose the Company's non-financial information in accordance with the internationally common reporting guidelines (GRI Standards) and publishes them on the Public information Observatory. It has not obtained the assurance or guarantee opinions of third-party verifiers. Please refer to pages 101-106 of the Sustainability Report 2022.	None
6. If a company has its own sustainable development code under the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the established code: In fiscal 2020, the Company formulated the Code of Practice for Corporate Social Responsibility of Listed Companies, and in fiscal 2022, it was revised to "Sustainable Development Best Practice" in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" Principles. The company is committed to taking care of employees, shareholders and consumers, and does not slack off on various social responsibilities, in addition to providing employees with a safe working environment, strictly supervising subsidiaries, maintaining the safety of construction sites, and actively participating in the development of community services, it also provides various sponsorships from public welfare organizations to promote sustainable operation and enhance the company's brand image.				
7. Other important information to help understand the implementation of sustainable development. Please see page 94-100 of the Sustainability Report 2022				

Climate-related Information

1. Climate-related Information And Implementation Situation:

Items	Implementation Situation				
1. Specify how the board of directors and the senior management supervise and govern the climate-related risks and opportunities.	In order to deal with the high degree of climate uncertainty and rapid changes in policies and markets, and to promptly control and estimate the possible impacts of climate changes, the Company regularly convenes senior managers from each department to identify major climate risks and opportunities. Meanwhile, the Company will further evaluate the risks of floods, droughts, typhoons and high temperatures on each base of operation, expecting to grasp climate change and market dynamics of the external environment, and to consider the overall operational strategic planning in a more comprehensive manner. The Company has established a "sustainable development team", which holds meetings quarterly and is responsible for formulating, promoting and strengthening the action plans and capital expenditures of important sustainable development policies (including climate-related issues) of each company, and reviewing, tracking and revising the implementation situation and results of the sustainable development. The situation and results were reported to the board of directors on November 8, 2023.				
2. Specify how will the identified climate risks and opportunities impact the Company’s business, strategies an finance (short-term, medium-term and long-term)	The company is actively developing solutions hoping to reduce the operational and financial impacts of climate change and strengthen organizational climate resilience. The short-term is defined as no longer than 3 years, the medium-term is 3-5 years, and the long-term is longer than 5 years. The Company will evaluate the potential operational and financial impacts of related climate risks and opportunities and thus plan various actions to respond to climate-related risks and opportunities.				
		The categories of risks and opportunities	Short-term (1~3 years)	Medium-term (3-5 years)	Long-term (longer than 5 years)
	Risks	Transition risk: Focus on the risks resulting from the transition to low-carbon economy. Transition risks include policy, legal, technology, market and reputational risks.	The limitation of total greenhouse gas emissions, carbon tax and carbon fee.	The transformation of consumer demands and preferences, transition into low-carbon/plastic-reducing technologies, new renewable energy-related laws and regulations, and the response of	The trend of net-zero emission.

Items	Implementation Situation				
				insufficient climate actions which led to a decline in brand reputation.	
		Physical risk: Risks caused by climate change driven by events (acute risk), or the long-term risk resulting from the climate model (long-term physical risk). Acute physical risks arise from weather-related events, such as storms.	The limitation of total greenhouse gas emissions, carbon tax and carbon fee due to extreme climate model.	Increased drought causes supply chain disruptions.	Average temperature increases.
	Opportunities	The positive impacts of Climate changes on individuals. Climate change mitigation and adaptation efforts can possibly create climate-related opportunities for individuals.	Research and development (R&D) and innovation of new low-carbon products and services	Improve resource utilization.	Improve the Company's reputation.
The Company evaluates the above risks, and proposes climate-related risks and opportunities that may make significant financial impact. The responding strategies are as follows:					
Transition Risks/Climate Opportunities					
Risks (R)/ Opportunities (O)		Financial impact -/+		Responding strategies	
R: The limitation of total greenhouse gas emissions, carbon tax and carbon fee.		-: Paying carbon fees, causing operating cost increases.		➤ Strengthen green R&D and innovation.	
R: Establish renewable energy laws and regulations.		-: Signing renewable energy power purchase agreements, causing operating cost increases.		➤ Improve energy efficiency and invest in green energy equipment.	

Items	Implementation Situation			
			-: Paying fines for the violations of regulatory requirements, causing operating cost increases.	
		R: The trend of net-zero emission.	-: Increase in carbon reduction equipment installation and operating costs.	➤ Continue to implement greenhouse gas reduction actions. ➤ Encourage suppliers to take appropriate climate mitigation and adaptation actions.
		R: The transformation of consumer demands and preferences O: Research and development (R&D) and innovation of new low-carbon products and services	-: Market sales decreased, resulting in revenue decline (R) +: Increase the sales ratio of low-carbon products, resulting in revenue increase	Continue to invest in low-carbon product R&D. Reformulate product ingredients with raw materials with low carbon footprint. Green product R&D.
		R: Transition into low-carbon/plastic-reducing technologies	-: Develop new low-carbon manufacturing processes and plastic reduction technologies, resulting in R&D costs increase. Development failure can result in financial losses.	Build a professional R&D team, and cooperate with external research teams to develop the most applicable low-carbon technology that can be well-managed to reduce the use of plastic.
		R: Insufficient climate actions which led to a decline in brand reputation.	-: Failure to meet the expectations of stakeholders, resulting in losing the Company's reputation and sales reduction in market.	Highly concerned about climate related issues.
		O: Improve the Company's reputation.	+: Improve funding availability and lower the cost of capital.	Improve the Company's governance and concern about climate related issues.

Items	Implementation Situation		
	Physical Risk/Climate Opportunities		
	Risks (R)/ Opportunities (O)	Financial impact -/+	Responding strategies
	R: Extreme climate model, causing more flooding. R: Supply chain disruption (droughts).	-: Suspension from work in operating bases, resulting in revenue deduction. -: Prices of raw materials increased, resulting in an increase in operating costs. -: Production decrease, resulting in revenue deduction.	➤ Consider the risks of flooding when establishing new operating bases. ➤ Develop alternative energy sources.
	R: Average temperature increases. O: Improve energy utilization.	-: Increase electricity consumption, resulting in an increase in operating costs (R). -: The raw material shortage, resulting in increased prices (R).	➤ Construct green buildings ➤ Use alternative energy ➤ Purchase energy-efficient equipment
3. Specify how extreme climate events and transition actions impact the Corporate's finance status.	1. The financial impacts of extreme climate events: The Company identifies that flood, drought, shifts in rainfall patterns and extreme changes in climate patterns can pose potential risks to production or transportation stages through internal discussion, stocktaking, and evaluation. Flood caused by intense rainfall leads to office location shutdown and equipment breakdown, then temporarily unable to ship. Drought and water shortage impact have negative influences on keeping the production line working efficiently. When facing water shortage, it is needed to maintain product supply by reducing water consumption, multi-regional water trucking or stock transfer from other plants, which result in an increase in operating costs. To deal with the risks of floods caused by typhoons, shifts in rainfall patterns and extreme changes in climate patterns, the Company has analyzed the operational and financial impacts on each office, respectively based on Taiwan Climate Change Projection Information and Adaptation Knowledge Platform(TCCIP) and research data from Chinese Academy of Sciences, and refers to “Representative Concentration Pathways”(RCP)8.5, the most severe warming scenario, in Fifth Assessment Report(AR5) from Intergovernmental Panel on Climate Change(IPCC). Under this scenario, the number of typhoons affecting Taiwan will decrease by 15% by the middle of the century, while the percentage of severe typhoon will increase by 100%. The drought period in office locations in South China will increase by 54% by the middle of the century, extending from the current average of 2.67 months to 4.11 months. The analysis results show that they will take more risks. The Company will continue to improve the physical risk scenario analysis, and will choose Shared Socioeconomic Pathways(SSP)1-2.6, Sustainable Development Scenario, and SSP5-8.5, Fossil Fuel-Driven Development Scenario in		

Items	Implementation Situation
	<p>the latest Sixth Assessment Report(AR6) from IPCC to conduct a risk change assessment of office locations. In addition, the assessment plan is expected to include not just existing risk issues but also high temperature risks, so as to strengthen the climate adaptation management and strategy of the merged company.</p> <p>2. The financial impacts of transition actions: The Company is exposed to the transition risk, and in order to successfully conduct low-carbon economic transition, the Company may need to face extensive changes in policies and regulations, technologies and market. According to the characteristic, speed, and emphasis of the changes mentioned above, within the analysis time frame, carbon fee and greenhouse gases cap, renewable energy regulations, and changes in consumer preferences, etc., may lead to increase in operating costs or declining sales. Considering the merged company sells several low-carbon products currently, and continues to develop, innovate, and expand the diversification of related products, there will be no great impact on marketing under each scenario, so the Company focuses on operating costs analysis. Under the scenario of low-carbon transition, the financial impact of carbon pricing on the merged company will lead to increases in company's own operating and supply chain costs.</p>
4. Specify how to integrate the identification, evaluation and management process in to the overall risk management system.	<p>The Board of Directors is the highest decision-making unit for risk control of each company in the Group, and directly supervises the risk governance structure of each company in the Group. In order to improve risk assessment and strengthen the Company's management functions, the Company established the "Risk Management Group" in 2020, which is responsible for identifying and managing risks in the Company's operations, including physical and transition risks that may result from climate changes, and leading the planning of relevant responding measures. In the same year, the "Risk Management Policy" was formulated to control the risks that may arise from various businesses within an acceptable range, and establish appropriate risk management operating principles. The risk management group is responsible for conducting the seven major risk identification and analysis based on the business scope of each department, including operations, finance, national, legal compliance, ESG, HR and information security, and updating the annual major risk identification matrix. Based on the results, each department will carry out strategic planning, integrate and manage risks that may affect operations and profits, submit the management implementation status and risk control report to the Board of Directors at least once a year (submitted to the Board of Directors on November 8, 2023), supervise, track and review the implementation of risk management of the management team, with a view to strengthening the constitution of the Company.</p>
5. If the Company conduct scenario analysis to evaluate climate change risks resilience, please specify the scenario, parameter, consumption, analytical	<p>The Company does not conduct scenario analysis to evaluate climate change risks resilience.</p>

Items	Implementation Situation
factor and the major financial impacts.	
6. If the Company has established transition plans to manage climate-related risks, please specify the details of the plan and the metrics and goals for identifying and managing physical risks and transition risks.	The Company does not establish transition plans to manage climate-related risks.
7. If the Company uses internal carbon pricing as a planning tool, please specify the pricing foundation.	The Company does not use internal carbon pricing as a planning tool.
8. If the Company has set climate-related targets or goals, please specify the actions, greenhouse gas emission scopes, projected schedule, yearly progress. If the Company uses carbon offsets or renewable energy certificates (RECs) to achieve related targets or goals, please specify the source or amount of offset credit or the quantity of renewable energy certificates (RECs).	The Company does not set any climate-related targets or goals.
9. Greenhouse gas inventory and assurance reports, reduction targets, strategies and	Please refer to 1-1 and 1-2 below.

Items	Implementation Situation
specific action plans (refer to 1-1 and 1-2.)	

1-1 Greenhouse Gas Inventory and Assurance Reports in the Most Recent Two Years:

1-1-1 Greenhouse Gas Inventory Information:

Please specify the amount(MTCO₂e), intensity(MTCO₂e / million dollar) and the data scope of greenhouse gas emission.

In accordance with the Sustainable Development Roadmap of the Financial Supervisory Commission, the Company shall disclose the following information to the least extent:

- 1.The parent company only shall implement the inventory procedures starting from 2023.
2. The subsidiaries included in the consolidated financial statements shall implement the inventory procedures starting from 2024.

The Company complies with the Greenhouse Gas Protocol issued by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI)/ISO14064-1 Standards for Greenhouse Gas Inventories (specify the applicable standard) published by the International Standards Organization (ISO) and establishes the greenhouse gas inventory mechanism. ° Since 2023, the Company has conducted regular annual inventories of the greenhouse gas emissions for the Company only and the subsidiaries included in the consolidated financial statements, to fully understand the usage and emission status of greenhouse gas, and verify the effectiveness of greenhouse gas reduction actions.

In addition, the greenhouse gas inventory data for the recent two years are summarized based on the operational control method (or other methods actually adopted by the Company, such as the equity ratio method/equity method, financial control method, etc.), including the greenhouse gas emissions of the Company and all subsidiaries included in the consolidated financial statements, described as follows:

		2022		2023	
		Amount of emission (MTCO2e)	Intensity(MTCO2e / million NT dollars revenue)	Amount of emission (MTCO2e)	Intensity(MTCO2e / million NT dollars revenue)
The Company (Parent Company Only)	Scope 1 Direct greenhouse gas emissions	(No inventory was conducted in 2022)		53.1513	
	Scope 2 Indirect greenhouse gas emissions	(No inventory was conducted in 2022)		194.1502	
	Subtotal	(No inventory was conducted in 2022)		247.3015	
All subsidiaries included in the consolidated financial statements	Scope 1 Direct greenhouse gas emissions	(No inventory was conducted in 2022)		(No inventory was conducted in 2022)	
	Scope 2 Indirect greenhouse gas emissions			(No inventory was conducted in 2022)	
	Subtotal			(No inventory was conducted in 2022)	
Total				247.3015	

Note 1: Direct emissions (Scope 1: emissions that occur from sources that are controlled or owned by a company), energy indirect emissions (Scope 2: greenhouse gas emissions associated with the purchase of electricity, heat or steam), and other indirect emissions (Scope 3: emissions that occur from the Company's activities, not categorized as energy indirect emissions, but occur from sources that are controlled or owned by other companies).

Note 2: The data scope of direct emissions and energy indirect emissions shall be handled in accordance with the timetable specified in the order specified in Paragraph 2 of Article 10 of the Standard. Other indirect emissions information may be disclosed voluntarily.

Note 3: Standard for Greenhouse Gas Emissions Inventories and Verification: The Greenhouse Gas Protocol, GHG Protocol, or the ISO 14064-1 published by International Organization for Standardization, ISO.

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of the product/service or sales, but the data calculated in terms of sales (NTD million) shall be stated to the least extent.

Please specify the verification statements regarding the most recent two years by the publication date, including the verification scope, institutions, standards and opinions.

1. The parent company only shall implement the verification procedures starting from 2024.

2. The subsidiaries included in the consolidated financial statements shall implement the verification procedures starting from 2025.

As specified in the 1-1-1 "Disclosure of Total Greenhouse Gas Emissions" of the Company, the verification scope for 2024 only includes the Company only; it does not include the subsidiaries included in the consolidated financial statements. The Company is approved by AFNOR Asia Ltd., an international verification institute, in accordance with the International Standard on Assurance Engagements (TWSAE 3410 "Assurance Engagements on Greenhouse Gas Statements")/ ISO 14064 – 3:2019 published by International Organization for Standardization (ISO), to implement the verification procedures. The verification opinion is the unqualified concluding opinion with reasonable assurance.

1-1-2 The Information regarding the verification of Greenhouse Gas:

Note 1: The verification shall be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of the Standard. If the Company has not obtained a complete greenhouse gas verification opinion by the publication date of the Annual Report, the Company shall indicate that "The complete verification information will be disclosed in the Sustainability Report." If the Company does not prepare a sustainability report, it shall indicate that "The complete verification information will be disclosed at MOPS", and disclose the complete verification information in the next Annual Report.

Note 2: The verification institutions shall comply with the relevant requirements for sustainability report verification institutions established by Taiwan Stock Exchange Corporation and Taipei Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans:

Please specify the greenhouse gas reduction base year, reduction targets, strategies, specific action plans and the completion.

1. Greenhouse gas reduction base year and targets:

In order to plan for the greenhouse gas reduction strategies, the Company completed the inventories based on the parent company's financial reports in 2023. The inventories are conducted in accordance with the provisions of Taiwan Securities Exchange Official Document Announcement No. 1110004505 dated March 21, 2022. Since the subsidiaries included in the consolidated financial statement are not included in the inventory and thus are inconsistent with the scope of the financial report, it is only a trial base year. The emission for Scope 1 is 53.1513 MTCO₂e and the emission for Scope 2 is 194.1502 MTCO₂e. The Company hopes that the following specific actions will be taken to further achieve the reduction of 3~5% in 2024, comparing with the trial base year. In 2024, the subsidiaries included in the consolidated statements will perform greenhouse gas inventory, and the scope of the inventory will be consistent with the scope of the consolidated statements. Thus, the base year for the greenhouse gas inventory will be 2024. In the future, the emission amount will be reduced by at least 3-6% every year starting from the base year (2024), to eventually achieve the target of reduction (20%) in 2030.

2. Greenhouse gas reduction strategies and specific action plans:

The Company integrates carbon management into its operating strategies, including the implementation of internal carbon pricing mechanisms, carbon management platforms, ESG performance-linked employee rewards and other mechanisms, to seek breakthroughs in carbon reduction. In response to the international trends of carbon pricing, the Company has considered the international carbon market price, the carbon price regarding the greenhouse gas-related regulations, and the Company's internal carbon reduction costs, to formulate an internal carbon price as a reference for carbon reduction management and planning. The Company implemented the carbon pricing mechanism, in order to respond early to the carbon fees to be levied by the "Climate Change Response Act" in Taiwan, the carbon emission-related regulatory mechanisms of countries around the world, and the requirements of the "Renewable Energy Development Act" to increase the usage of green electricity, so that the Company can lower the pressure and risks to reduce carbon emissions. The Company can also leverage this mechanism to evaluate the opportunities made by low-carbon transition, make rolling adjustment to relevant policies and plans, and develop advanced carbon reduction technologies or low-carbon investments, such as process improvement, carbon capture and storage. In addition, the carbon management platform can also systematically integrate the emission information of the Group, so that the information

required for carbon management can be grasped in real time, and comprehensive supervision can be carried out on multiple greenhouse gas reduction plans, including improving energy efficiency, purchasing energy-efficient machines, building solar photovoltaic systems, reducing greenhouse gas raw materials, building high-efficiency greenhouse gas destruction equipments, evaluating the use of low-carbon fuels/energy and the development of carbon negative technologies, to ensure that reduction process is followed. The Company will take a proactive approach to reduce the impact of carbon emissions, and improve operational competitiveness. In order to encourage the management, the team, and all of the employees to achieve the greenhouse gas reduction goals together, and improve energy and resource efficiency, the Company has included the important goals in the Company's KPI, which will serve as the basis for employee performance appraisal and bonus, to promote accountability in management.

Note 1: All matters shall be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of this Standard.

Note 2: The base year shall be the year in which the verification is completed based on the boundaries of the consolidated financial report. For example, according to the provisions of Article 10, Paragraph 2 of the Standard, companies with a capital of more than 10 billion dollars shall complete the 2024 verification of the consolidated financial report in 2025. Therefore, The base year is 2024. If the Company has completed the verification of the consolidated financial report in advance, the earlier year is considered the base year. In addition, the data of the base year can be calculated as the average of a single year or multiple years.

3.4.6 Fulfillment of Code of Ethics and Business Conduct

Fulfillment of Code of Ethics and Business Conduct, Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM

Listed Companies, and Reasons

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Reasons
	Yes	No	Abstract Illustration	
1. Stipulating policies and plans for ethical corporate management				
(1) Has the Company established the Code of Ethics and Business Conduct, which have been approved by the Board of Directors, and clearly stipulated regulations and policies for ethical business conduct and relevant guidelines in company articles and external documents? Does the Company's Directors and management team actively fulfill their commitment to corporate policies?	V		(1) The Company has stipulated "Procedures for Ethical Management and Guidelines for Conduct", which specifically regulates the matters that the Company's personnel should watch out when executing their duties. The financial statements approved by Board of Directors is presented by the chairman, president, and accounting supervisor together with no false concealment statement.	No Significant Difference
(2) Has the Company established a risk assessment mechanism against unethical conduct, regularly analyzed business activities within their business scope which are at a higher risk of being involved in unethical conduct? Does the Company establish prevention programs accordingly including measures prescribed in Article 7 Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(2) The Company's "Procedures for Ethical Management and Guidelines for Conduct" clearly indicated various dishonest behaviors which should be prohibited, whistle-blowing systems, and disciplinary systems, which shall be put into practice in each unit. The Article 4-4 of the guideline clearly states the importance of strengthening prevention programs for those business activities within the business scope which are at a higher risk of being involved in unethical conduct, including the behaviors defined in Article 7 Paragraph 2 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".	No Significant Difference
(3) Has the Company clearly prescribed procedures, code of conduct, punitive measures for violations and appeal systems in the unethical conduct prevention plan, and did the plan be implemented accordingly and periodically reviewed and revised?	V		(3) The Company has stipulated prevention programs for dishonest behaviors in the "Procedures for Ethical Management and Guidelines for Conduct" and clearly indicated relevant operating procedures, guidelines for conduct, disciplinary actions against employee's violation of rules and policies, and grievance system. Furthermore, for the implementation of ethical management, the Company has set up an "ethical	No Significant Difference

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Reasons
	Yes	No	Abstract Illustration	
			management steering group", responsible for the promotion and supervision of ethical management policies and prevention programs, regular inspection and reports submitted to Board of Directors regarding the implementation status, measures adopted, and implementation effect every year.	
2. Implementing ethical corporate Management				
(1) Has the Company established the Code of Ethics and Business Conduct, which have been approved by the Board of Directors, and clearly stipulated regulations and policies for ethical business conduct and relevant guidelines in company articles and external documents? Does the Company's Directors and management team actively fulfill their commitment to corporate policies?	V		(1) The legal affairs unit has planned to draw up relevant contract clauses with the counterparts. The Company's significant contract matters must be countersigned by legal staff who shall rigorously review the terms and conditions for avoiding contents against Company's entitlements and have improper clauses.	No Significant Difference
(2) Has the Company established a risk assessment mechanism against unethical conduct, regularly analyzed business activities within their business scope which are at a higher risk of being involved in unethical conduct? Does the Company establish prevention programs accordingly including measures prescribed in Article 7 Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(2)The Operating and Management Section of General Administration Division is the "ethical management steering group", in charge of assisting Board of Directors and management team at formulating and supervising the implementation of ethical management policies and prevention programs in accordance with job functions and scopes and ensuring the implementation of "Procedures for Ethical Management and Guidelines for Conduct". The unit has reported the implementation status on November 8, 2023.	No Significant Difference
(3) Has the Company established policies preventing conflict of interests, provided proper channels of appeal, and enforced these policies and channels accordingly?	V		(3)The Article 4-7 of "Procedures for Ethical Management and Guidelines for Conduct" clearly indicated that when employees encounter conflicts of interest while performing job duties, they should report relevant matters to their direct supervisors at the same time. No such situations occurred in the Company in 2023.	No Significant Difference
(4) Has the Company established effective accounting systems and internal control systems for enforcing ethical corporate management? Did internal auditors establish relevant audit	V		(4)The Company has established an accounting system and an internal control systems and the financial statements are presented by the chairman, managerial officers, and accounting supervisor together with no false concealment statement for	No Significant Difference

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Reasons
	Yes	No	Abstract Illustration	
<p>plan to verify the status of compliance with unethical conduct prevention action plans based on the result of risk assessment on unethical conduct? Did the Company entrust audits to a CPA ?</p> <p>(5) Does the Company regularly organize internal and external training for ethical corporate management?</p>	V		<p>ensuring the transparent disclosure of the Company's financial status. The audit supervisor regularly submits audit reports to the Board of Directors and issues "Internal Control System Statement" every year for declaring that no malpractice has occurred. The auditors perform auditing procedures in accordance with the defined annual audit plans and regularly report the information to Market Observation Post System.</p> <p>(5.1) Ethical conduct and corporate ethics are announced to the Company's newcomers when they are on board.</p> <p>Number of Trainees in 2023: 51 persons Number of People Accomplished in 2023: 51 persons</p> <p>(5.2) External lecturers were invited every month for providing education and trainings of corporate sustainability, operation management, and ethical management to the Company's managerial officers.</p> <p>Number of Trainees in 2023: 829 persons Number of People Accomplished in 2023: 829 persons</p> <p>(5.3) "Procedures for Ethical Management and Guidelines for Conduct" is disclosed internally and on the Company's website as the reference of internal staff and the public.</p> <p>(5.4) For training courses, please refer to pages 78-90 of the Corporate Social Responsibility Report 2022.</p>	No Significant Difference
<p>3. Status for enforcing whistle-blowing systems in the Company</p> <p>(1) Has the Company established concrete whistle-blowing and reward systems as well as accessible whistle-blowing channels? Does the Company assign a suitable and</p>	V		<p>(1) The Company has stipulated "Regulations Governing Whistle-Blowing System" which has been disclosed on the Company's internal portal and official website.</p>	No Significant Difference

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Reasons
	Yes	No	Abstract Illustration	
dedicated individual for the case being exposed by the whistle-blower?			The Company encourages internal and external staff to whistle-blow unethical conduct or improper behaviors and the independent whistle-blowing channels have been established and announced on the Company's official website and internal portal for the access of internal and external staff.	
(2) Has the Company established standard operating procedures (SOP) for whistleblowing cases, follow-up measures and relevant systems of confidentiality after the investigation ?	V		(2) The Company's "Regulations Governing Whistle-Blowing System" has defined standard operating procedures (SOP) for whistleblowing cases, follow-up measures, and relevant systems of confidentiality after the investigation	No Significant Difference
(3) Has the Company adopted protection measures against inappropriate disciplinary actions for the whistle-blower?	V		(3) The Company's "Regulations Governing Whistle-Blowing System" has adopted protection measures against inappropriate disciplinary actions for the whistle-blower.	No Significant Difference
4. Improvement of information disclosure				
(1) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and Market Observation Post System (MOPS)?	V		The Company has stipulated "Procedures for Ethical Management and Guidelines for Conduct" which can be found on the Company's official website and Market Observation Post System.	No Significant Difference
5. If the Company has established the Code of Ethics and Business Conduct based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any deviations between the Code of Ethics and Business Conduct and their implementations:				
In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Company has stipulated the "Procedures for Ethical Management and Guidelines for Conduct" and abides by the regulations defined by the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" without setting up another corporate governance practice principles.				
6. Other information helpful for understanding the principle of integrity of the Company's operations (e.g., the Company's amendment of its principles of integrity):				
The Company has stipulated "Procedures for Ethical Management and Guidelines for Conduct" which can be found on the Company's official website and Market Observation Post System.				

Note 1: No matter the operation item is ticked "yes" or "no", the status shall be described in abstract illustration column.

3.4.7 Corporate Governance Guidelines and Regulations

The Company's corporate governance regulations are disclosed in the investor section of the Company's official website and Market Observation Post System.

3.4.8 Other Important Information Regarding Corporate Governance

Please go the investor section of the Company's official website to inquire the implementation status of the Company's governance operations.

3.4.9 Implementation Status of the Internal Control System

3.4.9.1 Internal Control System Statement

Shining Building Business Co., Ltd.

Internal Control System Statement

Date: March 13, 2024

The Company declares the following with regard to its internal control system in 2023, based on the findings of a self-assessment:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and managerial officers. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency, and compliance with applicable laws, regulations, and bylaws.

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 the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.

3. The Company judges 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 internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: (1) Control environment, (2) Risk assessment, (3) Control activities, (4) Information and communications, (5) Monitoring activities. Each element further contains several items. Please refer to the Regulations for details.

4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that on December 31, 2023, its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for understanding of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency, and compliance with applicable laws, regulations, and bylaws, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.

6. This Statement will become a major part of the content of the Company'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 has been passed by the Board of Directors Meeting of the Company held on March 13, 2024, where none of the 7 attending directors, including attendance by proxy, expressed dissenting opinions and all affirmed the content of this Statement, and hereby declare.

Shining Building Business Co., Ltd.

Chairman: Lai, Cheng-I

President: Fang, Wei-Min

3.4.9.2 Those who entrust certified public accountants to audit reports on the internal control system should disclose the CPAs' audit report: Not Applicable

3.4.10 Reprimands on the Company and its Employees in Violation of Laws, or Reprimand on its Employees in Violation of Internal Control System and Other Internal Regulations, or Major Shortcomings and Status of Correction in the Most Recent Year and up to the Publication Date of the Annual Report: Nil

3.4.11 Major Resolutions of Shareholders' Meetings and Board Meetings in the Most Recent Year and up to the Publication Date of the Annual Report

3.4.11.1 Important Resolutions and Implementation of Shareholders Meeting

1. Significant Board resolutions for FY2023 and up to the date of publication of the Annual Report:

Date	Board Meeting		Major Resolutions
2023.2.13	The 5th meeting of the 13th Board of Directors	1	Approved the Company's Annual Business Plan for 2023
2023.2.13	The 5th meeting of the 13th Board of Directors	2	Approved increasing the investment in our subsidiary FAST GROWTH LTD by US\$10,000,000.
2023.2.13	The 5th meeting of the 13th Board of Directors	3	Approved the amendment of the certain provisions of the Company's "Rules and Procedures of Board Meeting"
2023.3.14	The 6th meeting of the 13th Board of Directors	1	Approved not to transfer funds prior to December 31, 2022 to the Company and its subsidiaries for accounts receivable and other receivables that have been outstanding for more than three months after the normal credit period and are significant in amount.
2023.3.14	The 6th meeting of the 13th Board of Directors	2	Approved the Company's unaudited financial statement for 2022
2023.3.14	The 6th meeting of the 13th Board of Directors	3	Approved an decrease in the amount of RMB65,000,000 for the loan to Billion Capital Holding Co.
2023.3.14	The 6th meeting of the 13th Board of Directors	4	Approved the Internal Control System Statemen for 2022.
2023.3.14	The 6th meeting of the 13th Board of Directors	5	Proposed to approve the lifting of the prohibition on directors of the Company from competing for office.
2023.3.28	The 7th meeting of the 13th Board of Directors	1	Approved the exclusion of employee and director remuneration for the year 2022 as a net loss before tax.
2023.3.28	The 7th meeting of the 13th Board of Directors	2	Approved the internal adjustment of the CPA Firm, to replace Auditor Wang, Jia-Xiang and Wang, Ri-Chun with Auditor Wang, Jia-Xiang and Shiao, You-Wen. The adjustment is effected upon the audit date of the financial statement in the fourth quarter of 2022.
2023.3.28	The 7th meeting of the 13th Board of Directors	3	Approved the financial statement for 2022.
2023.3.28	The 7th meeting of the 13th Board of Directors	4	Approved the independence and suitability assessment for the year 2023 by a certified public accountant.
2023.3.28	The 7th meeting of the 13th Board of Directors	5	Approved the appointment of the Company's certified public accountant for 2023.

Date	Board Meeting		Major Resolutions
2023.3.28	The 7th meeting of the 13th Board of Directors	6	Approved the amendment of certain provisions of the Company's "Procedures for Handling Endorsements and Guarantees".
2023.3.28	The 7th meeting of the 13th Board of Directors	7	Approved the amendment of the certain provisions of the Company's Articles of Incorporation
2023.3.28	The 7th meeting of the 13th Board of Directors	8	Approved the Company's proposed private placement of preferred shares.
2023.4.14	The 8th meeting of the 13th Board of Directors	1	Approved the the unresolved matters on March 28. The Company is proposed to issue private placement of preferred shares.
2023.5.10	The 9th meeting of the 13th Board of Directors	1	Approved the financial statement for the first quarter of 2023.
2023.5.10	The 9th meeting of the 13th Board of Directors	2	Approved the Deficit Compensation Statement for 2022
2023.5.10	The 9th meeting of the 13th Board of Directors		Amended certain provisions of the Company's "Procedures for Loaning Funds to Others".
2023.5.10	The 9th meeting of the 13th Board of Directors	3	Approved liability insurance for directors and officers in an amount not to exceed US\$3,000,000.
2023.5.10	The 9th meeting of the 13th Board of Directors	4	Approved the general shareholder's meeting proposal review report for 2023
2023.5.10	The 9th meeting of the 13th Board of Directors	5	Approved other Company's reason for convening the 2023 general shareholders' meeting
2023.5.30	The 10th meeting of the 13th Board of Directors	1	Approved the price of the Company's 1st private placement of preferred shares for 2023 and related matters.
2023.8.9	The 11th meeting of the 13th Board of Directors	1	Approved the financial statement for the second quarter of 2023.
2023.8.9	The 11th meeting of the 13th Board of Directors	2	Approved increasing the investment in our subsidiary FAST GROWTH LTD by US\$2,000,000.
2023.8.9	The 11th meeting of the 13th Board of Directors	3	Approved increasing the investment in our subsidiary BILLION CAPITAL HOLDING CO., LTD by US\$5,000,000 via our subsidiary QUANTUM INVESTMENT LTD.
2023.11.8	The 12th meeting of the 13th Board of Directors	1	Approved the financial statement for the third quarter of 2023.
2023.11.8	The 12th meeting of the 13th Board of Directors	2	Approved the amendment of certain provisions of the "Internal Control System and Internal Audit System" of the Company.
2023.11.8	The 12th meeting of the 13th Board of Directors	3	Approved the Company's audit plan for 2024
2023.11.8	The 12th meeting of the 13th Board of Directors	4	Approved the acquisition of right-of-use assets from related-parties
2023.11.8	The 12th meeting of the 13th Board of Directors	5	Approved to change the President of the Company from Lai, Cheng-I to Fang, Wei-Min.

Date	Board Meeting		Major Resolutions
2023.11.8	The 12th meeting of the 13th Board of Directors	6	Approved the appointment of Chang, Ying-yin as the Chief Information Security Officer
2023.11.8	The 12th meeting of the 13th Board of Directors	7	Approved no change in directors' compensation for the year.
2023.11.8	The 12th meeting of the 13th Board of Directors	8	Approved the payment of salary and bonuses for managerial officers.
2024.1.5	The 13th meeting of the 13th Board of Directors	1	Approved increasing the investment in our subsidiary BILLION CAPITAL HOLDING CO., LTD by US\$3,000,000 via our subsidiary QUANTUM INVESTMENT LTD.
2024.1.5	The 13th meeting of the 13th Board of Directors	2	Approved the Company's transfer development rights of the disposal of property
2024.3.13	The 14th meeting of the 13th Board of Directors	1	Approved the ratification of endorsement and guarantee line amendment for our subsidiary Billion Capital Holding Co.,Ltd.
2024.3.13	The 14th meeting of the 13th Board of Directors	2	Approved the planning of the Company's 2024 Annual Business Plan
2024.3.13	The 14th meeting of the 13th Board of Directors	3	Approved the exclusion of employee and director remuneration for the year 2023 as a net loss before tax.
2024.3.13	The 14th meeting of the 13th Board of Directors	4	Approved not to transfer funds prior to December 31, 2023 to the Company and its subsidiaries for accounts receivable and other receivables that have been outstanding for more than three months after the normal credit period and are significant in amount.
2024.3.13	The 14th meeting of the 13th Board of Directors	5	Approved the internal adjustment of the CPA Firm, to replace Auditor Wang, Jia-Xiang and Shiao, You-wen with Auditor Shiao, You-wen and Hung, Suk-Fan. The adjustment is effected upon the audit date of the financial statement in the fourth quarter of 2023.
2024.3.13	The 14th meeting of the 13th Board of Directors	6	Approved the financial statement for 2023.
2024.3.13	The 14th meeting of the 13th Board of Directors	7	Approved the Deficit Compensation Statement for 2023
2024.3.13	The 14th meeting of the 13th Board of Directors	8	Approved the independence and suitability assessment for the year 2024 by a certified public accountant.
2024.3.13	The 14th meeting of the 13th Board of Directors	9	Approved the appointment of the Company's certified public accountant for 2024.
2024.3.13	The 14th meeting of the 13th Board of Directors	10	Approved the amendment of the certain provisions of the Company's "Rules and Procedures of Board Meeting"
2024.3.13	The 14th meeting of the 13th Board of Directors	11	Approved the amendment of the certain provisions of the Company's "Rules and Procedures of Shareholder Meetings"
2024.3.13	The 14th meeting of the 13th Board of Directors	12	Approved the Internal Control System Statement for 2023

Date	Board Meeting		Major Resolutions
2024.3.13	The 14th meeting of the 13th Board of Directors	13	Approved the Company's reason for convening the 2024 general shareholders' meeting
2024.5.9	The 15th meeting of the 13th Board of Directors	1	Approved the ratification of endorsement and guarantee line amendment for our subsidiary Billion Capital Holding Co.,Ltd. and Qingdao Dinglin International Business Management Co.
2024.5.9	The 15th meeting of the 13th Board of Directors	2	Approved not to transfer funds prior to March 31, 2024 to the Company and its subsidiaries for accounts receivable and other receivables that have been outstanding for more than three months after the normal credit period and are significant in amount.
2024.5.9	The 15th meeting of the 13th Board of Directors	3	Approved the financial statement for the first quarter of 2024.
2024.5.9	The 15th meeting of the 13th Board of Directors	4	Approved the Company's proposed private placement of preferred shares for 2023 that the un-issued shares will not be issued.
2024.5.9	The 15th meeting of the 13th Board of Directors	5	Approved increasing the investment in our subsidiary BILLION CAPITAL HOLDING CO., LTD by US\$ 3,000,000 via our subsidiary QUANTUM INVESTMENT LTD.
2024.5.9	The 15th meeting of the 13th Board of Directors	6	Approved liability insurance for directors and officers in an amount not to exceed US\$3,000,000.
2024.5.9	The 15th meeting of the 13th Board of Directors	7	Approved to contribute NT\$1,000,000 to Shining Cultural and Educational Foundation (related party).
2024.5.9	The 15th meeting of the 13th Board of Directors	8	Approved the general shareholder's meeting proposal review report for 2024. There is no shareholders proposal.

2. Important resolutions and implementation of the 2023 shareholders' meeting:

- (1) Recognized the Business Report and the Financial Statements for the year 2022
- (2) Recognized the Company's accumulated deficit for fiscal year 2022, with no surplus available for distribution.
- (3) Approved the amendment of certain provisions of the Company's "Regulations Governing the Acquisition or Disposal of Assets" and uploaded the amended regulations to the Market Observation Post System and the Company's website.
- (4) Approved to amend some provisions of the Company's "Procedures for Lending Funds to Others" and uploaded the amended procedures to the Market Observation Post System and the Company's official website.
- (5) Approved the lifting of the certain prohibition on competition for new directors of the Company

No.	Director	Representative	Companies with the same or similar business scope as the Company
1	Dinglin Investment and Development Company	Lai, Cheng-I	Invested in Dinglin International (Cayman) Holdings Co., Ltd. - Person in charge
2	Zheng Kee Investment Co., Ltd.	Chang, Ying-yin	Quantum Investment Ltd. - Person in charge Billion Capital Holding Co.,Ltd. - Person in charge Lukia Holdings Co.,Ltd. - Person in charge Nanjing Dingzheng Real Estate Co., Ltd. - Director Chengdu Chunya Enterprise Management Co., Ltd. - Director
3	Yiyang Investment Company, Ltd.	Liao, Pei-Chi	Headway Inv. Ltd - Person in charge Gold Square Inv. Ltd. - Person in charge Qing Dao Xiang Du Real Estate Co., Ltd. - Director

3.4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the Most Recent Year and up to the Publication Date of the Annual Report: Nil

3.4.13 Resignation or Dismissal of the Company's Chairman, President, Chief Accounting Officer, Chief Financial Officer, Internal Audit Supervisor, Corporate Governance Officer, and Research and Development Supervisor in the Most Recent Year and up to the Publication Date of the Annual Report: Nil.

3.5 Information on CPAs' Professional Fees

CPAs' Professional Fees

Unit: NTD (in thousands)

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remark
Crowe (TW) CPAs	Wang, Jia-Xiang Shiao, You-Wen	2022 Q4 ~ 2023 Q3	7,860	409	8,269	
	Hung, Suk-Fan Shiao, You-Wen	2023 Q4				Internal adjustment of accounting firm

Description: 1 Audit fees refer to the fees paid by the Company to the endorsing accountant for the audit, review, review and review of financial reports and financial forecasts
2. Non audit service content: financial report document processing fee of NT\$87 thousand.

3.5.1.1 Whether the Company changes its accounting firm and the amount of fees paid for auditing services during the year in which the change is made are lower than for the previous year: Nil

3.5.1.2 Whether the amount of fees paid for auditing services is lower than for the previous year by ten percent or more: Nil

3.6 Information on the Replacement of CPAs

The Company has replaced the certified public accountant in the most recent two years:

The internal adjustment of the accounting firm has resulted in the replacement of the certifying accountants from CPA Wang, Jia-Xiang Wang and CPA Shiao, You-Wen to CPA Hung, Suk-Fan and CPA Shiao, You-Wen with effect from the fourth quarter of 2022.

3.7 Whether the Company's Chairman, President or Managers in charge of Finance or Accounting has been under Current Audit Firm or its Affiliates' Employment within the most recent year: Nil

3.8 In the Most Recent Year and up to the Publication Date of the Annual Report, the Circumstances regarding Transfer of Shares and Changes in Pledged Shares of Directors, Supervisors, Managerial Officers and Major Shareholders with a stake of more than 10%

3.8.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Title (Note 1)	Name	Unit: Share			
		2023		As of April 29, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Ding Lin Investment & Development Co., Ltd. Representative: Lai, Cheng-I	50,500,000	146,508,678	-	-
Director	Ding Zheng Investment Co., Ltd.	49,500,000	143,631,799	-	-
Director	Zheng Kee Investment Co., Ltd.	-	-	-	-
Director	Yi Yang Investment Co., Ltd.	-	-	-	-
Independent Director	Chiu, Wen-Jui	-	-	-	-
Independent Director	Huang, Jian-Ji	-	-	-	-
Independent Director	Yang, Chih-Chung	-	-	-	-
President	Lai, Cheng-I	-	-	-	-
President	Fang, Wei-Min	-	-	-	-
Director of General Administration Division	Chang, Ying-Yin	-	-	-	-
Chief Financial Officer	Chen, Chung-Yuan	-	-	-	-
Chief Accounting Officer	Liao, Pei-Chi	-	-	-	-
Associate Vice President of Administration Department in Taipei	Lo, Man-Li	-	-	-	-
Associate Vice President of Operating and Management Section	Lee, Chao-Chang	-	-	-	-
Major Shareholder with 10% of the Company's Total Shares	Quan Yang Investment Co., Ltd.	-	-	-	-

Note 1: Shareholders with a stake of more than 10% of the Company's total shares should be indicated as major shareholders, and separately listed.

Note 2: The counterparties of shareholding transfers and shareholding pledges are related parties shall fill out the below table.

Note 3: In order to implement the Company's governance system, the Company's Board of Directors resolved on November 8, 2023 to change the President of the Company from Lai, Cheng-I to Fang, Wei-Min.

3.8.2 The counterparties of shareholding transfers and shareholding pledges are related parties: Nil

3.9 Information on the Company's Top Ten Shareholders who are Related Parties to Each Other or Spouses or Relatives within Second Degree Relative of Consanguinity

Relationship among the Top Ten Shareholders

April 29, 2024

Name (Note 1)	Current Shareholding		Spouse's and Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship of the Company's Top Ten Shareholders Who are Related Parties to Each Other Defined in Bulletin No. 6 of Financial Accounting Standards, or Spouses or Relatives within Second Degree Relative of Consanguinity (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Ding Lin Investment & Development Co., Ltd.	146,508,678	13.60%	—	—	—	—	Quan Yang Investment Co., Ltd., Guang Yu Investment & Development Co., Ltd., Ho Ting Investment Co., Ltd., Lalu Hotel Co., Ltd.,	The same chairman	
Representative: Lai, Cheng-I	3,596,942	0.33%	441,231	0.04%	116,917,486	11.96%	Ding Zheng Investment Co., Ltd., Ming Hang Investment Co., Ltd.	The spouse of the chairman	
Ding Zheng Investment Co., Ltd., Representative: Chen, Shu-Fen	143,631,799	13.33%	—	—	—	—	Ming Hang Investment Co., Ltd.	The same chairman	
	441,231	0.04%	3,596,942	0.33%	116,917,486	11.96%	Quan Yang Investment Co., Ltd., Ding Lin Investment & Development Co., Ltd., Guang Yu Investment & Development Co., Ltd., Ho Ting Investment Co., Ltd., Lalu Hotel Co., Ltd.	The spouse of the chairman	
Quan Yang Investment Co., Ltd.	98,221,964	9.11%	—	—	—	—	Ding Lin Investment & Development Co., Ltd., Guang Yu Investment & Development Co., Ltd., Ho Ting Investment Co., Ltd., Lalu Hotel Co., Ltd.,	The same chairman	
Representative: Lai, Cheng-I	3,596,942	0.33%	441,231	0.04%	116,917,486	11.96%	Ding Zheng Investment Co., Ltd., Ming Hang Investment Co., Ltd.	The spouse of the chairman	
Guang Yu Investment & Development Co., Ltd.	66,000,854	6.12%	—	—	—	—	Ding Lin Investment & Development Co., Ltd., Quan Yang Investment Co., Ltd., Ho Ting Investment Co., Ltd., Lalu Hotel Co., Ltd.,	The same chairman	

Name (Note 1)	Current Shareholding		Spouse's and Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship of the Company's Top Ten Shareholders Who are Related Parties to Each Other Defined in Bulletin No. 6 of Financial Accounting Standards, or Spouses or Relatives within Second Degree Relative of Consanguinity (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Representative: Lai, Cheng-I	3,596,942	0.33%	441,231	0.04%	116,917,486	11.96%	Ding Zheng Investment Co., Ltd., Ming Hang Investment Co., Ltd.	The spouse of the chairman	
Ming Hang Investment Co., Ltd. Representative: Chen, Shu-Fen	56,978,163 441,231	5.29% 0.04%	— 3,596,942	— 0.33%	— 116,917,486	— 11.96%	Ding Zheng Investment Co., Ltd., Quan Yang Investment Co., Ltd., Ding Lin Investment & Development Co., Ltd., Guang Yu Investment & Development Co., Ltd., Ho Ting Investment Co., Ltd., Lalu Hotel Co., Ltd.	The same chairman The spouse of the chairman	
Ho Ting Investment Co., Ltd.	55,510,514	5.15%	—	—	—	—	Quan Yang Investment Co., Ltd., Ding Lin Investment & Development Co., Ltd., Guang Yu Investment & Development Co., Ltd., Lalu Hotel Co., Ltd.	The same chairman	
Representative: Lai, Cheng-I	3,596,942	0.33%	441,231	0.04%	116,917,486	11.96%	Ding Zheng Investment Co., Ltd., Ming Hang Investment Co., Ltd.	The spouse of the chairman	
Lalu Hotel Co., Ltd.	47,447,799	4.40%	—	—	—	—	Quan Yang Investment Co., Ltd., Ding Lin Investment & Development Co., Ltd., Guang Yu Investment & Development Co., Ltd., Ho Ting Investment Co., Ltd.	The same chairman	
Representative: Lai, Cheng-I	3,596,942	0.33%	441,231	0.04%	116,917,486	11.96%	Ding Zheng Investment Co., Ltd., Ming Hang Investment Co., Ltd.	The spouse of the chairman	
Zheng Kee Investment Co., Ltd. Representative: Chang, Ying-Yin	42,824,268 44,273	3.97% 0.00%	— —	— —	— —	— —	Nil Nil	Nil Nil	
Chuanlong Investment Co., Ltd. Representative: Hong, Sheng-Yi	27,064,420 397,974	2.51% —	— —	— —	— —	— —	Nil Nil	Nil Nil	
Rong Yang Investment Co., Ltd. Representative: Chen, Jin-Mei	24,526,383 —	2.28% —	— —	— —	— —	— —	Nil Nil	Nil Nil	

Note 1: Top 10 shareholders shall all be disclosed, in which the institutional shareholder should indicate the name of institutional shareholders and representatives respectively.

Note 2: The shareholding ratio refers to the calculation of the shareholding percentage in accordance with the shares held by the person, the person's spouse and minor children, or nominee arrangement.

Note 3: The aforementioned shareholders include institutional shareholders and natural-persons. The relationship among the shareholders shall be disclosed in accordance with the issuers' preparation standards of the financial statements.

3.10 The Comprehensive Number of Shares Held in Any Single Enterprise by the Company, Its Directors, Supervisors, and Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

Comprehensive Shareholding Ratio

March 31, 2024

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managerial Officers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Tai Yu Construction Co., Ltd.	18,633,334	92.70%	1,466,666	7.30%	20,100,000	100.00%
Worldwide Overseas Corp	-	-	1,000	92.70%	1,000	92.70%
Bai Huang Investment Corporation	-	100.00%	-	-	-	100.00%
Ding Lin International Enterprise	25,500	51.00%	24,500	49.00%	50,000	100.00%
Diamond Overseas Co., Ltd	385,835	100.00%	-	-	385,835	100.00%
Headway Investment Ltd	9,642,586	66.67%	-	-	9,642,586	66.67%
Gold Square Investment Ltd	-	-	1	66.67%	1	66.67%
Qingdao Xiangdu Real Estate Co., Ltd	-	-	-	66.67%	-	66.67%
Fast Growth Limited	117,929,751	100.00%	-	-	117,929,751	100.00%
Centry Up Limited	-	-	239,244,060	81.21%	239,244,060	81.21%
Qingdao Dinglin International Business Management Co.	-	-	-	64.92%	-	64.92%
Qingdao Dinglin Hotel Co.	-	-	-	64.92%	-	64.92%

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managerial Officers		Total Ownership	
	Shares	%	Shares	%	Shares	%
168 Investment Ltd	216,897,130	95.59%	-	-	216,897,130	95.59%
Nanjing dingzheng Real Estate Co.	-	-	-	95.59%	-	95.59%
Nanjing dingzheng Hotel Co.	-	-	-	95.59%	-	95.59%
Quantun Investment Ltd	58,384,987	85.38%	-	-	58,384,987	85.38%
Billion Capital Holding Co.,Ltd	-	-	68,384,987	85.38%	68,384,987	85.38%
Chengdu Chunya Enterprise Management Co.	-	-	-	85.38%	-	85.38%
Chengdu Dingkang Real Estate Co.	-	-	-	85.38%	-	85.38%

Note: The Company's investments are accounted for using equity method.

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Types of the Company's Issued Shares in the Most Recent Year and Up to the Date of Annual Report

Publication

4.1.1.1 Source of Capital

Source of Capital

Unit: Shares (In Thousands)/New Taiwan Dollars (In Thousands)

Year/ Month	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2011.07	10	500,000	5,000,000	467,435	4,674,352	Capitalization of Retained Earnings	Nil	Note 1
2012.07	10	700,000	7,000,000	560,920	5,609,200	Capitalization of Retained Earnings	Nil	Note 2
2013.07	10	700,000	7,000,000	617,000	6,170,000	Capitalization of Retained Earnings	Nil	Note 3
2014.07	10	1,000,000	10,000,000	802,100	8,021,000	Capitalization of Retained Earnings	Nil	Note 4
2016.07	10	1,000,000	10,000,000	882,310	8,823,100	Capitalization of Retained Earnings	Nil	Note 5
2017.06	10	1,000,000	10,000,000	926,426	9,264,255	Capitalization of Retained Earnings	Nil	Note 6
2018.06	10	1,000,000	10,000,000	972,747	9,727,468	Capitalization of Retained Earnings	Nil	Note 7
2019.07	10	1,500,000	15,000,000	982,474	9,824,742	Capitalization of Retained Earnings	Nil	Note 8
2020.09	10	1,500,000	15,000,000	977,589	9,775,892	Cancellation of Treasury Shares	Nil	Note 9
2023.07	10	1,500,000	15,000,000	1,077,589	10,775,892	Private placement of preferred shares	Nil	Note 10

Note 1: Approval sought from Letter No. Jin-Guan-Zheng-Fa-Yi-1000032673 of Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated July 14, 2011

Note 2: Approval sought from Letter No. Jin-Guan-Zheng-Fa-Yi-1010030397 of Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated July 10, 2012

Note 3: Approval sought from Letter No. Jin-Guan-Zheng-Fa-Yi-1020026425 of Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated July 8, 2013

Note 4: Approval sought from Letter No. Jin-Guan-Zheng-Fa-Yi-1030027079 of Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated July 16, 2014

Note 5: Approval sought from Letter No. Jin-Guan-Zheng-Fa-Yi-1050026976 of Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated July 17, 2016

Note 6: Effective Registration and Approval sought from Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated June 26, 2017

Note 7: Effective Registration and Approval sought from Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated June 27, 2018

Note 8: Effective Registration and Approval sought from Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated July 1, 2019

Note 9: Effective Registration and Approval sought from Financial Supervisory Commission, Executive Yuan, R.O.C. (Taiwan), dated May 26, 2020

Note 10: Approval of the change of registration sought from Letter No. Jing-Shang-Zi - 11230120220 of Ministry of Economic Affairs, R.O.C. (Taiwan), dated July 13, 2023.

Unit: Share (In Thousands)

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stocks	977,589	422,411	1,500,000	Public Shares
Preferred Shares	100,000			Unlisted (Preferred Shares)

4.1.1.2 Information Relevant to the Aggregate Reporting Policy: Nil

4.1.2 Structure of Shareholders

1. Common Stocks

April 27, 2024 Unit: Share

Structure of Shareholders Quantity	Governmental Institution	Financial Institution	Other Legal Persons	Natural Person	Foreign Institutions and Foreign Individuals	Total
Number of Persons	-	-	46	17,588	86	17,720
Shareholding	-	-	770,320,164	167,497,244	39,771,837	977,589,245
Shareholding Ratio (%)	0.00%	0.00%	78.80%	17.13%	4.07%	100.00%

2. Preferred Stocks

April 27, 2024 Unit: Share

Structure of Shareholders Quantity	Governmental Institution	Financial Institution	Other Legal Persons	Natural Person	Foreign Institutions and Foreign Individuals	Total
Number of Persons	-	-	2	-	-	2
Shareholding	-	-	100,000,000	-	-	100,000,000
Shareholding Ratio (%)	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%

4.1.3 Status of Shareholding Distribution

4.1.3.1 Ownership Distribution of Common Shares

Common Share (Par Value per Share: NT\$10)			April 27, 2024
Shareholding Class	Number of Shareholders	Shareholding	Shareholding Ratio (%)
1-----999	4,240	1,189,889	0.12%
1,000-----5,000	8,751	20,470,136	2.09%
5,001-----10,000	2,105	16,738,066	1.71%
10,001-----15,000	670	8,421,941	0.86%
15,001-----20,000	523	9,680,818	0.99%
20,001-----30,000	482	12,196,391	1.25%
30,001-----40,000	231	8,189,192	0.84%
40,001-----50,000	152	7,126,599	0.73%
50,001----100,000	288	20,905,060	2.14%
100,001----200,000	127	17,391,122	1.78%
200,001----400,000	74	20,478,578	2.10%
400,001----600,000	23	11,204,790	1.15%
600,001----800,000	8	5,378,228	0.55%
800,001--1,000,000	9	7,955,155	0.81%
Above 1,000,001 Shares	37	810,263,280	82.88%
Total	17,720	977,589,245	100.00%

4.1.3.2 Ownership Distribution of Preferred Shares:

April 27, 2024

Shareholding Class	Number of Shareholders	Shareholding	Shareholding Ratio (%)
Above 1,000,001 Shares	2	100,000,000	100.00%
Total	2	100,000,000	100.00%

4.1.4 List of Major Shareholders

Name and Shareholding Amount and Ratio of Shareholders with more than 5% Shareholding or Top 10 Shareholders

April 27 2024

Share—Name of Major Shareholders	Shareholding	Shareholding Ratio (%)
Ding Lin Investment & Development Co., Ltd.	146,508,678	13.60%
Ding Zheng Investment Co., Ltd.	143,631,799	13.33%
Quan Yang Investment Co., Ltd.	98,221,964	9.11%
Guang Yu Investment & Development Co., Ltd.	66,000,854	6.12%
Ming Hang Investment Co., Ltd.	56,978,163	5.29%
Ho Ting Investment Co., Ltd.	55,510,514	5.15%
Lalu Hotel Co., Ltd.	47,447,799	4.40%
Zheng Kee Investment Co., Ltd.	42,824,268	3.97%
Chuanlong Investment Co., Ltd.	27,064,420	2.51%
Rong Yang Investment Co., Ltd.	24,526,383	2.28%

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share in the Most Recent Two Years

Market Price, Net Worth, Earnings, and Dividends per Share

Item		Year	2022	2023	As of March 31, 2024 (Note 8)
Market Value per Share (Note 1)	Highest		11.55	13.4	11.05
	Lowest		8.9	9.03	9.32
	Average		9.72	10.15	10.16
Net Worth per Share (Note 2)	Before Distribution		10.68	10.36	10.28
	After Distribution		10.68	10.68	Not distributed yet
Earnings per Share	Weighted Average Outstanding Shares		977,589,245	977,589,245	977,589,245
	EPS (Note 3)	Not-Adjusted	(1.41)	(0.2)	0.34
		Adjusted	(1.41)	Note 9	Not Yet Appropriated
Dividends per Share	Cash Dividends		-	Note 9	Not Yet Appropriated
	Stock Dividends	Earning Distribution	-	Note 9	Not Yet Appropriated
		Capital Distribution	-	Note 9	No Not Yet Appropriated t Yet Appropriated
	Accumulated Undistributed Dividends (Note 4)		-	-	Not Yet Appropriated
Investment Return Analysis	Price / Earnings Ratio (Note 5)		(6.89)	(50.75)	27.06
	Price / Dividend Ratio (Note 6)		N/A	Note 9	Not distributed yet
	Cash Dividend Yield Rate (Note7)		N/A	Note 9	Not distributed yet

*In case of capitalization of retained earnings or capital reserves reinvested to allotment of shares, the number of shares to be distrusted should be disclosed with traced adjustment of market value and cash dividend information.

Note 1: Denote the common shares with highest and lowest market value for each year, and calculate for the average annual market value for the trading value of each year and the trading volume.

Note 2: Please use the number of share outstanding by the end of the year and filled out by the distribution of the resolutions made by the Board of Director or the Annual General Shareholders' Meeting of the second year.

Note 3: In the event that free allotment is required to be traced for adjustment, each earnings per share (EPS) shall be listed before and after adjustment.

Note 4: In case the condition of outstanding equity security is distributed according to the undistributed dividends of that year accumulated to the year with earnings, the accumulated undistributed dividends of that year shall be disclosed respectively.

Note 5: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 6: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 7: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 8: Net worth per share and EPS shall be filled to the date of publication of the annual report with the data attested (reviewed) by the CPA in last quarter. The other columns should also be filled out during the current fiscal year up to the date of publication of the annual report.

Note 9: Filled out in accordance with the distribution proposal resolved by of the shareholders meeting in the next year. The distribution of 2020 retained earnings requires to be resolved by 2021 regular shareholders' meetings.

4.1.6 Dividend Policy and Implementation Status

4.1.6.1 Dividend Policy Defined in the Company's Articles of Incorporation

In accordance with the earnings allocation policy regulated by the Company's Articles of Incorporation, if there is any earning after the Company's annual accounts, the Company shall pay taxes in accordance with the laws, offset prior years' accumulated losses, and then set aside 10% of the Company's balance as a statutory surplus reserve. However, when the statutory surplus reserve is equal or more than the paid-in capital, the Company shall not set aside statutory surplus reserve and a certain amount of the remaining earnings shall be set aside or reversed as special reserve in accordance with laws and regulations. If there is still any remaining earning, together with the accumulated undistributed earnings, the Board of Directors shall draft a surplus earnings distribution proposal and submit it to the shareholders' meeting for resolution in order to distribute dividends to shareholders.

For leveling off constant growth dividend policy, the Company takes the investment capital needs and the degree of dilution of the earnings per share into account while making the decision to appropriately distribute the dividends in the form of cash or stock. The amount of cash dividends shall not be less than 10% of the total shareholder dividends. However, in case the cash dividend per share is less than NT\$0.1, or when the Company's debt ratio is higher than 50% in which the Board of Directors shall comprehensively considers the financial statements for the year, or when there is a major capital expenditure plan for the year, the percentage of cash dividends may be reduced or changed to stock dividends.

4.1.6.2 Distribution of dividends proposed at the Shareholders' Meeting

The Company's loss after tax for fiscal year 2023 was NT\$195,190 thousand; the losses to be covered at the end of the period was NT\$1,877,506 thousand. In accordance with the Company's Articles of Association and the resolution of the Board of Directors, no earnings were available for distribution.

4.1.7 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent Shareholders' Meeting: Not Applicable

4.1.8 Employee Profit Sharing and Remuneration of Directors and Supervisors

4.1.8.1 Amount or Scope of Employee Profit Sharing and Remuneration of Directors and Supervisors as prescribed under the Articles of Incorporation

In accordance with the Company's Articles of Incorporation, if there is any earning after the Company's annual accounts, the Company shall set aside no less than 1% of the Company's balance as employee remuneration and distribute the dividends in the form of cash or stock in accordance with the resolution of Board of Directors. No more than 1% of the aforementioned earnings shall be appropriated as the remuneration of director and supervisors in accordance with the resolution of Board of Directors.

4.1.8.2 Basis of Estimating Employee, Directors' and Supervisors' Bonus in the Period, Basis of Calculating Employee Bonus Appropriated in Shares, and Accounting Treatment if Discrepancy is found between the Actual Distributions and the Estimates

The remuneration of employees and directors and supervisors was not assessed in the year of 2023 because of loss. If changes exist after the announcement of annual financial statements, the changes will be treated as changes to accounting estimates, and adjustments will be made in the subsequent year.

4.1.8.3

The board of directors adopts the distribution of remuneration and the actual distribution of the remuneration of employees, directors and supervisors in the previous year, and those who are different from the remuneration of recognized employees, directors and supervisors, and shall specify the number of differences, the reasons and the handling situation:
The Company's Board of Directors resolved on March 28, 2023 and March 13, 2024 to approve employee compensation and director and supervisor compensation for 2022 and 2023, and the related amounts recognized in the financial statements, as follows.

Unit: New Taiwan Dollars (In Thousands)

	2022		2023	
	Employee Remuneration	Employee Remuneration	Employee Remuneration	Employee Remuneration
Resolution of Appropriated Amount	\$ -	\$ -	-	\$ -
Amount Recognized in Annual Financial Statements	-	-	-	-
Amount of Difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

4.1.9 Share Repurchases by the Company: Nil

4.2 Issuance of Corporate Bond

Issuance of Corporate Bond Situation

Type of Issuance (Note 2)	109 Series of Secured Ordinary Corporate Bond (Note 5)
Issue Date	November 23, 2020
Denomination	NT\$1 million
Location of Issuance and Trading (Note 3)	Taiwan
Offering Price	Issued by denomination
Total Amount	NT\$1.3 billion is divided into Tranche A bond and Tranche B bond in accordance with issuance terms and conditions. The issuance amount of Tranche A is NT\$ 950 million. The issuance amount of Tranche B is NT\$350 million.
Interest Rate	Coupon Rate 0.85%
Tenure	Tenure: 3 years (Early Redemption: 2023/7/27)
Guarantor	En Tie Commercial Bank
Trustee	Ji Hsun Financial Holding Co., Ltd.
Underwriter	SinoPac Securities Corporation
Legal Counsel	Lawyer Hu Jji Guo, Yi Cheng United Law Firm
Auditor	Crowe (TW) CPAs Ri Chun Wang Accountant
Repayment	The repayment of principal of Tranche A bond will be 5%, 5%, 7.5%, 7.5%, and 75% of the total issued amount of the corporate bond respectively in the 24th, 27th, 30th, 33rd, 36th month from the issuance date of the corporate bond. For Tranche B bond, the repayment of principal will be paid at maturity date when is three years from the issuance date of the corporate bond
Outstanding Principal	0
Redemption or Early Repayment Clause	The Company may exercise its redemption right of the corporate bond three months after the issuance date of the corporate bond. Each redemption amount shall be calculated in multiples of NT\$1 million and the creditor shall not refuse. The Company shall select a good time to announce the exercise of redemption right of the corporate bond at least seven business days before the redemption

Type of Issuance (Note 2)	109 Series of Secured Ordinary Corporate Bond (Note 5)	
	date and notify the Company's creditors by appropriate ways at the same time. Redemption of the corporate bonds is based on the denomination of the bonds plus the interest payable during the actual holding period.	
Covenants (Note 4)	Nil	
Credit Rating	Not Applicable	
Other Rights of Bondholders	Amount of Converted (Exchange or Subscription) Common Shares, ADRs or Other Securities as of the Publication Date of the Annual Report	Not Applicable
	Conversion (Exchange or Subscription) Right	Not Applicable
Dilution Effect and Other Adverse Effects on Existing Shareholders	Nil	
Custodian	Not Applicable	

Note 1: The execution circumstances of corporate bonds shall include the descriptions in regard to private placement corporate bonds and public offering corporate bonds that are under processing. The public offering corporate bonds under processing refer to those that have been effective (approved) by the Financial Supervisory Commission (FSC). The private placement corporate bonds under processing refer to those that have been approved by the Board of Directors.

Note 2: The adjustment of the number of the fields is in accordance with actual issuance frequency.

Note 3: Overseas corporate bonds shall fill in the location of issuance and trading.

Note 4: Covenants refer to the restrictions on the distribution of cash dividends or foreign investment or require to maintain a certain proportion of assets, etc.

Note 5: The private placement shall be marked in a prominent way.

Note 6: Information on convertible corporate bonds, exchangeable corporate bonds, shelf registration for corporate bond issuance, and corporate bonds with warrants should be disclosed in a tabular format in accordance with the characteristic of bonds

4.3 Issuance of Preferred Stock:

Issuance of Preferred Stock

Items	Issue Date (Note 2)	Private placement of Preferred Stock A 2023.07.25 (Note 3)
Denomination	NT\$10	
Offering Price	NT\$10	
Number of stock	100,000 thousand stocks	
Total Amount	1,000,000 thousand dollars	

<div> <div>Issue Date (Note 2)</div> <div>Items</div> </div>		<div>Private placement of Preferred Stock A</div> <div>2023.07.25</div> <div>(Note 3)</div>
Rights and obligations	Distribution of Dividends	<ol style="list-style-type: none"> 1. The Company shall pay all taxes, as required by the law, from the current year's earnings and make a regulatory required deduction for prior years' losses and contributions to legal, and deduction or reversal of special reserves in accordance with the laws and regulatory authority when there are positive earnings shown on the approved financial statements. If there is still any remaining earning, together with the accumulated undistributed earnings, the Company shall distribute the current year's and the remaining dividends of the preferred stock to shareholders. 2. The dividend for preferred shares is an annual rate of 7%, calculated by the issuance price per share, and the dividend may be one-time distributed in cash every year. After the financial statements is approved by the general shareholders' meeting, the board will determine the ex-dividend base date to pay the distributable and remaining dividends. The amount of dividends of each year is calculated by the actual issuance days of the current year, starting from the issue date. 3. The Company has discretion over the dividend distribution of preferred shares. The Company may decide not to distribute dividends of preferred shares if there are no earnings in the annual accounts or the earnings are insufficient to distribute dividends of preferred shares, or in accordance with other necessary consideration. In this case, it is not constituted a breach. The shareholders of preferred shares may not object to the decision. The shareholders of preferred shares may not object to the decision. The preferred shares issued are of the accumulative type, the undistributed dividends or the deficit of dividends will not be accumulated for deferred payment in the years with earnings in the future. 4. Shareholders of preferred shares may not be a part of the cash and equity capital of earnings and additional paid-in capital of ordinary shares, but may receive dividend.

<div> <div>Issue Date (Note 2)</div> <div>Private placement of Preferred Stock A 2023.07.25 (Note 3)</div> </div>		Items
	Distribution of residual properties	Preference shareholders have a higher claim to the Company's residual properties than common stockholders. Different types of preference shares issued by the Company grant holders the same rights to claims, and preference shareholders stay subordinate to general creditors. The amount preference shareholders are entitled to is capped at the product of number of outstanding preference shares at the time of distribution and issuance price.
	Voting Rights Claim	Shareholders of preferred shares do not have the right to vote or suffrage in common shareholders' meetings. However, they will have to right to vote in shareholders' meetings of preferred shares or shareholders' meetings that involve the rights and obligations of shareholders of preferred shares.
	Others	<p>1. During the issuance period of preferred stock, capital surplus with the issuance price over the par value can't be transferred to the Company's capital unless used to offset deficit.</p> <p>2. During the issuance period of preferred stock, the Company cannot go public.</p>
Preferred stock outstanding	The redeemed or converted amount	N/A
	The non-redeemed or non-converted amount	N/A
	The terms for redeemed or converted shares	<p>1. The company's preferred stock may not be converted to common share.</p> <p>2. The Company's preferred stock have no maturity, the sharehaolder of preferred stock do not have the right to request the Company to redeem preferred stock possessed by shareholders. Starting from the next day after one year since the issue date, the Company may, in accordance with the issuance price and related issuance methods, redeem special shares in cash. If the Company is unable to redeem all or part of the special shares due to objective factors or force majeure upon the expiration of issuance period, the unredeemed special shares shall retain the rights in accordance with the issuance conditions of each section of the issuance regulations until the Company has fully redeemed the same.</p>

<div>Issue Date (Note 2)</div> <div>Items</div>			Private placement of Preferred Stock A 2023.07.25 (Note 3)
	2023	Highest	N/A
		Lowest	N/A
		Average	N/A
	As of April 30, 2024 (Note 4)	Highest	N/A
		Lowest	N/A
		Average	N/A
Other Rights of Shareholders	Amount of Converted or Subscribed stock as of the Publication Date of the Annual Report		Preferred stock A may not be converted to common share.
	Issuance (Conversion or Subscription) Right		Refer to the Company’s Articles of Incorporation.
The effect of issuance terms on preferred stock shareholders' equity, possible conditions of dilution and effect on concurrent shareholders' equity			As the pricing for this private placement of preferred stock is set in accordance with the principles of the “Directions for Public Companies Conducting Private Placements of Securities”, and shall take into consideration the future development of the Company and the timing, the identity of the transferee and the quantity of the private placemen , as well as factors such as the lower liquidity on account that converted shares are not eligible for listing application , the pricing for the privately placed shares is deemed to be reasonable, and shall not have a significant impact upon the shareholders' equity.

Note 1: The execution circumstances of preferred stock shall include the descriptions in regard to private placement preferred stock and public offering preferred stock that are under processing. The public offering preferred stock under processing refer to those that have been effective (approved) by the Financial Supervisory Commission (FSC). The private placement preferred stock under processing refer to those that have been approved by the Board of Directors.

Note 2: The adjustment of the number of the fields is in accordance with actual issuance frequency.

Note 3: The private placement shall be marked in a prominent way.

Note 4: The information is be recored as of the publication date of the Annual Report.

4.4 Issuance of Global Depositary Receipts: Nil

4.5 Issuance of Employee Stock Options: Nil

4.6 Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: Nil

4.7 The Implementation of the Company's Capital Allocation Plans

4.7.1 Content of the Plan

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issuances or private placements of securities or issues and placements that were completed in the past three years but have not yet fully yielded the planned benefits: All the plans have been completed.

Unit: New Taiwan Dollars (In Thousands)

Issuance Type	Content of the Plan	Period	Issuance Amount	Expected Complete Date
First private placement of preferred shares in 2023	To improve Working Capital and to repay loans from domestic banks	2023.6.13- No expiration date	1,000,000	Second Quarter of 2023

4.7.2 Implementation Status: It has been implemented completed per the schedule of capital usage.

V. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

5.1.1.1 Major Businesses:

E801010 Building Maintenance and Upholstery
E801020 Doors and Windows Installation Engineering
E801030 Indoor Light-gauge Steel Frame Engineering
E801040 Glass Installation Engineering
E801070 Kitchen and Bath Facilities Construction
E901010 Painting Engineering
E903010 Anti-Corrosion and Anti-Rust Engineering
F111090 Wholesale of Building Materials
F211010 Retail Sale of Building Materials
H201010 Investment
H701010 Housing and Building Development and Rental
H701040 Specific Area Development
H701050 Investment, Development and Construction in Public Construction
H701060 New County and Community Construction and Investment
H701070 Land Levy and Delimit
H701080 Urban Renewal Reconstruction
H701090 Urban Renewal Renovation or Maintenance
H702010 Construction Manager
H703090 Real Estate Commerce
H703100 Real Estate Rental and Leasing
H703110 Senior Citizen Residence
I102010 Investment Consulting
I103060 Management Consulting
I401010 General Advertising Services
I503010 Landscape and Interior Designing
IZ15010 Market Research and Public Opinion Polling
J101110 Disposal Industry of Construction Surplus Soil
J901020 Regular Hotel
ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

5.1.1.2 Percentage of Revenue

Unit: Dollars (In Thousands)

Product & Business Items	2023 Accumulated Consolidated Total Operating Revenues	Percentage of Revenue (%)
Housing Revenue	2,995,115	79.26%
Hotel Revenue	743,825	19.68%
Others	39,841	1.05%
Total	3,778,781	100.00%

5.1.1.3 Current Products (Services) of the Company and Expected New Products (Services) To-Be-Developed

At present, the Company entrusts construction companies to build commercial buildings, luxury houses for younger buyers and ultra-prime property, and sell them. Except the original product types, the Company will develop more products in the direction of medium communities, large communities, and high-grade leisure residences for facilitating product diversification and in response to the demands of each customer segment for improving the quality of living. On the other hand, for the extension of businesses and the expansion of operational aspects, the Company will adopt the strategy of diversification and conduct vertical integration to diversify operating risks.

5.1.2 Industry Overview

5.1.2.1 Current State and Development of the Industry

The real estate market in 2023 overall demonstrated the “volume shrinks and prices slightly rise” trend, which means the trading volume decreases, while the price slightly increases. There was a significant difference between the performance of the first and the second half of the year. Due to the impact from The Equalization of Land Rights Act of public policy, in the first half of the year, most people who were willing to buy a house tend to be conservative, expecting the real estate price decreased through policies, which led to the market in the first half focusing on case performance. Factors such as region, district, case plan determine whether the performance became better or not. The performance in the second half was much stronger than the first half. Since the owner-occupied demands persisted, the expected housing price from those who decided to buy a house did not decrease. Furthermore, the new plan launch of Preferential Housing Loans for the Youth stimulated the market. People with rigid demands or conservative attitude started to buy houses, which made the trading volume increase.

According to statistics from Ministry of the Interior, the number of conveyancing in 6 special municipalities in 2023 was 3% lower than the number in 2022. Although policy measures such as The Equalization of Land Rights Act, Time Limit for Commencement on Land Loans, Debt Limit, Differential Housing Tax Rates 2.0 all implemented, and raised interest rate which impacted on carrying cost and house purchase conditions, factors such as construction and land costs increased, inflation trend, carbon tax collection kept the deal price in few counties or cities stable, while the trade price in most counties or cities became higher.

5.1.2.2 Economic effects on housing in 2023

During the period between 2023 and February 2024, observing CPI(Consumer Price Index) of different countries, meanwhile investigating interest rates of the Federal Reserve, the CPI of the U.S. demonstrated the monthly downward trend. This trend showed that the inflation level was falling, which usually gave monetary policy maker space and motivation to cut interest rates. If the inflation rate fell sustainedly, the Federal Reserve may consider to decrease interest rate so as to stimulate economic growth or support employment, then encourage borrowing and investing, so as to stimulate consumption and investment activities. However, interest rate cut policy must be implemented with caution, avoiding negative influences on economic and financial market. Overall, the CPI of the U.S. decreased may provide the Federal Reserve possibility of adopting interest rate cut policy in 2024. Nevertheless, the specific time and range of implementing such policy depend on the Federal Reserve's comprehensive assessment of economic status, and the expectation of inflation, employment, and other economic indicators.

Although comparing with the number of imports and exports in Taiwan in 2022, the number in 2023 is smaller, but still more than US\$430 billion. Benefitting from the bounce back of the entire market, the stock market rose to 17000 points, with an increase of 24.87%. Likewise, there are more refugee capital in the housing market due to stock market fever, and Preferential Housing Loans for the Youth for house payment can boost self-confidence and stimulate the growth of purchase. The trading volume of housing market increases continually due to better economic performance.

CPI (Consumer Price Index) Year-On-Year Growth Rate In Countries							
Date	United States	Eurozone	UK	Japan	China	Korea	Taiwan
January 2023	6.40%	8.60%	10.10%	4.30%	2.10%	5.20%	3.00%
February	6.00%	8.50%	10.40%	3.30%	1.00%	4.80%	2.40%
March	5.00%	6.90%	10.10%	3.20%	0.70%	4.20%	2.40%
April	5.00%	6.90%	8.70%	3.50%	0.10%	3.70%	2.40%
May	4.10%	6.10%	8.70%	3.20%	0.20%	3.30%	2.20%
June	3.10%	5.50%	7.90%	3.30%	0.00%	2.70%	1.80%
July	3.30%	5.30%	6.80%	3.30%	0.30%	2.30%	1.90%
August	3.70%	5.20%	6.70%	3.20%	0.10%	3.40%	2.50%
September	3.70%	4.30%	6.70%	3.00%	0.00%	3.70%	2.90%
October	3.20%	2.90%	4.60%	3.30%	-0.20%	3.80%	3.10%
November	3.10%	2.40%	3.90%	2.80%	-0.50%	3.30%	2.90%
December	3.40%	2.90%	4.00%	2.60%	-0.30%	3.20%	2.70%
January 2024	3.10%	2.80%	4.00%	2.20%	-0.80%	2.80%	1.80%
February	3.20%	2.60%	3.40%	2.10%	0.70%	3.10%	3.08%

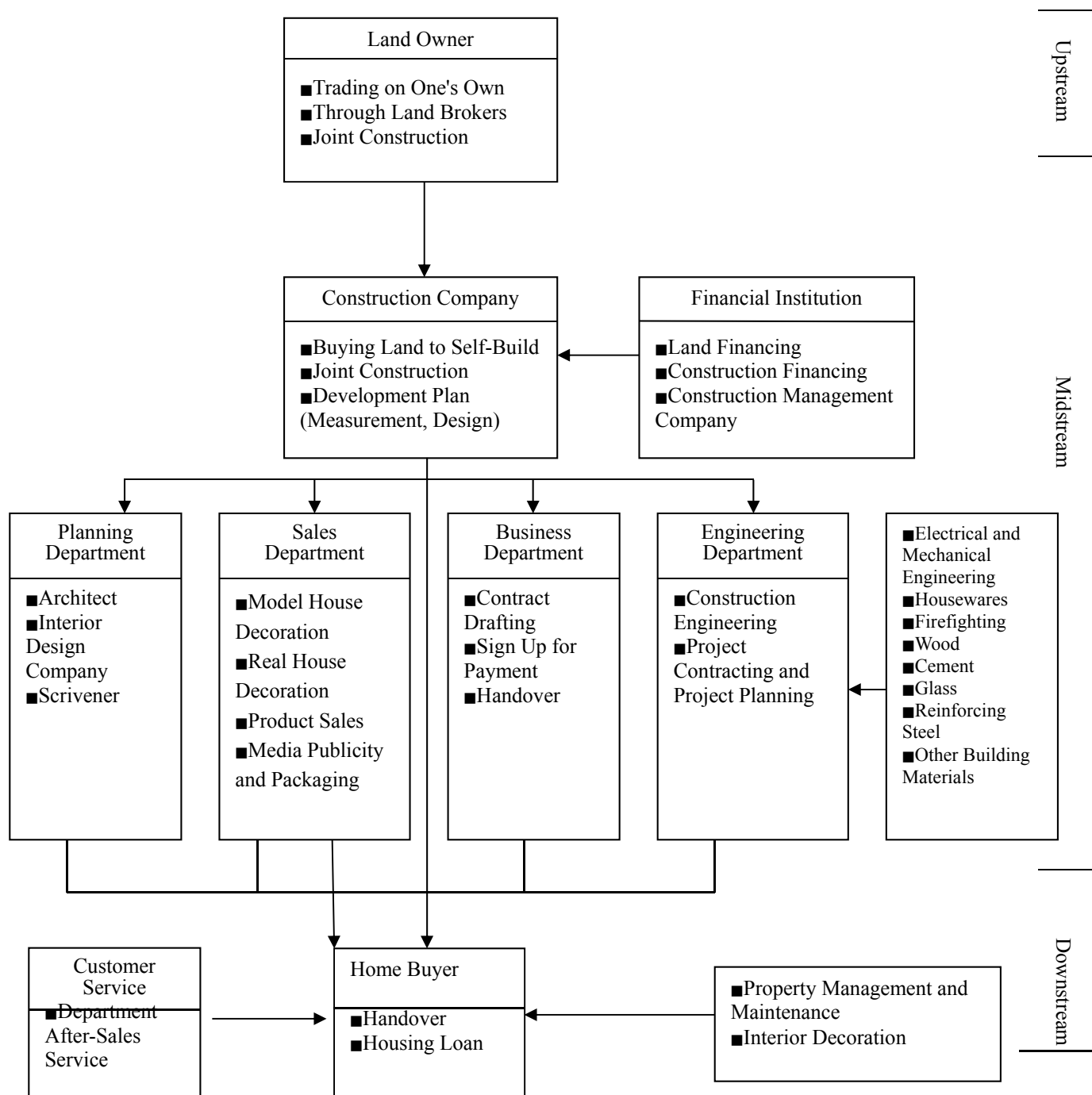
5.1.2.3 Correlation among Upstream, Midstream, and Downstream of the Industry

The manufacturing process of real estate covers a wide range, from landlords, land brokers, scriveners, financial industry to measurement, design, construction, hydroelectricity, building materials, advertising, decoration, and asset management, property management, etc., which can be considered as the industry with the widest coverage range in all industries and is a quite important landmark of economic development.

Real estate has to purchase the land first and then develops the land in accordance with its intensity of use. During the development process, it requires the scrivener and the financial industry to proceed supporting operations such as land transfer registration and financing. Furthermore, the field surveying will be conducted by the measurement companies and the geological surveying will be carried out by drilling companies. During the planning and design phase, architect firms, interior design companies, or landscape design companies are responsible at carrying out software and hardware design of the building and the application of relevant permits.

In the sales stage, sales departments and advertising companies shall perform sales operations, and the decoration companies need to conduct the decoration design and construction of the sales center, model houses, and real houses, and a variety of media shall be applied for publicity. The industrial fields involved in the construction phase are countless, in which a lot of manpower and materials are provided by construction companies, mechanical and electrical industry, fire protection industry, and other industries, including cement, reinforcing steel, ceramic tiles, doors and windows, pipes, housewares, wood, glass, and machinery equipment, etc.

After construction completion and house handover, property management companies, electrical and mechanical (hydroelectricity) companies, fire protection companies, and other professional companies need to manage and maintain the building usage. The users stationed in drives the demand for furniture, furnishings, and home appliances, etc. A series of flows from top to bottom effectively give an impetus to economic circulation, which has a positive contribution to prosperity. The industrial linkage analysis of the upstream, middle and downstream industries of real estate is illustrated as follows:



5.1.2.4 Various Development Trends of Products

(a) Elaboration of Product

Because of the transform of consumer demand patterns, high-grade communities and buildings will turn into the mainstream trend. How to reinforce the functions of products such as health preservation, technology, environmental protection, leisure, safety, comfortable sensation, and premium texture in software and hardware facilities, will become the mainstream of future residential district.

(b) Futuristic Design

To coincide with the humanistic characteristics of the site where the building located, the composite functions of the building, the professional planning and design of the building space, and consider the future development of appearance and modeling and functionality, will reinforce the characteristics of the building and its lasting value.

(c) Economization of Construction

How to shorten working hours and retrench labor and materials in order to cut down the environmental load while environmental awareness is rising nowadays and the labor costs are upsurge, is the characteristics of high-grade buildings in the future.

(d) Artistic of Community

The considerations of future product design will focus on improving the humanity attainment and artistic atmosphere of the community, in order to allow residents to assimilate the office and living environment that they contact day and night, and enhance the artistic aesthetics.

(e) Diversification of Life Functions

Community with service diversification is emphasized. Other than general security measures, banquets, catering, conferences, leisure and entertainment, etc., all are the life functions contained in the community, which inject humanized texture into residential quality.

(f) Rigidization of Planning

In response to the demands of the market, the product planning based on rigid demand will take 20-40 pings/2~3 rooms as the bread-winning products and high added value as the appeal to offer buyers with high quality but affordable options.

5.1.2.5 Market competition

Since the incorporation of the Company in 1990, the Company takes Taichung City as the main focus of projects. Nowadays, it sets the main focus on north Taiwan and takes the central Taiwan as the supplement. In line with the management philosophy of "Persistence, Perseverance, and Quality Assurance", the product appeals are ploughed deeply to all customer segments. No matter the customers are the capital maturation type who swap the house for the second or third times, or the young buyers who purchase the house for the first time, all will be offered with exquisite designs, which are relatively different from the general

products in the market and have relatively fewer competitors.

Furthermore, with the faith in "having each customer enjoy the happiness of appreciation", we have a set of standard operating procedures for product planning, construction quality, transaction safety and after-sales service, etc. in order to earn the recognition from home buyers. Starting from the first blueprint, we consistently insist on our management philosophy, select the best location, and make the best planning, and therefore draw the attention of consumers at all segments and stimulate their unexpected purchasing behaviors. The Company has built up a good reputation and brand image in the market of high-quality and high-profile product territory, and retained a certain scale of revenue in the market.

5.1.3 Technology and Research and Development Overview

Research and development expenses and successfully developed technologies or products invested in the most recent year and as of the date of publication of the annual report:

The Company cannot engage in construction businesses in accordance with the regulations of the building code and therefore outsources the construction engineering projects to its subsidiary, Tai Yu Construction Co., Ltd., instead of engaging in production. The scope of business of the Company's research and development department is to evaluate land development projects, and therefore no dedicated department to carry on research and development of production technology and product features.

The Company entrusts its subsidiary, Tai Yu Construction Co., Ltd., for contracting, construction, and developing the following techniques:

- (a) Research and develop a multi-level waterproof method to effectively prevent the window frame from leaking.
- (b) Research and develop the construction joint of foreign material anastomosis of light partition to reduce the occurrence of wall cracks.
- (c) Density reinforcement engineering method for flooring polished tiles tiling
- (d) Crystallization prevention engineering method for flooring tiles
- (e) Water diversion engineering method for the basement compound wall
- (f) Anti-crack engineering method for preformed holes on the floor surface
- (g) Descending floor method for the bathroom.
- (h) Odor emissions engineering method for the same segment of the bathroom and toilet
- (i) Closure engineering method for the reserved channel of RC wall

5.1.4 Short-Term and Long-Term Business Development Plans

5.1.4.1 Short-Term Business Development Plans

- (a) Utilize Network Marketing and Media Channels to Achieve Intended Effect

By way of the delivery mechanism of digital media such as LINE friends and Facebook fan groups coupled with keyword search optimization, etc., to publicize the product information of each project and increase communication channels with customers, such as the Company's "Shining Shi Lin Residence", "Shining Art Museum", "Shining Yu Chuan", etc., which are all sell well online at present. From the gradually increasing trend of the proportion of inquiries through Internet calls and transactions through visiting, we can see the far-reaching network will make a change to the future of sales channels and create another territory.

(b) Increase Market Share

For enhancing the Company's reputation in the industry and the subconscious cognition of house buyers, other than the general media coverage, the Company upholds the enthusiasm of contribution to the society over the years, goes through the operation of "Shining Cultural and Educational Foundation" to hold dozens of large and small charitable activities, such as "Thousands of People Love the Earth and Protect the Butterflies", "Look for Formosan Black Bears", and "Speak Out Your Love" love song concerts, and proactively participates in the sponsorship of various public welfare activities, which invisibly raise the Company's reputation and indirectly heighten market share.

(c) Set Up a Unique Brand

For more than 40 years, the Company has adhered to quality assurance and earned the recognition from customers who purchase the house for the first time or house swapping. In the future, we will continuously hold on our own path, starting from Taiwan, establishing the basis on both sides of the strait, and expanding the horizons to include the whole world, and keep up with the times for striving to reach a higher level.

5.1.4.2 Long-Term Business Development Plans

- (a) To develop year by year and grow continuously and steadily. To set up a land database, push forward projects in accordance with annual demands and have a prudent operation.
- (b) To proactively lay out the real estate development market in China, and have comprehensive development entities engage in investment projects. Different from other hotel groups, the Shining Group is mostly self-sustained and self-management. Currently, Lalu has been deeply rooted in Qing Dao, Nan Jing, and Cheng Du for many years, which has run a new page belonging to the "International Lalu Aesthetics" and become the trendsetting of leisure hotels.
- (c) The mid-term and long-term target is to develop into the construction company in the Greater China region. Other than the prudent market operations of great Taichung, Taipei City, and New Taipei City, the Company also expands its market territory to other regions in China and take its place on China and global markets by the way of operation diversification and investment arrangement.

5.2 Market and Sales Overview

5.2.1 Market Analysis

5.2.1.1 Sales and Supply Regions of Major Products and Services

The main business of the Company is lease and sale of residential buildings and commercial buildings, its major products can be divided into residential buildings, including flat with shop, and office buildings, and its main sales territories are concentrated in central Taiwan and north Taiwan.

5.2.1.2 Market Share

2023 Construction Market Share Overview

Unit: New Taiwan Dollars (In Thousands)

Rank	Company Abbreviation	2023 Operating Revenue	Rank	Company Abbreviation	2023 Operating Revenue
1	Far Eastern New Century	257,203,940	26	Sweeten	5,021,223
2	Walsin	189,839,626	27	Huang Hsiang	4,746,091
3	Highwealth	44,067,193	28	Long Da	4,365,571
4	Run Long	30,683,941	29	Suntly	4,242,350
5	Contintental Holding	30,606,844	30	Lungyen	3,964,496
6	Ruentex Development	27,394,143	31	Shining	3,778,781
7	Chung-Hsin Electric & Machinery	22,144,872	32	Hsin Ba Ba	3,727,915
8	Farglory	21,843,378	33	Shinruenn	3,657,467
9	Kindom	19,442,501	34	Feng Den	3,484,066
10	Bes Engineering	18,959,339	35	Kunyue	3,370,820
11	Long Bon	17,822,819	36	Chia Hsin Cement	2,911,583
12	Cmp	17,619,443	37	Eagle	2,815,719
13	Huaku	15,804,993	38	CHENFULL	2,628,431
14	Cathay	15,480,974	39	King's Town	2,553,746
15	Dali	15,425,734	40	Hung Sheng	2,553,116
16	Dacin	14,506,524	41	Chialin	2,071,475
17	Sino Horizon - Ky	11,732,608	42	Golden Long Teng	2,047,441
18	Prince	8,485,229	43	CIL	1,951,453
19	Yungshin Construction & Development	8,227,076	44	Crowell	1,849,978
20	Rich	7,705,541	45	Huakai	1,628,411
21	Radium	7,481,324	46	Zong Tai	1,522,239
22	Mayer	7,009,437	47	San Far Property	963,121
23	Li Ming	5,658,569	48	Kingland	767,098
24	Ruentex Materials	5,500,872	49	Sunbrothers	741,504
25	Advancetek	5,235,455	50	Kuo Yang	735,459

5.2.1.3 Future Supply and Demand Status and Growth of the Market

The total land transaction volume for 2022 was NT\$171.8 billion, a significant decrease of more than 40% compared to 2021. Commercial land transactions shrank most sharply. The annual transaction volume is NT\$23.3 billion. This was only 20% of the 2021 figure. The annual volume of residential land transactions also fell from NT\$107.8 billion in 2021 to NT\$56.3 billion.

The housing market is expected to show five major trends this year. The first is the rebound of the economy, but the consumption is conservative, and the most important thing is the rigid demand. Products with a total purchase price of less than NT\$15 million will be sold quickly. Second, the era of real estate profitability is approaching, the space compression is not conducive to small and medium-sized builders, so the operation will be more difficult. The third is that once the government has passed the draft amendment to the average land rights amendment, prohibiting the pre-sale of subcontracts and controlling the purchase of homes by private legal persons. High-asset groups will flood into commercial real estate. The fourth is the delay of the pre-sale project by the builders, the imbalance between supply and demand, and the failure to reduce the price of new homes, the second-hand real estate transactions are looking strong. Fifth, high land prices and uncertain market conditions have led to a low willingness to build and reconstruct urban unsafe and old buildings, making them more desirable.

5.2.1.4 Competitive Niche and Favorable and Unfavorable Factors of Development Prospects and Response Strategies

(a) Competitive Niche

With rich development experience in the Company over the years, the projects introduced have not only earned the affirmation and recognition from the public, achieved high sales records, but also frequently won awards such as "Architecture Gold Award—Best Quality" and "Architecture Gold Award—Best Planning", etc. (refer to the table below), which are the evidences of excellent construction quality, good corporate image and complete after-sales service of Shining Building Business Co., Ltd. Additionally, the Company has also been awarded "Excellence Identification Mark—Construction Investment Industry" by Construction and Planning Agency, Ministry of the Interior and has established a good reputation in the high-grade housing swap market. Consequently, we have adjusted, well prepared, and been accumulating our strength for a take-off in the more elaborative real estate market in the future.

Winning Project List of Shining Building Business Co., Ltd.

Project Name	Award	
	Architecture Gold Award — Best Quality	Architecture Gold Award — Golden Lion Award for Office
Shining Science Building		
Shining Li Jing	Shortlist, 1998 FIABCI (Fédération Internationale des Administrateurs de Biens Conseils et Agent Immobiliers) — Outstanding Architecture Gold Award	Architecture Gold Award — Best Quality

Project Name	Award	
Shining Science Building	Architecture Gold Award — Best Quality	Architecture Gold Award — Golden Lion Award for Office
Shining Yun Gang	Architecture Gold Award — Best Planning	Architecture Gold Award — Best Quality
Shining Li Chi	Selected for Architecture Gold Award — Best Planning	Selected for Architecture Gold Award — Best Quality
Shining Empire Double Star	2006 Taiwan Real Estate Excellence Award	Excellence Award — Planning and Design
Shining Athens	2006 Taiwan Real Estate Excellence Award	Gold Tier Award — Construction Quality
Shining Imperial Palace	2012 iResearch Award	Best Award — National Habitation and City
	2012 Golden Stone Award — Chinese Architecture	Gold Award — Outstanding in Planning and Design
Shining Da Jing	2013 Golden Stone Award — Chinese Architecture	Gold Award — Outstanding in Planning and Design
Shining Chun Yong	2017 EEWH Green Building Label — Silver Grade	
Shining Shan Hui	2018 EEWH Green Building Label — Silver Grade	A' Design Award, Italy
Shining The True Life”	2021 EEWH Green Building Label — Silver Grade	
Shining Yuan Ding	2023 The National Golden Award For Architecture — First prize	

The Company's affiliated company, "Lalu Hotel", is second to none and world-class tourist hotel in the country, which has won the World Architecture Gold Award and earned deep appreciation from all social circles. Leveraging on the construction experience and reputation of Lalu Hotel, the Company has already possessed the best word of mouth and strength in domestic high-quality real estate development. As the global economy is rebound, the Company picks up the best location and builds the best house on the basis of the good foundation of comprehensive talents from land development, planning, operation, sales, and management services, which is the best guarantee for competitiveness.

(b) Favorable Factors of Development Prospects

- On the supply side, the government's preferential housing loan policy remains the same and bank interest rates are still at low grades. It is expected that buyers will continue to approach the market proactively and demand will keep steady.
- Because of the construction of transportation network and the effects of Central Taiwan Science Park and high speed rail in Taichung region, out of town investors have begun to approach the market, which has changed the buyer structure in Taichung housing market. The increased customer base is no longer restricted by regions.
- The Executive Yuan brings forward the proposal to allow the construction industry to take part in urban renewal plans for revitalizing the domestic economy and will give

awards in accordance with the original floor area ratio and building coverage ratio, which has positive meanings for both construction companies and landlords. Moreover, the inflation of prices can also promote the demand of house purchase for value preservation.

- Capacity transfer, urban renewal, and securitization of real estate have added new pipelines for building development and the investing public. Moreover, the favorable factors, such as the full opening of national highway No. 3, and the construction completion of high speed rail, will supply more essence zones worthy to be developed, provide infinite business opportunities, improve the investment confidence of compatriots, and what is more is that they have a positive catalysis on real estate.

- The permission of the exchanges of mails, trade, air and shipping services, and direct flight across the Taiwan Straits, and China tourists to Taiwan, makes the Taichung International Airport and Port of Taichung be classified as the airport of direct flight and sea port in the first wave of cross-strait linkage services, which let central Taiwan becomes the first to benefit from the value-added potentiality.

- Since the global economy has been confronted with material changes in the recent period, including the introduction of unprecedented quantitative easing monetary policies in Europe, the United States, and Japan, and caused by the concept of asset preservation, high asset groups have re-allocated their assets and shift the focus to real estate investment, which has enhanced the potential benefits of projects.

(c) Unfavorable Factors of Development Prospects

- The fluctuations in the price of building materials and the shortage of construction workers in the market have caused indeterminacy in investment profits, and a considerable degree of influence on the production time and benefits of real estate industry.

- Since the floor area ratio was implemented, the land use intensity has universally decreased, the land prices have not yet been consolidated to reasonable prices, and the difficulties of land purchase have heightened.

- With the bracing of Taiwanese businessmen returning to Taiwan, the prices of luxury houses receive a certain extent of support, but a market highly dependent on out of town customers may cause the relevant risk become greater, which is deviated from the basic demand of general market.

- While the economy growth slows down, the increase in the tax base or tax rate of domestic immovable property holdings will distinctly influence the public on the decision-making and intention of purchase houses.

(d) Response Strategies

- The choice of land development location is focusing on looking for prestigious road sections and sections with high-profile, convenient transportation, and sufficiency living conditions in order to segment the market.

- The product planning will take the planning for rigid demand as the main focus, and have products with 20 to 40 pings or 2~3 rooms as the major product force. The design concept of premium residences will be incorporated into the first-purchase products for attracting young customer group and cultivating a larger customer base.

- Cultivate the top-level customer segment deeply, get the attention of capital maturation type of customers, manage the house swap markets in which the customers intend to swap the house for the second or third times, consolidate the niche market customer segment, and set up the brand of Shining Building Business Co., Ltd. as the synonym for highest grade residence.

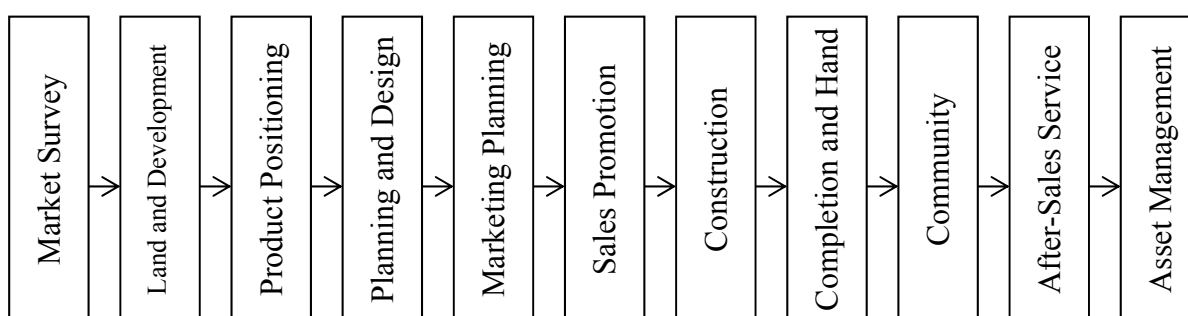
- Put emphasis on consumer rights, cautiously discuss the advertisement contents while pushing forward projects and rigidly prohibit to exaggerate and promote disinformation, comply with Fair Trade Act and Consumer Protection Act, set up a complete pre-sale and transaction system for reducing disputes, keep a good interactive relationship with consumers in a fair and reasonable way, and strengthen legal education and training for employees for improving the diathesis of the Company's employees and reducing the legal liability risks of the Company.
- Not blindly develop projects, substitute qualitative growth for quantity increase, re-plan and redesign every project with a zeroing approach and upgrade the spirit and value of each project, reinforce the financial structure with good planning and management, and sustain prudent operation continuously.
- Comprehensively promote institutionalized management and reinforce human resources for giving full scope to the talents, improving the diathesis of manpower and work quality of the Company, and managing the operation with high-efficiency.

5.2.2 Important uses of major products and production process

5.2.2.1 Important Uses: The purpose is to offer a good living environment and housing quality for compatriots.

- (a) High-Grade Residence: The Company is used to praise oneself as the trend leader. No matter the luxury house for young customer group or top-level luxury house, all are in accordance with customer demand and use "market-oriented" thinking to plan the high-grade residences with most suitable location, textural quality, and corresponding to user-friendly demand.
- (b) Community Villa: The community-based leisure and vacation villa community utilizes the plan of "blue ocean strategy" to underline exquisite leisure functions, which is different from the ordinary traditional terrace house.

5.2.2 Production Process



5.2.3 Supply of Major Raw Materials

Land is one of the main raw materials for the Company's operations. The Company's land selection for development is focusing on the essence sections of the metropolis for the construction of upscale and high quality high-grade residences and the customer segments are mostly in the form of house swapping.

Since the Company's products are positioned in the customer segment with higher demand for residential quality, the direction of land development is therefore majorly in the main force of business areas, such as the areas in Taichung City which meet the Company's operating

targets of products and customer segments, and Taipei City, New Taipei City and Taoyuan. The Company has used the results of rigorous market assessment to design products which are classy, high-quality, able to segment the market, and ahead of our competitors, acquires the designated areas with excellent locations and elegant environments recommended by brokers, intermediary agencies, or landlords who are familiar with the Company's main force of operating areas, as well as obtains the tenders released by National Property Administration, banks, and cost equivalent lands of redevelopment zones or the essence districts of court auction, and has lands acquired to be developed and constructed immediately.

The landlords of the essence sections of the metropolis are often complex in composition who requires greater energy and effort on development and may take a longer time on integration. The Company's mid-term and long-term development policies are to acquire lands in significant locations first, and then through the adoption of cannibalization strategy to acquire lands in the essence sections of integrated lands, which are trading time for money.

Consequently, the Company set up the land development department to pay attention to the dynamics of hundreds of lands at all times and has the present scope even branched out into those districts with development potential in real estate such as Taipei City and New Taipei City. The land development strategy is affirmative.

Other ancillary raw materials such as cement, reinforcing steel, sand and gravel, etc., are relatively unsteady in source and price variation at present. For the tendencies of other relevant construction materials, there is a dedicated department in Tai Yu Construction Co., Ltd., an affiliated company reinvested by the Company, to pay attention to the response at all times.

5.2.4 The Name, Purchase (Sales) Amount, and Ratio of the Suppliers and Customers Accounted for Over 10% of the Total Purchase (Sales) in One of the Most Recent Two years.

5.2.4.1 The Name, Purchase Amount, and Ratio of the Suppliers Accounted for Over 10% of the Total Purchase in One of the Most Recent Two years: IFRS Individual Financial Statements

Unit: Dollars (In Thousands)

Item	2022				2023				First Quarter of 2024			
	Company Name	Amount	As a percentage of net purchase for the year %	Relation with Issuer	Company Name	Amount	As a percentage of net purchase for the year %	Relation with Issuer	Company Name	Amount	As a percentage of net purchase for the year %	Relation with Issuer
1	Tai Yu Construction Co., Ltd.	877,523	89.36	Subsidiary	Tai Yu Construction Co., Ltd.	611,210	41.71	Subsidiary	Tai Yu Construction Co., Ltd.	71,428	78.79	Subsidiary
2					4 persons including Hsu	422,768	28.85	Nil				
3	Other	104,486	10.64	Non-related parties	Other	431,325	29.44		Other	19,228	21.21	
	Net purchase	982,009	100.00		Net purchase	1,465,303	100.00		Net purchase	90,656	100.00	

5.2.4.2 The Name, Sales Amount, and Ratio of the Customers Accounted for Over 10% of the Total Sales in One of the Most Recent Two years:

The Company's major customers are the general public. Hence, there were no customers with sales amount accounted for more than 10% of the Company's total sales in the most recent two years and as of 2023.

5.2.5 An Indication of the Production Volume in the Last Two Years (IFRS Individual Financial Statements)

Unit: New Taiwan Dollars (In Thousands)/Household

Output Products	Year	2022			2023		
		Capacity	Volume	Value	Capacity	Volume	Value
Shining Heng Mei		-	-	-	-	140	1,634,156
Total		-	-	-	-	140	1,634,156

Note: (1) Output quantity refers to the number of households completed in the current year. Output amount refers to the project costs of completed in the current year. Production capacity is not applicable.

5.2.6 An Indication of the Volume of Units sold in the Last Two Years (IFRS Individual Financial Statements)

Unit: New Taiwan Dollars (In Thousands)/Household

Output Products	Year	2022		2023	
		Domestic Sales		Domestic Sales	
		Volume	Value	Volume	Value
Shining Yu Chuan		3	120,971	2	107,404
Shining Shan Hui		7	183,664		
Chun Zhen		3	80,122		
Shining Heng Mei				140	2,174,162
Rental revenue			24,028		31,113
Total			408,785		2,312,679

Note 1: All the houses of the Company are sold domestically.

Note 2: Sales volume refers to the number of houses handed over in the current year.

Note 3: Rental income refers to the income from the leases of the science building and other house inventories.

Note 4: There is no product consignment circumstance occurred in the Company

5.3 The Number of Employees and Their Average Years of Service, Average Age, and Education Levels

		Unit: Number of People		
Year		2022	2023	As of March 31, 2024
Number of Employee (Person)	Staff	148	143	145
	Technician	-	-	-
	Total	148	143	145
Average Age (Year)		44.5	46.2	46
Average Years of Service (Year)		9.55	10.39	10.17
Academy Ratio (%)	Ph.D.	-	-	-
	Masters	21	19	21
	Bachelor's Degree	103	115	115
	Senior High School	25	14	13
	Below Senior High	-	-	-

5.4 Disbursements for Environmental Protection

5.4.1 Total Losses Suffered by the Company and Disposition Amount in the Most Recent Year and Up to the Publication Date of the Annual Report due to Environmental Pollution Incidents

The Company entrusts all construction projects to outsourcing construction companies, who are in charge of the environmental conservation of the construction site, the control of dust and sound pollution, and the waste disposal for preventing messiness and inconvenient of nearby neighbors. Hence, as of the publication date of the annual report for the most recent two years, the Company has not suffered losses or dispositions because of environmental pollution incidents.

5.4.2 Future Adaptive Strategies (Including Corrective Measures) and Possible Expenditures

Our construction partner, Tai Yu Construction Co., Ltd., does not only abide by laws and regulations in the process of construction, but also make further site pollution prevention and management for the surrounding neighborhood. After the classification of general waste and construction waste in the job site, the waste will be delivered to qualified collection and disposal companies and transported to the declaration site for treatments. The prevention and control plan of water pollution is dealt with in accordance with laws and regulations and there are four treatment guidelines to ensure the prevention and control of water pollution on the construction site. The prevention and control plan of air pollution has stipulated nine preventive measures to rigorously supervise possible air pollution on the construction site. During the construction period of the project, it is easy to bring about noise because of the requirements of the project. For protecting the rights and interests of residents around the area where the construction project is located, two measures have been set up to strictly control the noise of construction site in accordance with laws and regulations.

5.5 Labor Relations

5.5.1 The Company's Employee Benefit Plans, Continuing Education, Training, Retirement Systems, and the Status of Their Implementation, and the Status of Labor and Management Agreements and Measures for Preserving Employees' Rights and Interests.

5.5.1.1 Employee Benefit Plans

- (a) Employees are entitled to labor insurance, health insurance, pension, and official travel safety insurance.
- (b) Holiday bonuses for three festivals (including Dragon Boat Festival, Mid-Autumn Festival and Chinese Lunar New Year), birthday cash gifts, cash gifts for the celebration of house purchase, maternity allowance.
- (c) Regular corporate retreats every year
- (d) Regular employee health examination every year
- (e) Organize employee recreation activities, such as year-end party, dinner party, or other self-empowerment recreational activities.
- (f) Allowances of wedding, funeral, and festive activities and the operation of the Employees' Welfare Committee.

Expenditure of Employees' Welfare Committee in 2023

Unit: New Taiwan Dollars

Item	Amount
Birthday Cash Gifts	99,560
Health Examination	59,800
Dragon Boat Festival and Mid-Autumn Festival Bonuses	1,321,500
Cash Benefits of Wedding, Funeral, and Festive Activities	57,130
Other	13,500
Corporate Retreats	1,179,989
Total	2,731,479

5.5.1.2 Continuing Education and Trainings and Development of Employees

(a) Competence Development and Competitiveness Development

Lay emphasis on benchmarking spirit, encourage employees to have broadness of minds while learning from the best experiences of the industry and out of the industry and exchanging and guiding industrial generic techniques in order to bring the training into full play and achieving strategic goals.

(1) Regular Internal Training: Professional Training on Standard Construction Practices and Methods, Professional Training on Providing Impressive Service for Customers, Training on Scale of Architectural Design

(2) External Training: Seminars on Building Planning, Lecture Series on Building

Service, Talks on the Market Analysis of Real Estate, Workshops on Multimedia Marketing Management, Lectures on Internal Control of Enterprises, Workshops on Laws and Regulations of Finance, Accounting, and Taxation, and Other Training Activities.

In 2023, a total of 33 trainees participated in 24 external training courses with a total of 159.6 training hours and a total of 2,049 trainees participated in 49 internal training courses, including mobilization meetings and newcomer trainings, with a total of 37.5 training hours.

(b) Shaping Corporate Culture

(1) New Employee Orientation and Education: Guide newcomers to understand and adapt to the Company's basic rules and regulations and management environment, and promote the goals of employees' belongingness and feeling of honor to the Company.

(2) Quarterly Mobilization Meeting

- Operating Reports of Department Heads: Encourage employees to understand the Company's direction of businesses, business philosophy, and strategies and guidelines, so that all colleagues can unanimously proceed with our common objectives.
- Lecture on Special Subjects: A lecture on diversified subjects is arranged per quarter, including emotional management, creative thinking, official document writing, service etiquette, interpersonal relationship management, employee motivation, etc., for offering employees with life-wide learning and assisting employees at expanding their horizons and self-development.
- Shining Gold Award: Through election by ballot to recognize employees with extraordinary job performance and award the Shining Gold Award, which is expected to encourage all colleagues to continuously give full scope to creativity and service enthusiasm in work.

(c) Keep the Career Path Smooth for Employees

Regularly perform the performance appraisal and integrate it with the rules and procedures of performance bonuses and position promotion for providing excellent talents with a development platform to challenge themselves, keep going beyond, and be innovate continuously.

5.5.1.3 Retirement Systems

(a) For settling down colleagues' lives after retirement, the Company set up a Labor Retirement Reserve Committee in accordance with Labor Standards Act and Labor Pension Act, and appropriates labor pension reserve funds and contributes employees' labor pension funds on a monthly basis to employees' individual labor pension accounts of Bureau of Labor Insurance. Other than deposits in accordance with laws and regulations, the Company also regularly confirms the amount of appropriation every year for protecting the rights and interests of colleagues in claiming pensions in the future.

(1) For Employees to Whom the Old Labor Pension System Applies: The Company regularly appropriates a monthly labor pension reserve fund on the basis of 2% of the total salary and wage and deposits such amount in a designated account in Bank of Taiwan (formerly the Central Trust of China) to protect employees' rights.

(2) For Employees to Whom the New Labor Pension System Applies: Since July 1, 2005, the new retirement system released by the government has been adopted by the Company in parallel, in which the Company contributes 6% of the employee's salary and wage as labor pension funds to the employee's individual labor pension accounts on a monthly basis. Employees can voluntarily pay pension and the voluntarily withholding rate will be withheld from the employees' monthly salary and wage to the individual labor pension accounts of Bureau of Labor Insurance.

(b) The applicable regulations of the Company in accordance with Labor Pension Act are described as follows:

(1) Voluntary Retirement: A worker may apply for voluntary retirement under any of the following circumstances. (For the workers to whom the Labor Pension Act applies, they shall be handled in accordance with the provisions of the same regulations.)

- Where the worker has worked for fifteen years and attains the age of fifty-five.
- Where the worker has worked for more than twenty-five years.
- Where the worker has worked for ten years and attains the age of sixty.

(2) Mandatory Retirement: The Company shall not force a worker to retire unless any of the following circumstances has occurred:

- Where the worker attains the age of sixty-five.
- Where the worker is mentally or physically disabled and unable to perform his/her duties.

The Company may request the central competent authority to adjust the age prescribed in the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

(c) Pension Payment Standard

(1) Where the worker's seniority prior to and after his/her application to Labor Standards Act, where the worker chooses to be covered by the pension system of Labor Standards Act in accordance with the options regulated by Labor Pension Act, or where the worker retains the seniority prior to the enforcement of Labor Pension Act, the pension payment and standard shall be calculated in accordance with Article 84-2 and Article 55 of the Labor Standards Act.

(2) The employee with seniority prescribed in the preceding paragraph and is mandatorily retired in accordance with Subparagraph 2 of Paragraph 1 of Article 35 of Labor Pension Act, and his/her mental or physical disability is incurred because of the execution of the duties shall be paid an additional 20% on top of the amount calculated in accordance with Subparagraph 2 of Paragraph 1 of Article 55 of Labor Standards Act.

(3) For employees to whom the pension regulations of Labor Pension Act apply, the Company contributes 6% of the employee's salary and wage as labor pension funds to the employee's individual labor pension accounts on a monthly basis.

- (d) Pension payment: The Company shall pay the pension to the employee within 30 days from the day of retirement.

Implementation Status of Pension System

Retirement System	Old Pension System	New Pension System (Since July 1, 2005)
Sources of Law	Labor Standards Act	Labor Pension Act
How to Allocate	The Company regularly appropriates a monthly labor pension reserve fund on the basis of 2% of the total salary and wage and deposits such amount in a designated account in Bank of Taiwan (formerly the Central Trust of China)	The Company contributes 6% of the employee's salary and wage as labor pension funds to the employee's individual labor pension accounts on a monthly basis. Employees can voluntarily pay pension and the voluntarily withholding rate will be withheld from the employees' monthly salary and wage to the individual labor pension accounts of Bureau of Labor Insurance.
Appropriation Amount	As of the end of 2023, the accumulated amount of the labor pension reserve fund of the old pension system was approximately NT\$11,235 thousand.	In 2023, a total of approximately NT\$5,936 thousand was allocated to the individual labor pension accounts of Bureau of Labor Insurance.

5.5.2 Any losses suffered by the company in the most recent year and up to the publication date of the annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

As of 2023 and up to the publication date of the annual report, the Company has not been punished by the government competent authority of labor affairs for failing to do its job well after labor inspections.

5.6 Cyber security management

5.6.1 Cyber security risk management structure:

In order to improve information security management, the Company has established a cross-departmental "Information Security Group" in 2020, and the Board Meeting approved the appointment of Chang Ying-yin (the current director of General Administration Division) as the Chief Information Security Officer on 8 November 2023, who is responsible for coordinating and formulating the Company's information security management policy and implementation policy, reviewed the cyber security system on a quarterly basis, tracked and reviewed the improvement measures, and regularly reports the implementation to the Board of Directors. It was reported to the Board on 8 November 2023.

5.6.2 Information and communication security policies

The implementation of the Company's information security work is the most important basic key to providing a stable and sustainable information environment. In order to ensure that the various information security management systems can be implemented, effectively operated, supervised and managed, and continuously carried out, in addition to ensuring the confidentiality, integrity and availability of various forms of information generated by operation, we will strive to ensure that they are not attacked, destroyed and leaked by malicious or accidental intrusion.

Information assets are related to the continuity of the Company's daily operations, and information assets must be protected according to their importance at different priority levels, and cooperate with the implementation of the Company's information security work, in order to effectively use resources and achieve the maximum information security effect. The Company's information security policy aims to ensure the smooth operation of the Company, the integrity of information, corporate confidentiality and security, in order to protect the credibility of the Company itself.

The objectives of the Company's Information Security Policy are described below:

Information Security Policy			
management aspect	confidential aspect	system aspect	consciousness aspect
Strictly prevent the occurrence of information security risks and threats, and reduce the impact of information security incidents.	Ensure that the confidentiality of information is not disclosed, and avoid improper use and access.	Improve the availability of information equipment and systems to ensure the normal operation of each information system.	Let all employees understand the responsibilities and obligations that should be observed in the information security system.

(3) Management plan and resources invested in cyber security management

Shining Building Business Co., Ltd.

Implementation of information security in 2023

Evaluation Item	Operation			Remark
	Yes	No	Brief Description	
1. Computer equipment safety management. Has a control mechanism been set up for the information room and is it managed by authorized and responsible staff?	V		1. The personnel in the information room shall inspect the machine room regularly and regularly, and lock it normally. Irrelevant persons are strictly prohibited to enter. The maintenance of the manufacturer shall be accompanied by the personnel in the information room.	No major abnormality
2. Network security management Are there firewalls and other necessary security facilities to control the transmission of data and access to resources between the external and internal networks?	V		2. Intranet and extranet are separated by firewall, and white list and blacklist are established for online management. The network firewall operates normally in 2023.	No major abnormality
3. Virus Protection and Management (a) Is endpoint protection software installed and regularly updated on the server and internal personal computer equipment?	V		3. (1) Use trend antivirus software and update virus code regularly. The protection software will be updated regularly in 2023.	No major abnormality
(b) Is the email server equipped with	V		(2) At present, the e-mail system is used to manage	No major

(3) Management plan and resources invested in cyber security management

Shining Building Business Co., Ltd.

Implementation of information security in 2023

Evaluation Item	Operation			Remark
	Yes	No	Brief Description	
email anti-virus and spam filtering mechanism to prevent viruses or spam?			letters, isolate letters at risk, and send them to the user's mailbox only after the user confirms that they are safe and released. The protection software will be updated regularly in 2023.	abnormality
4. System access control Are system programs regularly backed up and encrypted, and do you control the approval and access rights of employees to important data?	V		4. The system data shall be backed up regularly, and each colleague shall belong to the use group and set corresponding permissions. Only the files with permissions in the Group can be used.	No major abnormality
5. Ensuring the sustainable operation of the system Is the overall backup of the system carried out by information specialists and is a standard operating procedure established in the event of an accident?	V		5. The overall backup of the system is carried out every day, and the recovery action can be carried out quickly in case of accident.	No major abnormality

(3) Management plan and resources invested in cyber security management

Shining Building Business Co., Ltd.

Implementation of information security in 2023

Evaluation Item	Operation			Remark
	Yes	No	Brief Description	
6. System development and maintenance management mechanism The system procurement, development, and maintenance requirements are all set up in a form for each requesting unit to apply for, and are planned by the specialized information personnel?	V		6. The application for equipment upgrade, authority and system use right of Tongren shall be in accordance with the process, including bill of lading and purchase. After submitting the application form, the information personnel will evaluate the implementation method of the demand form and record the processing status.	No major abnormality
7. Information Security Promotion and Education Training Are the articles be written or seminars be provided from time to time to promote information security issues and raise the awareness of information security among your employees?	V		7. From time to time, the information security team will release the latest information on information security on the digital library page of the internal website to enhance the information security awareness of colleagues and understand the latest information security trends. <u>The implementation of asset safety advocacy, education and training in 2023 was as follows:</u> <u>(1) Released 25 information related to asset safety;</u>	No major abnormality

(3) Management plan and resources invested in cyber security management

Shining Building Business Co., Ltd.

Implementation of information security in 2023

Evaluation Item	Operation			Remark
	Yes	No	Brief Description	
			(2) <u>Handled seven cloud online information security teaching initiatives.</u>	

(2) Losses, possible impacts and Countermeasures Caused by major information security incidents in the most recent year and up to the printing date of the annual report: none.

5.7 Important Contracts (Contracts were either still effective as of the date of publication of the annual report, or expired in the most recent year.)

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Construction Contract	Tai Yu Construction Co., Ltd.	2020/07/16+1000 Calendar Days	Shining Heng Mei Construction Contract (Structural Engineering)	Nil
Construction Contract	Tai Yu Construction Co., Ltd.	2021/11/15+1000 Calendar Days	Shining Heng Mei Construction Contract (renovation engineering)	Nil
Construction Contract	Tai Yu Construction Co., Ltd.	2021/11/17+1,300 Calendar Days	Shining Yuan Ding Construction Contract (New Construction)	Nil
Construction Contract	Tai Yu Construction Co., Ltd.	2023/12/14+1,000 Calendar Days	Shining The Zhong Shan New Construction	Nil
Construction Contract	Tai Yu Construction Co., Ltd.	2024/1/25+60 Calendar Days	Shining Shilin (Building C Public facilities maintenance Construction)	Nil

VI. Financial Information Highlights

6.1 Condensed Balance Sheet, Statements of Comprehensive Income, and Names and Auditing Opinions of CPAs for the Last Five Years

6.1.1 Condensed Balance Sheet and Statements of Comprehensive Income

Condensed Balance Sheet for Individual Financial Statements

Unit: New Taiwan Dollars (In Thousands)

Item \ Year		Financial Statements for the Last Five Fiscal Years (Note 1)					As of March 31, 2024 Financial Statements (Note 3)
		2019	2020	2021	2022	2023	
Current Assets		9,685,757	7,948,174	7,233,403	7,513,362	5,944,047	Not Applicable
Property, Plant and Equipment (Note 2)		738,321	729,779	720,241	726,504	730,732	
Intangible Assets		-	-	2,783	3,053	2,195	
Other Assets (Note 2)		9,718,557	10,304,722	11,367,500	11,092,253	12,095,514	
Total Assets		20,142,635	18,917,962	19,323,927	19,335,172	18,772,488	
Current Liabilities	Before allocation	6,616,394	5,149,582	4,323,962	6,039,227	4,965,055	
	After allocation	6,616,394	5,149,582	4,323,962	6,039,227	Note	
Noncurrent Liabilities		2,058,380	2,269,034	3,670,020	2,855,567	3,677,676	
Total Liabilities	Before allocation	8,674,774	7,418,616	7,993,982	8,894,794	8,642,731	
	After allocation	8,674,774	7,418,616	7,993,982	8,894,794	Note	
Equity Attributable to Shareholders of the Parent		11,467,861	11,499,346	11,329,945	10,440,378	10,129,757	
Capital Stock		9,824,742	9,775,892	9,775,892	9,775,892	9,775,892	
Capital Surplus		141	21,754	21,754	20,351	13,755	
Retained Earnings	Before allocation	2,332,506	2,498,400	2,504,260	1,134,025	884,915	
	After allocation	2,332,506	2,498,400	2,504,260	1,134,025	Note	
Other Equity		(689,528)	(796,700)	(971,961)	(489,890)	(544,805)	
Treasury Stock		-	-	-	-	-	
Non-Controlling Interests		-	-	-	-	-	
Total Equity	Before allocation	11,467,861	11,499,346	11,329,945	10,440,378	10,129,757	
	After allocation	11,467,861	11,499,346	11,329,945	10,440,378	Note	

Note: The proposal will be finalized after the resolution of the shareholders meeting.

*If the company has prepared individual financial statements, a condensed individual balance sheet and individual comprehensive income statement for the most recent five years shall be prepared.

*If the financial data using International Financial Reporting Standards (IFRS) is less than 5 Years old, the financial data using the Financial Accounting Standards of Republic of China shall be prepared and indicated in below Table 2.

Note 1: It is required to specify the fiscal year that has not been audited by a CPA.

Note 2: If in the current year there is revaluation of assets, it is required to specify the revaluation date and the revaluation value.

Note 3: The listed companies or OTC companies shall disclose the latest financial information audited or reviewed by a CPA as of the date of publication of the annual report.

Note 4: For the aforementioned financial data of after distribution, please fill out in Board of Directors or accordance with the resolutions approved by shareholders' meeting in the following year.

Note 5: For those who have been notified by the competent authorities to revise or recomposed their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

Condensed Comprehensive Income Statements for Individual Financial Statements

Unit: New Taiwan Dollars (In Thousands)

Item \ Year	Financial Statements for the Last Five Fiscal Years (Note 1)					As of March 31, 2024 Financial Statements (Note 2)
	2019	2020	2021	2022	2023	
Operating Revenue	1,440,904	3,321,654	2,259,320	408,785	2,312,679	Not Applicable
Gross Profit	198,478	660,166	459,692	123,942	591,546	
Operating Income (Loss)	(237,864)	307,675	48,600	(230,990)	246,147	
Non-Operating Income and Expenses	440,002	(105,315)	(732,502)	(1,373,162)	(489,956)	
Income (Loss) before Income Tax	202,138	202,360	(683,902)	(1,604,152)	(243,809)	
Income from Operations of Continued Segments	64,860	166,820	(653,929)	(1,375,980)	(195,191)	
Loss from Discontinued Operations	-	-	-	-	-	
Net Income (Loss) for the Period	64,860	166,820	(653,929)	(1,375,980)	(195,191)	
Total Other Comprehensive Income (Net of Income Tax) for the Period	(243,667)	(108,099)	(175,912)	487,816	(54,990)	
Total Comprehensive Income for the Period	(178,807)	58,721	(829,841)	(888,164)	(250,181)	
Net Income Attributable to Shareholders of the Parent	N/A	N/A	N/A	N/A	N/A	
Net Income Attributable to Non-Controlling Interests	N/A	N/A	N/A	N/A	N/A	
Comprehensive Income Attributable to Shareholders of the Parent	N/A	N/A	N/A	N/A	N/A	
Comprehensive Income Attributable to Non-Controlling Interests	N/A	N/A	N/A	N/A	N/A	
Earnings per Share	0.07	0.17	(0.67)	(1.41)	(0.20)	

*If the company has prepared individual financial statements, a condensed individual balance sheet and individual comprehensive income statement for the most recent five years shall be prepared.

*If the financial data using International Financial Reporting Standards (IFRS) is less than 5 years, the financial data using the Financial Accounting Standards of Republic of China shall be prepared and indicated in below Table 2.

Note 1: It is required to specify the fiscal year that has not been audited by a CPA.

Note 2: The listed companies or OTC companies shall disclose the latest financial information audited or reviewed by a CPA as of the date of publication of the annual report.

Note 3: The net loss from discontinued operations shall be indicated as the net amount after deducting income tax.

Note 4: For those who have been notified by the competent authorities to revise or recomposed their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

Condensed Balance Sheet for Consolidated Financial Statements

Unit: New Taiwan Dollars (In Thousands)

Year Item		Financial Statements for the Last Five Fiscal Years (Note 1)					As of March 31, 2024
		2019	2020	2021	2022	2023	Financial Statements (Note 3)
Current Assets		20,936,175	18,078,309	17,776,301	24,651,666	21,348,225	21,830,376
Property, Plant and Equipment (Note 2)		7,875,898	7,995,766	10,768,527	10,527,919	9,902,541	9,960,492
Intangible Assets		66,416	38,782	6,955	6,304	4,638	4,302
Other Assets (Note 2)		4,923,395	5,755,329	7,375,163	4,935,111	9,801,642	10,273,975
Total Assets		33,801,884	31,868,186	35,926,946	40,121,000	41,057,046	42,069,145
Current Liabilities	Before Distribution	12,919,125	11,250,626	9,030,394	19,073,959	17,872,839	15,581,408
	After Distribution	12,919,125	11,250,626	9,030,394	19,073,959	Note	Note
Noncurrent Liabilities		8,383,587	8,157,597	14,815,150	10,083,211	12,659,982	13,104,838
Total Liabilities	Before Distribution	21,302,712	19,408,223	23,845,544	29,157,170	30,532,821	31,686,246
	After Distribution	21,302,712	19,408,223	23,845,544	29,157,170	Note	Note
Equity Attributable to Shareholders of the Parent		11,467,861	11,499,346	11,329,945	10,440,378	10,129,757	10,051,628
Capital Stock		9,824,742	9,775,892	9,775,892	9,775,892	9,775,892	9,775,892
Capital Surplus		141	21,754	21,754	20,351	13,755	13,755
Retained Earnings	Before Distribution	2,332,506	2,498,400	2,504,260	1,134,025	884,915	581,605
	After Distribution	2,332,506	2,498,400	2,504,260	1,134,025	Note	Note
Other Equity		(689,528)	(796,700)	(971,961)	(489,890)	(544,805)	(319,624)
Treasury Stock		-	-	-	-	-	-
Non-Controlling Interests		1,031,311	960,617	751,457	523,452	394,468	331,271
Total Equity	Before Distribution	12,499,172	12,459,963	12,081,402	10,963,830	10,524,225	10,382,899
	After Distribution	12,499,172	12,459,963	12,081,402	10,963,830	Note	Note

Note: The proposal will be finalized after the resolution of the shareholders meeting.

*If the company has prepared individual financial statements, a condensed individual balance sheet and individual comprehensive income statement for the most recent five years shall be prepared.

*If the financial data using International Financial Reporting Standards (IFRS) is less than 5

years, the financial data using the Financial Accounting Standards of Republic of China shall be prepared and indicated in below Table 2.

Note 1: It is required to specify the fiscal year that has not been audited by a CPA.

Note 2: If in the current year there is revaluation of assets, it is required to specify the revaluation date and the revaluation value.

Note 3: The listed companies or OTC companies shall disclose the latest financial information audited or reviewed by a CPA as of the date of publication of the annual report.

Note 4: For the aforementioned financial data of after distribution, please fill out in Board of Directors or accordance with the resolutions approved by shareholders' meeting in the following year.

Note 5: For those who have been notified by the competent authorities to revise or recomposed their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

Condensed Comprehensive Income Statements for Consolidated Financial Statements

Unit: New Taiwan Dollars (In Thousands)

<div> <div>Year</div> <div>Item</div> </div>	Financial Statements for the Last Five Fiscal Years (Note 1)					As of March 31, 2024 Financial Statements (Note 2)
	2019	2020	2021	2022	2023	
Operating Revenue	7,803,579	5,915,557	3,473,856	1,330,284	3,778,781	170,188
Gross Profit	2,940,778	1,660,081	964,196	355,146	995,688	17,244
Operating Income (Loss)	1,550,425	405,691	(412,452)	(941,438)	(279,820)	(259,095)
Non-Operating Income and Expenses	(666,776)	(255,433)	(450,992)	(916,664)	(137,976)	(183,898)
Income (Loss) before Income Tax	883,649	150,258	(863,444)	(1,858,102)	(417,796)	(442,993)
Income from Operations of Continued Segments	703,369	107,806	(842,937)	(1,635,891)	(386,089)	(378,444)
Loss from Discontinued Operations	-	-	-	-		-
Net Income (Loss) for the Period	(703,369)	(107,806)	(842,937)	(1,635,891)	(386,089)	(378,444)
Total Other Comprehensive Income (Net of Income Tax) for the Period	(243,863)	(108,127)	(175,684)	488,035	(54,988)	237,118
Total Comprehensive Income for the Period	459,506	(321)	(1,018,621)	(1,147,856)	(441,077)	(141,326)
Net Income Attributable to Shareholders of the Parent	64,860	166,820	(653,929)	(1,375,980)	(195,191)	(303,310)
Net Income Attributable to Non-Controlling Interests	638,509	(59,014)	(189,008)	(259,911)	(190,898)	(75,134)
Comprehensive Income Attributable to Shareholders of the Parent	(178,807)	58,721	(829,841)	(888,164)	(250,181)	(78,129)
Comprehensive Income Attributable to Non-Controlling Interests	638,313	(59,042)	(188,780)	(259,692)	(190,896)	(63,197)
Earnings per Share	0.07	0.17	(0.67)	(1.41)	(0.20)	(0.31)

*If the company has prepared individual financial statements, a condensed individual balance sheet and individual comprehensive income statement for the most recent five years shall be prepared.

*If the financial data using International Financial Reporting Standards (IFRS) is less than 5 years, the financial data using the Financial Accounting Standards of Republic of China shall be prepared and indicated in below Table 2.

Note 1: It is required to specify the fiscal year that has not been audited by a CPA.

Note 2: The listed companies or OTC companies shall disclose the latest financial information audited or reviewed by a CPA as of the date of publication of the annual report.

Note 3: The net loss from discontinued operations shall be indicated as the net amount after deducting income tax.

Note 4: For those who have been notified by the competent authorities to revise or recomposed their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

6.1.2 Names and Auditing Opinions of CPAs for the Last Five Years

Year	Certified Public Accountants (CPAs)	Auditing Opinions
2019	Wang, Chia-Hsiang, Wang, Jih-Chun	Unqualified Opinions
2020	Wang, Chia-Hsiang, Wang, Jih-Chun	Unqualified Opinions
2021	Wang, Chia-Hsiang, Wang, Jih-Chun	Unqualified Opinions
2022	Wang, Jia-Xiang, Xiao, You- Wen	Unqualified Opinions
2023	Hung, Suk-Fan, Xiao, You- Wen	Unqualified Opinions

6.2 Financial Analysis for the Last Five Fiscal Years

6.2.1 Financial Analysis

6.2.1.1 Individual Financial Statements

Year (Note 1)		Financial Analysis for the Last Five Fiscal Years					As of March 31, 2024 (Note 3)
Item (Note 4)		2019	2020	2021	2022	2023	Not Applicable
Financial Structure (%)	Debts Ratio (%)	43.07	39.21	41.37	46.00	46.04	
	Long-term Fund to Property, Plant and Equipment (%)	1,832.03	1,886.65	2,082.63	1,830.13	1,889.53	
Liquidity Analysis (%)	Current Ratio (%)	146.39	153.09	167.29	124.41	119.72	
	Quick Ratio (%)	27.76	35.08	42.66	24.61	14.79	
	Times Interest Earned (Times)	2.21	2.33	(4.72)	(11.82)	(0.71)	
Operating Performance Analysis	Accounts Receivable Turnover (Times)	15.8	16.89	13.53	9.77	1,292.72	
	Average Collection Period	23.101	21.61	26.98	37.36	0.282	
	Inventory Turnover (Times)	0.15	0.39	0.32	0.05	0.31	
	Accounts Payable Turnover (Times)	2.55	8.79	5.51	0.65	3.86	
	Average Days in Sales	2,433.333	935.897	1,140.625	7,300.000	1,177.419	
	Property, Plant and Equipment Turnover (Times)	1.94	4.53	3.12	0.57	3.17	
	Total Assets Turnover (Times)	0.07	0.17	0.12	0.02	0.12	
Profitability Analysis	Return on Total Assets (%)	0.98	1.48	(2.92)	(6.60)	(0.43)	
	Return on Stockholders' Equity (%)	0.56	1.45	(5.73)	(12.64)	(1.90)	
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 8)	2.06	2.07	(7.00)	(16.41)	(2.49)	
	Net Margin (%)	4.5	5.02	(28.94)	(336.60)	(8.44)	
	Earnings per Share (NT\$)	0.07	0.17	(0.67)	(1.41)	(0.20)	
Cash Flow	Cash Flow Ratio (%)	7.28	28.42	7.93	0	0	
	Cash Flow Adequacy Ratio (%)	131.89	158.91	136.31	77.3	52.88	
	Cash Flow Reinvestment Ratio (%)	3.54	10.56	2.49	0	0	
Leverage	Operating Leverage	0.2	1.65	5.60	0.08	1.93	
	Financial Leverage	0.59	1.97	(0.68)	0.65	2.37	

Please explain the causes of the changes in various financial ratios in the most recent two years. It can be exempted if the rate of increase or decrease does not reach 20%:

1. Quick ratio: Mainly due to the decrease in current assets in the current period compared to the same period last year.
2. Interest protection multiple: Mainly due to the decrease in net loss before tax in the current period compared with the same period last year,
3. Turnover rate of accounts receivable: Mainly due to the increase in net sales in the current period compared to the same period last year.
4. The average number of collection days: Mainly due to the increase in net sales in the current period compared with the same period last year.
5. The turnover rate of payables changed by (84.38)%: Mainly due to the increase in the cost of goods sold in the current period compared with the same period last year.

6. Accounts payable turnover (times): Mainly due to the increase in the cost of goods sold in the current period compared with the same period last year.
7. The average number of sales days: Mainly due to the increase in the cost of goods sold in the current period.
8. Turnover rate of real estate, plant and equipment: The net sales in the current period increased compared with the same period last year.
9. Total asset turnover rate: Mainly due to the increase in net sales in the current period compared with the same period last year.
10. Return on assets: Mainly due to the decrease in net loss after tax in the current period compared with the same period last year.
11. Return on equity: Mainly due to the decrease in net loss after tax in the current period compared with the same period last year.
12. The ratio of net income before tax to paid-in capital: Mainly due to the decrease in profit or loss before tax in the current period compared with the same period last year.
13. Net Income Ratio: mainly due to the decrease in net loss after tax in the current period compared to the same period last year.
14. Earnings per share: Mainly due to the decrease in net loss after tax in the current period compared with the same period last year.
15. Cash flow equivalency ratio: mainly due to the decrease in net cash flow from operating activities in the current period compared to the same period last year.
16. Operating leverage: Mainly due to the increase in net operating income in the current period compared to the same period last year.
17. Change in financial leverage: Mainly due to the increase in operating income compared to the same period last year.

6.2.1.2 Consolidated Financial Statements

<div> <div>Year (Note 1)</div> <div>Item (Note 4)</div> </div>		Financial Analysis for the Last Five Fiscal Years					As of March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023	
Financial Structure (%)	Debts Ratio (%)	63.02	60.9	66.37	72.67	74.37	75.32
	Long-term Fund to Property, Plant and Equipment (%)	265.15	257.86	249.77	199.92	234.12	235.81
Liquidity Analysis (%)	Current Ratio (%)	162.06	160.69	196.85	129.24	119.45	117.49
	Quick Ratio (%)	23.04	24.48	27.51	26.10	14.06	13.83
	Times Interest Earned (Times)	2.83	1.24	(0.21)	(1.94)	0.48	(1.19)
Operating Performance Analysis	Accounts Receivable Turnover (Times)	59.52	18.28	11.77	21.63	202.18	34.81
	Average Collection Period	6.13	19.97	31.01	16.88	1.805	10.485
	Inventory Turnover (Times)	0.25	0.26	0.17	0.06	0.15	0.03
	Accounts Payable Turnover (Times)	2.89	2.87	1.46	0.27	0.59	0.13
	Average Days in Sales	1,460.00	1,403.85	2,147.06	6,083.33	2,433.333	12,166.67
	Property, Plant and Equipment Turnover (Times)	1.01	0.75	0.37	0.12	0.37	0.07
	Total Assets Turnover (Times)	0.22	0.18	0.1	0.03	0.09	0.02
Profitability Analysis	Return on Total Assets (%)	3.07	1.86	(0.81)	(2.97)	0.62	(0.52)
	Return on Stockholders' Equity (%)	5.72	0.86	(6.87)	(14.20)	(3.59)	(3.62)
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 8)	8.99	1.54	(8.83)	(19.01)	(4.27)	(4.53)
	Net Margin (%)	9.01	1.82	(24.27)	(122.97)	(10.22)	(222.37)
	Earnings per Share (NT\$)	0.07	0.17	(0.67)	(1.41)	(0.20)	(0.31)
Cash Flow	Cash Flow Ratio (%)	25.29	18.23	0	0	0.00	0
	Cash Flow Adequacy Ratio (%)	268.35	579.48	123.79	60.17	58.85	22.56
	Cash Flow Reinvestment Ratio (%)	19.11	12.44	0	0	0.00	0
Leverage	Operating Leverage	1.45	3.09	(0.88)	(0.13)	(1.87)	0.38
	Financial Leverage	1.45	(1.81)	0.37	0.60	0.26	0.56
	Please explain the reasons for the changes in various financial ratios in the last two years. (If the increase or decrease reach 20%, the analysis will be exempted) 1. Current ratio: the main reason was the decrease in current assets in the current period compared to the same period last year. 2. Interest protection multiple: The main reason is that the net loss after tax this year decreased compared to the same period last year. 3. Turnover rate of accounts receivable: the main reason was the increase in net sales in the current period compared to the same period last year. 4. Average number of payment days: the main reason was the increase in net sales in the current period compared to the same period last year. 5. Inventory turnover rate: the main reason was the increase in sales costs in the current period compared to the same period last year. 6. Turnover rate of accounts payable: the main reason was the increase in the cost of sales in the current period compared to the same period last year. 7. The average number of days of sales: the main reason was the increase in the net sales in the current period compared to the same period last year.						

	8. Turnover rate of real estate, plant and equipment: the main reason was the increase in net sales in the current period compared to the same period last year.
	9. The rate of return on total assets: the main reason was the increase in net sales in the current period compared to the same period last year.
	10. Return on assets: the main reason was the decrease in after-tax net loss in the current period compared to the same period last year.
	11. The rate of return on equity: the main reason was the decrease in after-tax net loss in the current period compared to the same period last year.
	12. Proportion of net profit before tax to paid-in capital: the main reason was the decrease in after-tax net loss in the current period compared to the same period last year.
	13. Net profit rate: the main reason was the decrease in after-tax net loss in the current period compared to the same period last year.
	14. Earnings per share: the main reason was the decrease in the owner's net loss attributable to the parent company compared to the same period last year.
	15. Cash flow ratio: it was mainly due to the decrease in the net cash flow from operating activities in the current period compared to the same period last year.
	18. Operating leverage: the main reason was the increase in net operating profit compared to the same period last year.
	19. Financial leverage: the main reason was the decrease in operating loss compared to the same period last year.
	20. Operating income to capital stock: the main reason was the decrease in operating loss compared to the same period last year.

*If the company has prepared individual financial statements, an analysis of the company's individual financial ratio shall be prepared.

*If the financial data using International Financial Reporting Standards (IFRS) is less than 5 years, the financial data using the Financial Accounting Standards of Republic of China shall be prepared and indicated in below Table 2.

Note 1: It is required to specify the fiscal year that has not been audited by a CPA.

Note 2: The net cash flow from operations is negative, so it is not calculated.

Note 3: The listed companies or OTC companies shall analyze the latest financial information audited or reviewed by a CPA as of the date of publication of the annual report.

Note 4: The following equations should be included in the end of the above table:

1. Financial Structure

(1) Debt Ratio = Total Liabilities / Total Asset

(2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Liquidity Analysis

(1) Current Ratio = Current Assets / Current Liabilities

(2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

(3) Times Interest Earned = Earnings before Interest and Taxes / Current Interest Expenses

3. Operating Performance Analysis

(1) Accounts Receivable (including account receivable and note receivable from operating) Turnover = Net Sales/Average Receivables (including account receivable and note receivable from operating) Balance

(2) Average Collection Period = 365 Days/ Accounts Receivable Turnover

(3) Inventory Turnover (Times) = Cost of Goods Sold/Average Inventory

- (4) Accounts Payable (including account payable and note payable from operating) Turnover = $\text{Cost of Goods Sold} / \text{Average Accounts Payable (including account payable and note payable from operating)}$
- (5) Average Inventory Turnover Days = $365 \text{ Days} / \text{Inventory Turnover}$
- (6) Property, Plant and Equipment Turnover (Times) = $\text{Net Sales} / \text{Average Net Property, Plant and Equipment}$
- (7) Total Assets Turnover = $\text{Net Sales} / \text{Average Total Assets}$
- 4. Profitability Analysis
 - (1) Return on Total Assets = $(\text{Net Income} + \text{Interest Expenses} * (1 - \text{Effective Tax Rate})) / \text{Average Total Assets}$
 - (2) Return on Shareholder's Equity = $\text{Net Income} / \text{Average Total Shareholder's Equity}$
 - (3) Net Margin = $\text{Net Income} / \text{Net Sales}$
 - (4) Earnings per Share = $(\text{Net Income Attributable to Shareholders of the Parent} - \text{Preferred Stock Dividend}) / \text{Weighted Average Number of Shares Issued (Note 5)}$
- 5. Cash Flow
 - (1) Cash Flow Ratio = $\text{Net Cash Provided by Operating Activities} / \text{Current Liabilities}$
 - (2) Net Cash Flow Adequacy Ratio = $\text{Five-Year Sum of Cash from Operations} / \text{Five-Year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend}$
 - (3) Cash Flow Reinvestment Ratio = $(\text{Cash Provided by Operating Activities} - \text{Cash Dividends}) / (\text{Gross Property, Plant and Equipment} + \text{Long-term Investments} + \text{Other Noncurrent Assets} + \text{Working Capital})$ (Note 6)
- 6. Leverage
 - (1) Operating Leverage = $(\text{Net Operating Income} - \text{Variable Operating Cost and Expense}) / \text{Operating Income}$ (Note 7)
 - (2) Financial Leverage = $\text{Income from Operations} / (\text{Income from Operations} - \text{Interest Expenses})$

Note 5: The aforementioned calculation of earnings per share should be with the following matters included for consideration:

- 1. It is based on the weighted average outstanding number of common stock shares rather than the issued shares at the end of year.
- 2. For those who have cash capital increase or treasury stock transaction, the weighted average number of shares should be calculated in consideration of the circulation period.
- 3. Where there is a capitalization from earnings or capital reserve, when calculating earnings per share for the prior years and half-years, it should be retroactively

adjusted by proportional capitalization without considering the issuance period of the capitalization.

4. If the preferred stock is non-convertible cumulative preferred stock, its dividends for the current year (whether distributed or not) should be deducted from net income, or added to the net loss. If the preferred shares are non-cumulative, when there is net income, preferred stock dividends should be deducted from net income after tax; when there is net loss, no adjustment is needed.

Note 6: The cash flow analysis should be with the following matters included for consideration:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities on the statement of cash flow.
2. Capital expenditures refer to the annual cash outflow of capital investment.
3. Inventory additions are included for calculation only when the balance at the end is greater than the balance at the beginning. If inventories are decreased at the end of year, it is counted as zero.
4. Cash dividends include cash dividends of common stock and preferred stock.
5. Gross property, plant, and equipment meant for the total amount of property, plant, and equipment before deducting the accumulated depreciation.

Note 7: The issuer shall have the operating costs and operating expenses classified as fixed and variable by the nature. If it involves estimates or subjective judgments, it should pay attention to its rationality and consistency.

Note 8: If the Company's stock is not denominated or the denomination is not NT\$10, the aforementioned calculation of ratio with the paid-in capital should be calculated based on the equity attributable to the patent company's shareholders in the balance sheet.

6.3 Audit Committee's Review Report for Annual Financial Statements in the Most Recent Year

Shining Building Business Co., Ltd.

Audit Committee Review Report

The Board of Directors prepares the 2023 annual business report, financial statements and loss compensation proposal; among which contains Financial Reports audited and attested by CPAs Hung, Suk-Fan, Shiao, You-Wen of Crowe (TW) CPAs, with audit report issued; the aforesaid Business Report, Financial Statements and profit distribution or loss appropriation proposal have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

To

Shining Building Business Co., Ltd. 2024 Annual General
Shareholders' Meeting

Convener of the Audit Committee: Chiu, Wen-Jui

March 13, 2024

6.4 CPAs' Audit Opinions for Annual Financial Statements in the Most Recent Year

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shining Building Business Co. Ltd.

Auditors' Opinions

We have audited the accompanying financial statements of Shining Building Business Co. Ltd. (collectively referred to as the "Company") and subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023, and 2022, the consolidated statements of comprehensive income, consolidated changes in equity, and consolidated cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements"). In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China ("ROC").

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 consolidated financial statements of the Group for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023, is as follows:

1. Revenue recognition

Please refer to Note 4(19) revenue recognition of consolidated financial statements for the accounting policies related to revenue recognition; For the description of revenue recognition, please refer to Note 6(23) revenue of consolidated financial statements.

Description of the key audit:

The Group belongs to the real estate development activities, and the income from real estate sales is the main source of income for operation. The income from real estate sales in 2023 was \$2,995,115 thousand, accounting for 79.26% of the total consolidated revenue; The Group also provides catering and travel services such as room accommodation, catering services, leasing, and operation management services. Therefore, the income from catering and travel services is another major operating income. In 2023, the income from catering and travel services was \$743,825 thousand, accounting for 19.68% of the total consolidated revenue; The timing of recognition of operating revenue and the authenticity of sales have a significant impact on the consolidated financial report.

Revenue from real estate sales is recognized when the real estate transfer is completed and the house is handed over. Due to a large number of sales objects, it is necessary to recognize the sales revenue after examining the ownership transfer and house delivery data one by one, which usually involves many manual operations to determine the correctness of the recognition time point of sales revenue; Due to the large amount and industry characteristics, the product unit price is low, but the number of sales and customers is large, the transaction volume is huge, and the possibility of errors is relatively high, which may lead to material misrepresentation in the consolidated financial statements. Therefore, the recognition of income is one of the important evaluation items for the CPA to perform the audit of the consolidated financial statements of the Group.

Our main audit procedures performed in respect of the key audit matter were as follows:

- (1) Understand the main income patterns, contract terms, and trading conditions;
- (2) Understand and test the effectiveness of internal control related to the sales and collection cycle of the Group;
- (3) Obtain and inspect the detailed sales statement, house purchase and sale contract, house transfer and delivery receipt, house and land ownership certificate of each case, confirm the completion date of transfer registration and house delivery date, and perform the income deadline test to evaluate whether the accounting policy at the time point of income recognition is appropriate and whether the income recognition policy is handled in accordance with the provisions of the relevant provisions.
- (4) Analyze the housing rate and house price, food and beverage pricing, number of visitors, and average consumption, and evaluate the rationality of the amount of meal and travel service income;
- (5) Confirm that the sales report generated by the sales system is consistent with the recorded amount;
- (6) Sampling audit the correctness of customer bills, signing records, and recorded amounts.

2. Inventory valuation

Please refer to Note 4(8) of the consolidated financial statements for the accounting policies related to inventory evaluation; Please refer to Note 5(2)(B) of the consolidated financial statements for the accounting estimates and assumptions uncertainty of inventory evaluation; For the description of inventory evaluation, please refer to Note 6(7) to the consolidated financial statements.

Description of the key audit:

The real estate development activities of the Group are an industry with high capital investment and a long payback period, and its inventory is listed at the lower of cost and net realizable value. At present, the real estate industry is affected by overall economic, and political factors, tax reform, market supply and demand, and other factors. Therefore, the important assumptions and judgments of net realizable value depend on the subjective judgment and estimation of the management or the evaluation of the changes in relevant parameters of real estate appraisal. Therefore, the evaluation of inventory is one of the important evaluation items for the CPA to perform the audit of the consolidated financial report of the Group.

Our main audit procedures performed in respect of the key audit matter were as follows:

- (1) Understand the internal operating procedures and accounting treatment of the Group for the subsequent measurement of these real estate premises;
- (2) Obtain the appraisal data of the net realizable value of the inventory of the Group. Sampling audit sales contracts that have been signed, refer to the latest current real estate prices announced by the Ministry of the Interior or obtain transaction quotations in neighboring areas. Analyze the gross profit rate of the real estate sold in the year and convert it into the net realizable value of the real estate for sale. Obtain the profit plans of the Group for each case, and evaluate whether there is any significant difference between the profits of the construction land and the profits of the sold cases, to evaluate whether the net realizable value of the previously disclosed inventory is properly expressed.

3. Fair value evaluation of investment properties

For the accounting policies related to the fair value evaluation of investment properties, please refer to Note 4(11) in the consolidated financial statements. For the accounting estimates and assumptions uncertainty related to fair value evaluation of investment properties, please refer to Note 5(2)(C) in the consolidated financial statements. For further explanation on the fair value evaluation of investment properties, please refer to Note 6(10) in the consolidated financial statements.

Description of the key audit:

- (1) Evaluate the professional competence, suitability, and objectivity of the real estate appraisers hired by external joint appraisal firms commissioned by the management, and verify their qualifications.
- (2) Understand whether the valuation methods and assumptions comply with the financial reporting standards for the issuer of securities and the technical rules for real estate valuation. Evaluate the relevance and reliability of the data sources and important parameters (such as yield rates and discount rates) used in the valuation report and confirm the reasonableness of the valuation results.

Other Matter

We have also audited the parent company only financial statements of Shining Building Business Co. Ltd. as of and for the years ended December 31, 2023, and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including members of the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 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.

Crowe (TW) CPAs

Accountant: Hung Suk Fan

Accountant: Hslao You Wen

No.: Financial-Supervisory-Securities-Auditing-1070118530

No.: Financial-Supervisory-Securities-Auditing-1120333782

March 13, 2024

Shining Building Business Co. Ltd., And Subsidiaries

CONSOLIDATED BALANCE SHEETS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	NOTE	2023. 12. 31		2022. 12. 31		CODE	LIABILITIES AND EQUITY	NOTE	2023. 12. 31		2022. 12. 31	
			AMOUNT	%	AMOUNT	%				AMOUNT	%	AMOUNT	%
	CURRENT ASSETS						CURRENT LIABILITIES						
1100	Cash and cash equivalents	6(1)	\$ 363,635	1	\$ 480,056	1	2100	Current borrowings	6(11), 6(32) and 6(34)	\$ 433,864	1	\$ 382,156	1
1150	Notes receivable, net	6(4)	-	-	3,578	-	2110	Short-term notes and bills payable, net	6(12), 6(32) and 6(34)	3,436,559	8	2,097,626	5
1170	Accounts receivable, net	6(5)	23,944	-	9,792	-	2130	Current contract liabilities	6(23)	1,114,965	3	1,869,119	5
1180	Accounts receivable due from related parties, net	7	-	-	66	-	2150	Notes payables	6(34)	102,869	-	122,534	-
1200	Other receivables	6(6)	463,084	1	402,687	1	2170	Accounts payables	6(34)	4,401,242	11	4,819,883	12
1210	Other receivables due from related parties	7	875,314	2	151,871	-	2180	Accounts payable to related parties	6(34) and 7	32,889	-	35,408	-
1220	Current tax assets		930	-	1,282	-	2200	Other payables	6(34)	1,609,924	4	587,264	2
130X	Current inventories	6(7)and 8	18,619,822	45	19,441,846	48	2220	Other payables to related parties	6(32), 6(34) and 7	2,064,419	5	1,824,599	5
1410	Prepayments		215,424	1	232,390	1	2230	Current tax liabilities		2,781	-	-	-
1479	Other current financial assets	8	556,420	1	3,701,350	9	2250	Current provisions		8,678	-	8,540	-
1479	Other current assets, others		229,652	1	226,748	1	2280	Current lease liabilities	6(9), 6(32), 6(34) and 7	4,229	-	4,735	-
	Total current assets		21,348,225	52	24,651,666	61	2320	Long-term liabilities - current portion	6(13) 6(14) 6(32) 6(33)and 6(34)	4,626,637	11	7,211,411	18
	NON-CURRENT ASSETS						2399	Other current liabilities, others		33,783	-	110,684	-
1510	Non-current financial assets at fair value through profit or loss	6(2) and 6(33)	3,071	-	3,071	-		Total current liabilities		17,872,839	43	19,073,959	48
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 6(33)	-	-	9	-		NON-CURRENT LIABILITIES					
1600	Property, plant, and equipment	6(8) and 8	9,902,541	24	10,527,919	26	2540	Non-current portion of non-current borrowings	6(14) 6(32) 6(33) and 6(34)	11,219,615	27	9,697,916	24
1755	Right-of-use assets	6(9), 7 and 8	1,048,916	3	1,115,232	3	2570	Deferred tax liabilities	6(29)	149,502	-	89,778	-
1760	Investment properties	6(10), 6(33) and 8	2,555,682	6	1,482,686	4	2580	Non-current lease liabilities	6(9) 6(32) 6(34) and 7	14,359	-	2,591	-
1780	Intangible assets		4,638	-	6,304	-	2630	Long-term deferred revenue	6(15)	222,870	1	242,265	1
1840	Deferred tax assets	6(29)	839,501	2	715,343	2	2635	Preferred stock liability-non-current	6(17) 6(18) 6(32) and 6(33)	1,000,000	3	-	-
1920	Guarantee deposits paid	6(33),7 and 8	5,353,113	13	1,617,614	4	2640	Net defined benefit liability, non-current	6(16)	13,341	-	15,225	-
1980	Other financial assets - non-current	8	1,359	-	1,156	-	2645	Guarantee deposits received	6(32) 6(33) and 6(34)	40,295	-	35,436	-
	Total non-current assets		19,708,821	48	15,469,334	39		Total non-current liabilities		12,659,982	31	10,083,211	25
								Total liabilities		30,532,821	74	29,157,170	73
								EQUITY ATTRIBUTABLE TO OWNERS OF PARENT					
							3110	Ordinary share	6(18)	9,775,892	24	9,775,892	24
							3200	Capital surplus	6(19)	13,755	-	20,351	-
							3300	Retained earnings	6(20)	884,915	2	1,134,025	3
							3400	Other equity interest	6(21)	(544,805)	(1)	(489,890)	(1)
								Total equity attributable to owners of parent		10,129,757	25	10,440,378	26
	TOTAL		\$ 41,057,046	100	\$ 40,121,000	100	36XX	NON - CONTROLLING INTERESTS	6(22)	394,468	1	523,452	1
								Total equity		10,524,225	26	10,963,830	27
										\$41,057,046	100	\$40,121,000	100

(The accompanying Note is an integral part of the consolidated financial statements)

Chairman: Lai Cheng I

Manager: Fang, Wei-Min

Accounting Supervisor:Liao Pei Chi

Shining Building Business Co. Ltd., And Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

CODE	ITEM	NOTE	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	OPERATING REVENUE	6(10), 6(23), 7 and 14	\$ 3,778,781	100	\$ 1,330,284	100
5000	OPERATING COSTS	6(7), 6(16) , 6(28) and 7	(2,783,093)	(74)	(975,138)	(73)
5900	GROSS PROFIT		995,688	26	355,146	27
	OPERATING EXPENSES	6(5), 6(6), 6(9), 6(10), 6(16), 6(28) and 7				
6100	Selling expenses		(472,654)	(12)	(475,439)	(36)
6200	Administrative expenses		(808,145)	(21)	(821,853)	(62)
6450	Reversal of impairment loss on expected credit		5,291	-	708	-
6000	Total operating expenses		(1,275,508)	(33)	(1,296,584)	(98)
6900	NET OPERATING (LOSS)INCOME		(279,820)	(7)	(941,438)	(71)
	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income	6(24) and 14	81,460	2	71,391	5
7010	Other income	6(25)	167,997	4	63,818	5
7020	Other gains and losses	6(26)	409,759	11	(420,695)	(32)
7050	Finance costs	6(27) and 7	(797,192)	(21)	(631,178)	(47)
7000	Total non-operating income and expenses		(137,976)	(4)	(916,664)	(69)
7900	PROFIT BEFORE INCOME TAX		(417,796)	(11)	(1,858,102)	(140)
7950	TAX INCOME(EXPENSE)	6(29)	31,707	1	222,211	17
8200	PROFIT(LOSS)		(386,089)	(10)	(1,635,891)	(123)
	OTHER COMPREHENSIVE INCOME (LOSS)	6(16), 6(29) and 6(30)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		(91)	-	7,454	1
8316	Unrealized profit of equity instrument investment measured at fair value through other comprehensive income		(9)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		20	-	(1,490)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(68,635)	(2)	602,590	45
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		13,727	-	(120,519)	(9)
8300	Other comprehensive income, net		(54,988)	(2)	488,035	37
8500	TOTAL COMPREHENSIVE INCOME		\$ (441,077)	(12)	\$ (1,147,856)	(86)
8600	PROFIT(LOSS), ATTRIBUTABLE TO:					
8610	Attributable to owners of parent		\$ (195,191)	(5)	\$ (1,375,980)	(103)
8620	Attributable to non-controlling interests		(190,898)	(5)	(259,911)	(20)
	PROFIT(LOSS)		\$ (386,089)	(10)	\$ (1,635,891)	(123)
8700	COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
8710	Comprehensive income, attributable to owners of parent		\$ (250,181)	(7)	\$ (888,164)	(67)
8720	Comprehensive income, attributable to non-controlling interests		(190,896)	(5)	(259,692)	(19)
	TOTAL COMPREHENSIVE INCOME		\$ (441,077)	(12)	\$ (1,147,856)	(86)
	EARNINGS PER SHARE:	6(31)				
9750	Basic earnings per share (NT\$)		\$ (0.20)		\$ (1.41)	
9850	Diluted earnings per share (NT\$)		\$ (0.20)		\$ (1.41)	

(The accompanying Note is an integral part of the consolidated financial statements)

Chairman: Lai Cheng I Manager: Fang, Wei-Min Accounting Supervisor:Liao Pei Chi

Shining Building Business Co. Ltd., And Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
	Retained Earnings					Retained Earnings				
	Ordinary share	Capital Surplus	Legal Reserve	Special Reserve	Accumulated loss	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Non-controlling Interests	Total Equity
BALANCE, DECEMBER 31, 2022	\$ 9,775,892	\$ 21,754	\$ 1,305,280	\$ 1,457,140	\$ (258,160)	\$ (971,368)	\$ (593)	\$ 11,329,945	\$ 751,457	\$ 12,081,402
Net loss for 2022	-	-	-	-	(1,375,980)	-	-	(1,375,980)	(259,911)	(1,635,891)
Other comprehensive income (loss) for 2022	-	-	-	-	5,745	482,071	-	487,816	219	488,035
Total comprehensive income (loss) for 2022	-	-	-	-	(1,370,235)	482,071	-	(888,164)	(259,692)	(1,147,856)
Changes in ownership interest of subsidiaries	-	(1,403)	-	-	-	-	-	(1,403)	1,403	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	30,284	30,284
BALANCE, DECEMBER 31, 2022	9,775,892	20,351	1,305,280	1,457,140	(1,628,395)	(489,297)	(593)	10,440,378	523,452	10,963,830
Net loss for 2023	-	-	-	-	(195,191)	-	-	(195,191)	(190,898)	(386,089)
Other comprehensive income (loss) for 2023	-	-	-	-	(75)	(54,908)	(7)	(54,990)	2	(54,988)
Total comprehensive income (loss) for 2023	-	-	-	-	(195,266)	(54,908)	(7)	(250,181)	(190,896)	(441,077)
Changes in ownership interest of subsidiaries	-	(6,596)	-	-	(53,844)	-	-	(60,440)	60,440	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	1,472	1,472
BALANCE, DECEMBER 31, 2023	<u>\$ 9,775,892</u>	<u>\$ 13,755</u>	<u>\$ 1,305,280</u>	<u>\$ 1,457,140</u>	<u>\$ (1,877,505)</u>	<u>\$ (544,205)</u>	<u>\$ (600)</u>	<u>\$ 10,129,757</u>	<u>\$ 394,468</u>	<u>\$ 10,524,225</u>

(The accompanying Note is an integral part of the consolidated financial statements)

Chairman: Lai Cheng I Manager: Fang, Wei-Min Accounting Supervisor: Liao Pei Chi

Shining Building Business Co. Ltd., And Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ITEM	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before tax	\$ (417,796)	\$ (1,858,102)
Adjustments for:		
Adjustments to reconcile profit (loss)		
Depreciation expense	540,509	547,564
Amortization expense	52,231	50,927
Reversal of impairment loss on expected credit	(5,291)	(708)
Interest expenses	797,192	631,178
Interest income	(81,460)	(71,391)
Loss (profit) on disposal and scrapping of property, plant, and equipment	353	(71)
Reversal of impairment losses on property, plant, and equipment	-	(12,412)
Reversal of inventory write-downs	(613)	(61,748)
Fair value adjustments profit on investment properties	(517,353)	(3,578)
Revenue recognized from long-term deferred revenue	(15,244)	(14,557)
Total adjustments to reconcile profit (loss)	<u>770,324</u>	<u>1,065,204</u>
Changes in operating assets and liabilities:		
Notes receivable	3,578	25,800
Accounts receivable	(8,633)	70,916
Accounts receivable - related parties	66	(1)
Other receivables	5,528	4,867
Other receivables - related parties	(17,490)	13,557
Inventories	560,104	(4,264,483)
Prepayments	(33,646)	(39,763)
Other current assets	(2,904)	19,354
Contract liabilities	(746,001)	952,172
Notes payable	(19,665)	10,665
Accounts payable	(418,641)	2,796,887
Accounts payable - related parties	(2,519)	20,832
Other payable	51,918	(97,160)
Other payable - related parties	34,054	37,467
Provision for current liabilities	138	575
Other current liabilities	(76,901)	30,689
Net defined benefit liability	(1,975)	(344)
Net changes in assets and liabilities related to operating activities	<u>(672,989)</u>	<u>(417,970)</u>
Cash inflow (outflow) generated from operations	<u>(320,461)</u>	<u>(1,210,868)</u>
Interest received	10,420	16,287
Interest paid	(385,840)	(380,585)
Income tax paid	(15,847)	(24,943)
Net cash flows from operating activities	<u>(711,728)</u>	<u>(1,600,109)</u>

Continued on page 11

(The accompanying Note is an integral part of the consolidated financial statements)

Chairman: Lai Cheng I

Manager: Fang, Wei-Min

Accounting Supervisor: Liao Pei Chi

Shining Building Business Co. Ltd., And Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ITEM	2023	2022
Continued from page 10		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant, and equipment	\$ (21,804)	\$ (23,363)
Increase in refundable deposits	(944,453)	(324,402)
Increase in intangible assets	-	(952)
Increase in other receivable-related parties	(705,953)	-
Decrease (Increase) in other financial assets	276,239	(136,320)
Net cash flows from investing activities	<u>(1,395,971)</u>	<u>(485,037)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in short-term loans	51,708	(503,625)
Increase (decrease) in short-term notes and bills payable	1,342,000	(161,000)
(Repayments) proceeds from issuing bonds	(1,157,249)	(373,910)
Proceeds (repayments) from long-term debt	317,981	2,119,821
Issuance of preferred stock liability	1,000,000	-
Increase(decrease) in guarantee deposits received	4,859	1,757
Increase in other payables to related parties	224,279	48,965
Payments of lease liabilities	<u>(5,503)</u>	<u>(5,599)</u>
Net cash flows from financing activities	<u>1,778,075</u>	<u>1,126,409</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>213,203</u>	<u>347,011</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(116,421)	(611,726)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>480,056</u>	<u>1,091,782</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 363,635</u>	<u>\$ 480,056</u>

(The accompanying Note is an integral part of the consolidated financial statements)

Chairman: Lai Cheng I

Manager: Fang, Wei-Min

Accounting Supervisor: Liao Pei Chi

Shining Building Business Co. Ltd., And Subsidiaries
Notes to Consolidated Financial Statements
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Shining building business Co. Ltd. (hereinafter referred to as the Company) was incorporated on May 29, 1990, with the approval of the Ministry of Economic Affairs. Its registered address is No.408, sec.2, Taiwan Blvd., West Dist., Taichung City, Taiwan, R.O.C. It is mainly engaged in the business of entrusting construction firms to build commercial buildings, and rent, and sell public housing. Please refer to Note 4 (3) B for the description.

The Company was public issued on November 27, 1996, with the approval of the Securities and Futures Bureau, Financial Supervisory Commission, R.O.C. On 19 June 2001, it was approved to be listed on the OTC. On 31 January 2005, shares of the Company have been listed on the TWSE.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and published by the Company's board of directors on March 13, 2024.

3. APPLICATION OF NEW, AMENDED, AND REVISED STANDARDS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC"):

New standards, interpretations, and amendments endorsed by the FSC effective from 2023 are as follows:

<u>New Standards, Interpretations, and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendment to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)
Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"	(Note 4)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for otherwise specified with for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

Note 4 : With regards to the temporary exemption provision under IAS 12 (i.e., entities shall not recognize deferred tax assets and liabilities related to pillar two income taxes, nor disclose related information; however, entities shall disclose the application of this exemption in the financial statements), upon issuance of this amendment (May 23, 2023), immediate retrospective application shall be made in accordance with IAS 8. Other disclosure requirements shall apply to annual reporting periods beginning on or after January 1, 2023; there is no requirement to disclose such other information for interim reporting periods ending before December 31, 2023.

After assessing the criteria and explanations provided above, it has been determined that they do not have a significant impact on the financial condition and financial performance of the group.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group:

New standards, interpretations, and amendments endorsed by the FSC effective from 2024 are as follows:

<u>New Standards, Interpretations, and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 1)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS7 and IFRS7”Supplier Finance Arrangements”	January 1, 2024 (Note 2)

Note 1: The seller cum lessee shall retrospectively apply the provisions of this amendment in accordance with IAS 8 to sale and leaseback transactions entered into after the initial application date of IFRS 16.

Note 2: This amendment provides certain transitional relief provisions, whereupon initial application, enterprises are not required to disclose comparative information, interim period information, nor the initial information as specified in paragraph 44H(b)(ii) (iii).

The above standards and interpretations have no significant impact on the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC:

New standards, interpretations, and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations, and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17, “Initial application of IFRS 17 and IFRS 9 - comparative information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations and related applicable periods. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(1) Compliance statement

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - a. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - b. Other financial assets at fair value through profit or loss.
 - c. Liabilities of the cash delivery share-based payment agreement at fair value.
 - d. Defined benefit liabilities are recognized based on the net amount of pension fund assets less the present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - a. All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - b. Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - c. Profit or loss and each component of other comprehensive income is attributed to the owners of the parent and the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - d. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
 - e. When the Group loses control of a subsidiary, the Group re-measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost of initial recognition of the associate or joint venture. Any difference between fair value and the carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. The consolidated entities were as follows:

Investee	Subsidiary	Main Businesses	Percentage of Ownership		Description
			December 31, 2023	December 31, 2022	
The Company	Taiyu Construction Co., Ltd.	Construction of buildings and civil engineering	92.70%	92.70%	Note 3
The Company	Headway Investment Ltd. (Headway)	Investment	66.67%	66.67%	
The Company	Baihuang Investment Co., Ltd	Investment	100.00%	100.00%	
The Company	Dinglin International Enterprise Co., Ltd.	Residential and building development lease and sale business	51.00%	51.00%	
The Company	168 Investment Ltd. (168)	Investment	95.59%	95.43%	Note 4
The Company	Quantum Investment Ltd. (Quantum)	Investment	85.38%	84.65%	Note 6
The Company	Diamond Overseas Co., Ltd. (Diamond)	Investment	100.00%	100.00%	
The Company	Fast Growth Limited (Fast)	Investment	100.00%	100.00%	Note 1
Taiyu Construction Co., Ltd.	Worldwide Overseas Corp. (Worldwide)	Engineering Consultant	100.00%	100.00%	
Baihuang Investment Co., Ltd	Dinglin International Enterprise Co., Ltd	Residential and building development lease and sale business	49.00%	49.00%	
Headway	Gold Square Investment Ltd. (Gold Square)	Investment	100.00%	100.00%	
Headway	Qingdao Xiangdu Investment Co., Ltd. (Qingdao)	Investment	100.00%	100.00%	
168	Nanjing Dingzheng Real Estate Co., Ltd (Nanjing)	Operation and construction of hotels and real estate development	100.00%	100.00%	
Quantum	Billion Capital Holding Co., Ltd. (Billion)	Investment	100.00%	100.00%	Note 7
Billion	Chengdu Dingkang Real Estate Co., Ltd (Chengdu)	Business management service	100.00%	100.00%	Note 2
Fast	Century Up Ltd. (Fast)	Investment	81.21%	77.28%	Note 5
Nanjing Dingzheng Real Estate Co., Ltd.	Nanjing Dingzheng Hotel Co., Ltd (Nanjing)	Hotel operation and management	100.00%	100.00%	
Chengdu Chunya Co., Ltd	Chengdu Dingkang Real Estate Co., Ltd (Chengdu)	Real estate development	100.00%	100.00%	Note 2
Century Up Ltd.	Qingdao Dinglin International Business Management Co., Ltd (Qingdao)	Hotel operation and management	79.94%	79.94%	
Qingdao Dinglin International Business Management Co., Ltd.	Qingdao Dinglin Hotel Co., Ltd (Qingdao)	Hotel operation and management	100.00%	100.00%	
Qingdao Dinglin International Business Management Co., Ltd.	Hubei Guangjiang Real Estate Co., Ltd. (Hubei)	Real estate development	-	-	Note 5
Qingdao Dinglin International Business Management Co., Ltd.	Guangjiang (Hubei) Hotel Co., Ltd (Guangjiang)	Hotel operation and management	-	-	Note 5

Note 1: On March 14, 2022, Fast decided to reduce its capital, with the base date set on March 15, 2022, and the reduction amount being CNY 52,900 thousand. Additionally, on March 28, September 20, and December 26, 2022, the board of directors decided to conduct cash capital increases, with the amounts being USD 4,723 thousand, USD 708 thousand, and USD 3,223 thousand, respectively. The base dates for the capital increases were March 31, September 21, and December 30, 2022, respectively.

Fast increased its capital by USD 2,900 thousand, CNY 10,000 thousand and USD 10,061 respectively on March 14, March 29, and June 27, 2023. The base dates of capital increase are March 31, March 31 and June 30, 2023 respectively

Note 2: On September 21, 2021, the Group's subsidiary, Chengdu Chunya Co., Ltd., signed an equity financing contract with Jiaying Yuerong's business management partnership (limited partnership) and its related enterprises. Although the direct and indirect shareholding of Chengdu Dingkang real estate Co., Ltd. is less than 50%, in essence, the Group can still lead the operation activities of Chengdu Dingkang real estate Co., Ltd., has the right to participate in the variable remuneration and have the ability to affect it. Therefore, it is proposed to continue to include Chengdu Dingkang real estate Co., Ltd. in the consolidated financial statements in accordance with the judgment guidance of IFRS 10 and the special factors of the instruction described in IFRS 10: B18, B19, and B20.

Note 3: Taiyu Construction Co., Ltd. resolved to conduct a cash capital increase of NT\$ 91,000 thousand on May 31, 2022. The base date for the capital increase was June 29, 2022, and the Company's shareholding percentage increased to 92.70%.

Note 4: On December 26, 2022, 168 resolved to conduct a cash capital increase of USD 416 thousand. The base date for the capital increase was December 30, 2023, and the Company's shareholding percentage increased to 95.43%.

On March 14, 2023, 168 resolved to conduct a cash capital increase of USD 7,997 thousand. The base date for the capital increase was March 31, 2023, and the Company's shareholding percentage increased to 95.59%.

Note 5: On June 27, 2023, Century Up Ltd. (Fast) resolved to conduct a cash capital increase of USD 6,534 thousand. The base date for the capital increase was June 30, 2023, and the Company's shareholding percentage increased to 81.21%.

Note 6: On September 23 and December 18, 2023, Quantum resolved to conduct a cash capital increase of USD 2,571 thousand and USD 686 thousand respectively. The base dates for the capital increase were September 30 and December 29, 2023 respectively, and the Company's shareholding percentage increased to 85.38%.

Note 7: On September 23 and December 18, 2023, Billion resolved to conduct a cash capital increase of USD 2,571 thousand and USD 686 thousand respectively. The bases dates for the capital increase were September 30 and December 29, 2023 respectively.

C. Subsidiaries not included in the consolidated financial reports: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Material restrictions:

As of December 31, 2023, there were NT\$163,432 thousand in cash and bank deposits held in China, which was intended for local project development. Due to local foreign exchange controls, these funds are restricted from being transferred out of China (excluding normal dividends).

F. Contents of the parent company's securities held by subsidiaries: None.

G. Subsidiaries that have non-controlling interests that are material to the Group:

Name of subsidiary	Non-controlling interest			
	2023.12.31		2022.12.31	
	Shareholding ratio	Amount	Shareholding ratio	Amount
Century Up Ltd.	18.79%	\$ (174,521)	22.72%	\$ (93,648)

a. For information on the main operation locations and registration countries of the above-mentioned subsidiaries, please refer to Note 13 (2).

b. Summarized financial information:

i. Balance sheet:

	Fast and subsidiaries	
	2023.12.31	2022.12.31
Current assets	\$ 5,300,336	\$ 4,490,185
Non-current assets	6,080,603	6,035,850
Current liabilities	(4,260,923)	(5,666,862)
Non-current liabilities	(5,157,535)	(2,954,230)
Interest	<u>\$ 1,962,481</u>	<u>\$ 1,904,943</u>

ii. Statement of comprehensive income:

	Fast and subsidiaries	
	2023	2022
Revenue	<u>\$ 475,360</u>	<u>\$ 367,075</u>
Loss for the period	\$ (393,380)	\$ (709,808)
Other comprehensive loss(net after-tax)	(4,908)	(221,483)
Total comprehensive loss or profit for the period	<u>\$ (398,288)</u>	<u>\$ (931,291)</u>
Net profit attributable to non-controlling interest	<u>\$ (138,347)</u>	<u>\$ (212,753)</u>
Comprehensive loss or profit attributable to non-controlling interest	<u>\$ (138,347)</u>	<u>\$ (212,753)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

iii. Statements of cash flows:

	Fast and subsidiaries	
	2023	2022
Net cash provided by operating activities	\$ (175,024)	\$ 198,874
Net cash used in investing activities	(1,203,794)	(322,235)
Net cash provided by financing activities	1,407,311	207,545
The impact of exchange rate changes on cash and cash equivalents	<u>37,017</u>	<u>(73,762)</u>
Net increase (decrease) in cash and cash equivalents	65,510	10,422
Cash and cash equivalents at beginning of the period	<u>28,326</u>	<u>17,904</u>
Cash and cash equivalents at end of the period	<u>\$ 93,836</u>	<u>\$ 28,326</u>

(4) Foreign currency translation

- A. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Company's presentation currency.
- B. In preparing the parent company only financial statements of each consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.
- C. For the purposes of presenting consolidated financial statements, the assets and liabilities of the foreign operations are translated into NT\$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

(5) Classification of Current and Noncurrent Assets and Liabilities

- A. Assets that meet one of the following criteria are classified as current assets:
 - a. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - b. Assets held mainly for trading purposes;
 - c. Assets that are expected to be realized within twelve months from the balance sheet date;
 - d. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise, they are classified as non-current assets.

- B. Liabilities that meet one of the following criteria are classified as current liabilities:
 - a. Liabilities that are expected to be settled within the normal operating cycle;
 - b. Liabilities arising mainly from trading activities;
 - c. Liabilities that are to be settled within twelve months from the balance sheet date, even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue.
 - d. Liabilities for which the repayment date cannot be extended unconditionally to over twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification;

Otherwise, they are classified as non-current liabilities.

(6) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and 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. (Including time deposits with original maturities of less than 3 months)

(7) Financial Instruments

Financial assets and liabilities shall be recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs were directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss and are recognized immediately in profit or loss.

Financial assets

A. Measurement categories

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

Financial assets of the Group are classified as financial assets at FVTPL, financial assets not measured at amortized cost, debt instrument investment at FVTOCI, and equity instrument investment at FVTOCI.

(A) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

The financial assets measured at amortized cost or fair value through other comprehensive income at initial recognition would eliminate or significantly reduce a measurement or recognition inconsistency which would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases, the Company shall make an irrevocable choice to, at initial recognition, designate the financial asset as a financial asset measured at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, and their dividends, interest income, and remeasured benefits or losses are recognized in other benefits, and losses/dividends generated are recognized in other income, and interest income and remeasured benefits or losses are recognized in other benefits and losses. Fair value is determined in the manner described in Note 6(33).

(B) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. The contractual terms of the financial assets give rise on a specified date to cash flow that is solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, which equals a gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the following two cases, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

- a. Purchased or originated credit-impaired financial assets: for those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- b. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets: for those financial assets, the Group shall apply the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

(C) Investments in debt instruments at FVTOCI

According to the accounting policy of the group, upon initial recognition, the group has the irrevocable option to designate equity instruments that are not held for trading or held for business combination as "fair value through other comprehensive income" (FVOCI).

Equity investments designated as FVOCI are measured at fair value, and subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. When such investments are disposed of, the cumulative gain or loss is reclassified from other comprehensive income to retained earnings and is not recognized in the income statement.

Dividends received on equity investments measured at FVOCI are recognized in the income statement when the right to receive the dividend is established, unless the dividend clearly represents a recovery of part of the investment's cost.

B. Impairment of financial assets

- a. At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivable, and contract assets.
- b. At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivable, and contract assets.
- c. Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.
- d. The Group recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

C. De-recognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

- a. The contractual rights to receive the cash flows from the financial asset expire.
- b. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- c. The Group has not transferred substantially almost all risks and rewards; however, the Group has not retained control of the financial asset.

On the de-recognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On the de-recognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. However, on the de-recognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Equity instruments

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

(A) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following:

- a. Financial liabilities at fair value through profit or loss are financial liabilities held for transactions or financial liabilities initially recognized at fair value. Those classified into financial liabilities held for trading are derivatives acquired principally for the purpose of repurchasing in the near term or are derivatives other than those designated as hedged items under hedge accounting requirements. According to the Group, financial liabilities are measured at FVTPL upon initial recognition when such financial liabilities meet one of the following criteria:
 - (a) Hybrid (combined) contract containing embedded derivative instruments, where the main contract does not qualify as an asset within the scope of IFRS 9; or
 - (b) Eliminating or significantly reducing inconsistency on measurement or recognition.
 - (c) Instruments that are managed on a fair value basis, and are assessed with their performance, in accordance with written risk management policy.
- b. Financial liabilities measured at FVTPL are financial liabilities recognized at fair value, with the relevant transaction costs recognized as profit or loss. Subsequently, the costs of such financial liabilities are measured at fair value, and any changes in fair value are recognized as profit or loss.
- c. For those designated as financial liabilities measured at FVTPL, the changes in fair value due to credit risk variations are recognized in other comprehensive income, without subsequently being reclassified as profit or loss. The remaining change in the fair value of such liabilities is recognized as profit or loss. However, if the aforementioned accounting treatment would incur or accelerate an accounting mismatch, the gains or losses of such liabilities are recognized as profit or loss in their entirety.

(B) De-recognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(8) Inventories

Including the land to be built, the land under construction, and the land for sale, the construction income/loss is recognized according to the completed contract method based on the acquisition cost. The inventory is measured according to the lower of cost and net realizable value. When comparing the cost with the net realizable value, the item-by-item method is adopted; The net realizable value refers to the balance of the estimated selling price under normal circumstances after deducting the estimated costs and related variable expenses to be invested until completion. The interest on land under construction shall be capitalized in accordance with IAS 23.

The perpetual inventory system is adopted for commodity inventory according to the lower of cost and net realizable value. The cost is calculated by the weighted average method.

(9)Property, plant, and equipment

- A. Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. The cost model is applied to other properties, plants, and equipment, and these are depreciated using the straight-line method. The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the asset's future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant, and equipment are as follows:

<u>Asset item</u>	<u>Useful life</u>
Buildings	20 to 55 years
Other equipment	3 to 11 years

- D. An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising from the disposal or retirement of an item of property, plant, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(10) Leases

At the inception of a contract, the Group assesses whether the contract is, or contains a lease. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

A. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use asset

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any re-measurement of the lease liabilities.

Except for the right-of-use assets that meet the definition of investment property, the right-of-use assets are presented as separate items in the consolidated balance sheet. For the recognition and measurement of the right-of-use assets that meet the definition of investment property, please refer to note 4 (11) of accounting policies for investment property.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Group will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments. Lease payments comprise fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If the change of the lease term, the evaluation of the option to purchase the underlying asset, the amount expected to be paid under the residual value guarantee, or the index or rate used to determine the lease payment results in the change of the future lease payment, the Group re-measures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the re-measurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the re-measurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Group recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction. The Group continues to recognize the transferred assets and recognize the financial liabilities equal to the transfer price.

B. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease. The lease payments (including any one-time past payment) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for by applying for recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accruing to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. The Group allocates the financing income to the lease term on a systematic and reasonable basis so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases. For a lease modification that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification has been in effect at the inception date, the Group accounts for the lease modification as a new lease and measures the carrying amount of the house underlying asset as the finance lease receivables immediately before the effective date of the lease modification. Other lease modifications are accounted for by adjusting the finance lease receivables in accordance with IFRS 9.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease negotiations with the lessee shall be treated as new leases on the effective date of the lease amendment.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(11) Investment Properties

Investment properties are properties held for earning rentals and/or for capital appreciation, including property under construction for these purposes. Investment properties also include land held for currently undetermined future use.

Own investment properties are measured initially at cost, including transaction costs.

All investment properties are subsequently measured using the fair value model, and the profits or losses arising from changes in fair value are recognized in the income statement in the year they occur.

Investment properties are initially recognized at fair value on the date of transition to owner-occupied or when they cease to be owner-occupied and are reclassified as property, plant, and equipment.

On the de-recognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in the profit or loss of the year.

(12) Intangible Assets

Separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization is recognized using the straight-line method over the following estimated useful lives: software and system design costs –5 years; cost of issuing corporate bonds - the economic life or contract period. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Goodwill and intangible assets with uncertain service life are not amortized and instead are tested for impairment annually.

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising from the disposal or retirement of an item of intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss of the year.

(13) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist, the impairment loss is reversed within the scope of the amount of loss provided in prior years.

The recoverable amount of goodwill, intangible assets with uncertain life, and intangible assets not yet available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

(14) Provisions

Provisions of warranties are recognized when the Company has a present legal or constructive obligation as a result of past events and an outflow of economic resources will probably be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are not recognized for future operating losses.

(15) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees and should be recognized as an expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefit that employees will receive on retirement for their services with the Group in the current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).
- ii. Re-measurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

C. Employees' bonus and directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as changes in estimates.

D. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result of either the Group's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after the balance sheet date shall be discounted to their present value.

(16) Preferred stock liabilities

The redeemable preferred shares of the Company are classified as financial liabilities, as they are subject to cumulative dividends and the holders do not have a redemption right. Dividends are recognized as interest expense under accrual basis.

(17) Share capital & treasury stocks

A. Share capital

Common shares were classified as equity. The classification of preferred shares refers to the definition of substantial contractual agreement, financial liabilities, and equity instruments, and evaluates the specific rights attached to preferred shares. When the basic characteristics of financial liabilities were exhibited, they were classified as liabilities; otherwise, they would be equity. The net increase in costs directly attributable to the issuance of new shares or share warrants after deducting income tax is recorded as the deduction of share prices.

B. Treasury stocks

The Group withdrew the issued outstanding shares and recognized them as "treasury stocks" based on the consideration paid at the time of purchase (including directly attributable costs) as a deduction of equity. Where the price of the disposal of treasury stocks is higher than the carrying amount, the difference was listed as capital surplus-treasury stock transactions. Where the disposal price is lower than the carrying amount, the difference is offset against the asset surplus generated by the exchange of the same type of treasury stock. In case of a shortfall, the surplus is debited in the retained earnings. The carrying amount of treasury stocks is taken weighted average and calculated separately according to the reason for recovery.

When treasury stocks are canceled, the capital reserve is debited according to the proportion of equity - share certificates issuance premium and share capital. Where the carrying amount is higher than the face value and the total value of the stock issuance premium, the difference would be offset against the capital generated by the exchange of the same type of treasury stocks. In case of a shortfall, it would be offset against the retained earnings. Where the carrying amount is lower than the face value and the total of the stock issuance premium, the capital reserve generated by the same type of treasury stock exchanges would be credited.

(18) Income tax

- A. The income tax expenses comprise current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the income tax is recognized in other comprehensive income or directly in equity, respectively.
- B. The Group calculates the income tax payable for the current term exactly in accordance with the tax rates that had been enacted or substantially enacted in the countries for the income tax as of the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable relevant laws of income tax, and under the fact of situations, the income tax liabilities estimated shall be paid to the tax collection authority. The unappropriated earnings having been consolidated were charged for the income tax. The income tax expense of unappropriated earnings was recognized based on the actual allocation of the earnings as resolved in the shareholders' meeting in the year ensuing the year in which the earnings were yielded.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the balance sheets. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction results in neither equal taxable nor deductible temporary differences. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and, probably, the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. The Group's tax incentives-oriented expenditures that comply with the purchase of equipment or

technology, research and development expenditure, personnel training expenditure, and equity investment were accounted for with the use of income tax deduction accounting.

(19) Revenue recognition

The Group's revenue recognition principle from customer contracts is to recognize revenue based on the following steps:

- A. Identify the contract with the customer;
- B. Identify the performance obligations in the contract;
- C. Determine the transaction price;
- D. Allocate the transaction price to the performance obligations in the contracts; and
- E. Recognize revenue when the entity satisfies a performance obligation.

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

In an event where several contracts are signed with the same customer or relative parties of the customer near the same time, and these contracts are (A) negotiated as a single commercial package, (B) consideration in one contract depends on the other contract, or (C) goods or services (or some of the goods or services) are a single performance obligation, the Group treats these contracts as a single contract.

Contracts of which the time interval between the transfer of goods or services and the consideration is less than one year shall not have its major financial components, such as transaction price, adjusted.

(A) Land development and real estate sales

The Group develops and sells residential real estate and often pre-sells real estate during or before construction. The Group recognizes revenue when the control over real estate is transferred. Due to contractual restrictions, the real estate usually has no other use for the Group. Therefore, the Group shall be subject to the date when the legal ownership of the real estate is transferred to the customer and the premises have been delivered. However, only one of them is completed before the reporting date, but the other one that has been completed in the subsequent period is also recognized as revenue.

However, after the legal ownership of the real estate is transferred to the customer, the Group has enforceable rights over the payment that has been performed so far. Therefore, the Group recognizes revenue when the legal ownership of real estate is transferred to customers.

Revenue is measured at the transaction price of the contract agreement. In most cases, consideration can be collected when the legal ownership of the real estate is transferred. In a few cases, the payment of accounts can be deferred according to the contract agreement. If significant financial components are included, the transaction price shall be adjusted to reflect the impact of significant financial components. In the case of pre-sale of real estate, the payment is usually collected in installments during the period from the signing of the contract to the transfer of the real estate to the customer. If the contract contains significant financial components, the transaction price shall be adjusted according to the project loan interest rate during the period to reflect the impact of the time value of the current. Amounts received in advance are recognized as contractual liabilities, and interest expenses and contractual liabilities are recognized when adjusting the impact of the time value of the current. The amount of accumulated contractual liabilities is transferred to revenue when the real estate is transferred to the customer.

(B) Engineering contract

The Group is engaged in the contracting business of residential real estate and commercial buildings. Since the assets are under the control of the customer at the time of construction, the revenue is gradually recognized over time based on the proportion of the project cost incurred so far in the estimated total contract cost. Contracts include fixed and variable considerations. The customer shall pay a fixed amount according to the agreed schedule. Some variable consideration (such as fines and price adjustments based on overdue days) is estimated based on the expected value using the experience accumulated in the past. The Group recognizes revenue only to the extent that the accumulated revenue is highly likely not to be significantly reversed.

If the amount of revenue recognized has not been paid, it is recognized as contract assets. When there is an unconditional right to the consideration, the contract assets shall be transferred to accounts receivable.

If it is impossible to reasonably measure the completion of the performance obligations of the engineering contract, the contract revenue is recognized only within the range of the expected recoverable cost.

When the Group expects that the inevitable cost of performing the obligations of an engineering contract exceeds the expected economic benefits from the contract, the liability provision for the loss contract shall be recognized.

If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the resulting increase or decrease will be reflected in profit or loss during the period when the management is informed of the change.

(20) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of those assets until the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(21) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received.

Government grants are recognized in profit or loss on a systematic basis during the period when the relevant costs intended to be compensated are recognized as expenses by the Group. If the government grants are used to compensate for expenses or losses incurred or to provide immediate financial support to the Group without future related costs, it is recognized in profit or loss during the period in which they can be collected. Government grants related to property, plant, and equipment are recognized as non-current liabilities and are recognized as current profits and losses on a straight-line method according to the estimated useful life of the relevant assets.

The difference between the amount of government loans at the rate lower than the current market interest received by the Group and the fair value of loans calculated at the current market interest rate is recognized as government grants.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgments, accounting estimates, and assumptions in applying the accounting policies during the preparation of the consolidated financial statement consist of the following:

(1) Critical judgments in applying accounting policies

Investment properties

When the Group holds certain real estate with the intention of earning rental income or capital appreciation, it classifies such real estate as investment properties.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of tangible and intangible assets

The Group assesses impairment based on its subjective judgment and determines the separate cash flows of a specific group of assets, the useful lives of assets, and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes in economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on the balance sheet date using judgments and estimates. The Group evaluates the amounts of normal inventory consumption, obsolete inventories, or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value.

C. The fair value measurement of investment properties

Due to the subsequent measurement of investment properties at fair value, the investment properties held by the Group mainly consist of real estates such as land and buildings. Therefore, it is necessary to engage experts to apply their professional judgment and estimation to determine the fair value of investment properties as of the balance sheet date. The Group will adjust the cost to fair value based on the appraisal report issued by the experts. The valuation of these investment properties primarily relies on the estimates provided in the expert's report, and as such, future changes in specific periods of product demand, real estate market conditions, and the judgment and estimation of the experts may all affect the measurement of fair value.

D. Reliability of deferred income tax assets

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the reliability of deferred income tax assets involves critical accounting judgments and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, tax-exempt duration, available tax credits, tax planning, etc. Any variations in the global economic environment, industrial environment, laws, and regulations might cause material adjustments to deferred income tax assets.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

Item	2023.12.31	2022.12.31
Cash on hand and petty cash	\$ 7,408	\$ 7,897
Bank deposits	356,227	472,159
	<u>\$ 363,635</u>	<u>\$ 480,056</u>

A. The financial institutions dealing with the Group are creditworthy, and the Group's transactions with a number of financial institutions to diversify credit risk are unlikely to be expected to default.

B. The Group had no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss – noncurrent

	2023.12.31	2022.12.31
Non-derivative financial assets		
Open-end fund	\$ 3,071	\$ 3,071

A. The Group had no financial assets at fair value through profit or loss pledged to others.

B. Please refer to Note 6(33) for the credit risk management and evaluation method.

(3) Financial assets at fair value through other comprehensive profit or loss – noncurrent

	2023.12.31	2022.12.31
Equity instrument		
Domestic unlisted stock	\$ 750	\$ 750
Valuation adjustment	(750)	(741)
	<u>\$ -</u>	<u>\$ 9</u>

A. The Group invests in the common stock of Laru Network Technology Co., Ltd. for medium and long-term strategic purposes, and expects to make profits through long-term investment. The management of the Group believes that if the short-term fair value fluctuation of such investment is included in the profit and loss, it is inconsistent with the long-term investment planning mentioned above, so they choose to designate such investment as measured by fair value through other comprehensive profit and loss.

B. The Group has no financial assets at fair value through other comprehensive income in its possession provided as collateral or pledged.

C. Please refer to Note 6(33) for the credit risk management and evaluation method.

(4) Notes receivable, net

Item	2023.12.31	2022.12.31
Notes receivable	\$ -	\$ 3,578
Less: Loss allowance	-	-
Net	<u>\$ -</u>	<u>\$ 3,578</u>

The Group had no notes receivable pledged to others.

(5) Accounts receivable, net

Item	2023.12.31	2022.12.31
Accounts receivable	\$ 51,191	\$ 42,558
Less: Loss allowance	(27,247)	(32,766)
Net	<u>\$ 23,944</u>	<u>\$ 9,792</u>

A. The average credit period of the Group's accounts receivable is 30 to 45 days, which is the credit standard set according to the industrial characteristics, operation scale, and profitability of the counterparty.

B. The Group had no accounts receivable pledged to others.

C. The Group applies the simplified approach to provisions for expected credit losses, which permits the use of a lifetime expected credit losses provision for trade receivables. The expected credit loss on trade receivables is to examine the debtor's past default experience and current financial and industrial conditions, as well as the overall economic and industrial outlook to adjust the loss rate established by historical and current information.

As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on the past due status is not further distinguished according to the different segments of the Group's customer base. Therefore, the provision matrix does not further distinguish the customer segment and only sets the expected credit loss rate based on the overdue days of accounts receivable. The following table details the loss allowance of trade receivables based on the Group's provision matrix.

2023.12.31				
Aging range	Weighted mean expected credit loss rate	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Not overdue	-	\$ -	\$ -	\$ -
1-30 days overdue	-	12,484	-	12,484
31-180 days overdue	6.07%	9,140	-	9,140
181-365 days overdue	85.63%	1,938	(1,716)	222
More than 365 days overdue	91.54%	27,629	(25,531)	2,098
		<u>\$ 51,191</u>	<u>\$ (27,247)</u>	<u>\$ 23,944</u>

2022.12.31				
Aging range	Weighted mean expected credit loss rate	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Not overdue	-	\$ 33,787	\$ -	\$ 33,787
1-30 days overdue	-	5,842	-	5,842
31-180 days overdue	-	19,285	-	19,285
181-365 days overdue	15.91%	3,243	(516)	2,727
More than 365 days overdue	40.70%	80,695	(32,845)	47,850
		<u>\$ 142,852</u>	<u>\$ (33,361)</u>	<u>\$ 109,491</u>

D. Changes in loss allowance of accounts receivable:

	2023	2022
Beginning balance	\$ 32,766	\$ 33,361
Provision for impairment(reversal) loss	(5,474)	(708)
Foreign currency translation difference	(45)	113
Balance at December 31	<u>\$ 27,247</u>	<u>\$ 32,766</u>

The Group does not hold any collateral or other credit enhancement guarantee for these accounts receivable.

(6) Other receivables

Item	2023.12.31	2022.12.31
Income receivable	\$ 179,851	\$ 107,107
Other receivables – lending funds	263,177	273,420
Other receivables - others	20,056	22,160
Less: Loss allowance	-	-
	<u>\$ 463,084</u>	<u>\$ 402,687</u>

Changes in loss allowance of other accounts receivable:

	2023	2022
Beginning balance	\$ -	\$ -
Add: provision for impairment loss	183	-
Less: write off due to irrecoverability	(180)	-
Foreign currency translation difference	(3)	-
Balance at December 31	<u>\$ -</u>	<u>\$ -</u>

(7) Inventories and sales costs

Item	2023.12.31	2022.12.31
Buildings and lands held for sale	\$ 2,305,399	\$ 2,950,305
Construction land	1,514,095	895,533
Construction in progress	1,172,363	1,936,918
Other expenses under construction	13,519,165	13,581,105
Prepayment for land purchases	94,277	61,825
Merchandise inventory	14,523	16,160
	<u>\$ 18,619,822</u>	<u>\$ 19,441,846</u>

A. Inventory:

(A) Buildings and lands held for sale

Name	2023.12.31	2022.12.31
Shining Shilin Medical Park	\$ 1,543,921	\$ 2,097,340
Shining Art Museum	761,478	766,613
Shining Yuchuan	-	86,352
	<u>\$ 2,305,399</u>	<u>\$ 2,950,305</u>

(B) Land held for sale

Item	2023.12.31	2022.12.31
Yuanlin City, Zhanghua county	\$ 517,572	\$ 517,572
Haifenglun section, Douliu, Yunlin	426,681	-
Central section, Wanhua District, Taipei	295,479	291,607
Dehui section B, Zhongshan District, Taipei	241,608	25,642
Dehui section A, Zhongshan District, Taipei	32,755	32,755
Wuguwang section, Sanchong District, Taipei	-	27,957
	<u>\$ 1,514,095</u>	<u>\$ 895,533</u>

(C) Construction in progress

Name	Estimated completion date	2023.12.31	2022.12.31
Shining Rural Dome	2024	\$ 707,195	\$ 301,900
Shining The Zhongshan	2027	52,200	20
Shining Yun Feng	2026	26,234	-
Shining Hengmei	2023	-	1,248,364
Bulk transfer		386,734	386,634
		<u>\$ 1,172,363</u>	<u>\$ 1,936,918</u>

(D) Other expenses under construction

Item	2023.12.31	2022.12.31
Chengdu project	\$ 11,623,395	\$ 11,085,720
Nanjing engineering case	1,751,411	2,265,600
Qingdao Engineering Case	64,866	138,047
Prepaid real estate	79,493	87,191
Renovation of Forever Young Public Facilities	-	4,547
	<u>\$ 13,519,165</u>	<u>\$ 13,581,105</u>

It refers to the construction cost of hotels, shopping malls, offices, hotel apartments, and real estate development in Nanjing, Qingdao, and Chengdu by the Group, and the decoration cost of the related constructions.

(E) Prepayment for land purchases

Item	2023.12.31	2022.12.31
Nong'an street, Zhongshan District, Taipei	\$ 37,459	\$ 37,459
Dehui section B, Zhongshan District, Taipei	29,641	-
Da'an Longquan Section, Taipei	24,366	24,366
Hongfu Section, Sinjhuang District, New Taipei	1,724	-
Wuguwang section, Sanchong District, Taipei	1,087	-
	<u>\$ 94,277</u>	<u>\$ 61,825</u>

B. The profits (losses) related to inventories recognized as cost of sales in the current period are as follows:

Item	2023	2022
Inventory cost of houses and lands sold	\$ 2,274,561	\$ 633,198
Hotel cost	497,141	400,519
Engineering cost	7,407	3,026
Inventory value recovery benefits	(613)	(61,748)
Other operating cost	4,597	143
	<u>\$ 2,783,093</u>	<u>\$ 975,138</u>

C. In the fiscal years 2023 and 2022, The Company recognized inventory write-up recovery benefits of NT\$613 thousand and NT\$61,748 thousand, respectively, based on the appraisal results of market prices and appraisal reports of neighboring areas' real estate registration values. This recognition was due to the improvement in the net realizable value of our inventory.

D. For the capitalized amount of interest on inventories in 2023 and 2022, please refer to Note 6(27) for details.

E. Please refer to Note 8 for details of the Group's guaranteed borrowings for inventories.

(8) Property, plant, and equipment

Item	2023.12.31	2022.12.31
Land	\$ 319,503	\$ 319,503
Buildings	7,766,217	7,900,729
Miscellaneous equipment	1,626,346	1,641,666
Unfinished construction	<u>3,078,991</u>	<u>3,130,880</u>
Total cost	12,791,057	12,992,778
Less: Accumulated depreciation	(2,880,021)	(2,456,364)
Accumulated impairment	<u>(8,495)</u>	<u>(8,495)</u>
Total	<u>\$ 9,902,541</u>	<u>\$ 10,527,919</u>

	Land	Buildings	Miscellaneous equipment	unfinished construction	Total
<u>Cost</u>					
2023.1.1 balance	\$ 319,503	\$ 7,900,729	\$ 1,641,666	\$ 3,130,880	\$ 12,992,778
Additions	-	-	16,966	4,838	21,804
Disposals	-	-	(3,331)	-	(3,331)
Effect of foreign exchange differences	-	(134,512)	(28,955)	(56,727)	(220,194)
2023.12.31 balance	<u>\$ 319,503</u>	<u>\$ 7,766,217</u>	<u>\$ 1,626,346</u>	<u>\$ 3,078,991</u>	<u>\$ 12,791,057</u>
<u>Accumulated depreciation and impairment</u>					
2023.1.1 balance	\$ 8,495	\$ 1,759,789	\$ 696,575	-	\$ 2,464,859
Depreciation expense	-	288,172	188,400	-	476,572
Disposals	-	-	(2,978)	-	(2,978)
Effect of foreign exchange differences	-	(35,086)	(14,851)	-	(49,937)
2023.12.31 balance	<u>\$ 8,495</u>	<u>\$ 2,012,875</u>	<u>\$ 867,146</u>	<u>-</u>	<u>\$ 2,888,516</u>

	Land	Buildings	Miscellaneous equipment	unfinished construction	Total
<u>Cost</u>					
2022.1.1 balance	\$ 319,503	\$ 7,752,437	\$ 1,647,925	\$ 3,059,966	\$ 12,779,834
Additions	-	-	15,029	8,334	23,363
Disposals	-	-	(54,301)	-	(54,301)
Effect of foreign exchange differences	-	148,292	33,013	62,577	243,882
2022.12.31 balance	<u>\$ 319,503</u>	<u>\$ 7,900,729</u>	<u>\$ 1,641,666</u>	<u>\$ 3,130,880</u>	<u>\$ 12,992,778</u>
<u>Accumulated depreciation and impairment</u>					
2022.1.1 balance	\$ 19,570	\$ 1,443,786	\$ 547,957	-	\$ 2,011,307
Depreciation expense	-	290,130	193,041	-	483,171
Impairment reversal gain	(11,075)	(1,337)	-	-	(12,412)
Disposals	-	-	(54,372)	-	(54,372)
Effect of foreign exchange differences	-	27,216	9,949	-	37,165
2022.12.31 balance	<u>\$ 8,495</u>	<u>\$ 1,759,789</u>	<u>\$ 696,575</u>	<u>\$ -</u>	<u>\$ 2,464,859</u>

A. No interest capitalization of the Group's property, plant, and equipment.

B. Please refer to Note 8 for details of the collateral provided to financial institutions.

(9) Lease agreement

A. Right-of-use assets

Item	2023.12.31	2022.12.31
Land	\$ 1,357,301	\$ 1,382,347
Buildings	16,788	16,913
Transport equipment	5,402	5,791
Total cost	1,379,491	1,405,051
Less: Accumulated depreciation	(330,575)	(289,819)
Net	<u>\$ 1,048,916</u>	<u>\$ 1,115,232</u>

Cost	Land	Buildings	Transport equipment	Total
2023.1.1 balance	\$ 1,382,347	\$ 16,913	\$ 5,791	\$ 1,405,051
Increase	-	16,788	-	16,788
Disposals	-	(16,913)	(350)	(17,263)
Effect of foreign exchange differences	(25,046)	-	(39)	(25,085)
2023.12.31 balance	<u>\$ 1,357,301</u>	<u>\$ 16,788</u>	<u>\$ 5,402</u>	<u>\$ 1,379,491</u>
Accumulated depreciation				
2023.1.1 balance	\$ 274,234	\$ 13,531	\$ 2,054	\$ 289,819
Depreciation expense	58,589	3,382	1,966	63,937
Disposals	-	(16,913)	(350)	(17,263)
Effect of foreign exchange differences	(5,887)	-	(31)	(5,918)
2023.12.31 balance	<u>\$ 326,936</u>	<u>\$ -</u>	<u>\$ 3,639</u>	<u>\$ 330,575</u>

Cost	Land	Buildings	Transport equipment	Total
2022.1.1 balance	\$ 1,354,683	\$ 16,913	\$ 5,650	\$ 1,377,246
Increase	-	-	5,071	5,071
Disposals	-	-	(5,030)	(5,030)
Effect of foreign exchange differences	27,664	-	100	27,764
2022.12.31 balance	<u>\$ 1,382,347</u>	<u>\$ 16,913</u>	<u>\$ 5,791</u>	<u>\$ 1,405,051</u>
Accumulated depreciation				
2022.1.1 balance	\$ 211,184	\$ 10,148	\$ 4,942	\$ 226,274
Depreciation expense	58,949	3,383	2,061	64,393
Disposals	-	-	(5,030)	(5,030)
Effect of foreign exchange differences	4,101	-	81	4,182
2022.12.31 balance	<u>\$ 274,234</u>	<u>\$ 13,531</u>	<u>\$ 2,054</u>	<u>\$ 289,819</u>

(a) The Group's right-to-use assets were not significantly sublet in 2023 and 2022.

(b) Please refer to Note 8 for more Group's information regarding providing guarantee with the collateral of right-of-use assets.

B. Lease liabilities

Item	2023.12.31	2022.12.31
Carrying amount of lease liabilities		
current	\$ 4,229	\$ 4,735
noncurrent	14,359	2,591
	<u>\$ 18,588</u>	<u>\$ 7,326</u>

Ranges of discount rates for lease liabilities were as follows:

	2023.12.31	2022.12.31
Buildings	3.06%	2.80%
Miscellaneous equipment	2.57%~11.50%	2.57%~11.50%

Please refer to Note 6(34) for lease liabilities with repayment periods.

C. Other lease information

The current lease relevant expense information was as follows:

	2023	2022
Short-term lease expense	\$ 14,372	\$ 23,111
Low-value asset lease expense	\$ 1,569	\$ 1,047
Total cash outflow for leases (Note)	<u>\$ 21,444</u>	<u>\$ 29,757</u>

(Note): Including principle paid for current lease liabilities.

(10) Investment properties.

	2023		
	Land	Buildings	Total
2022.1.1 balance	\$ 716,252	\$ 766,434	\$ 1,482,686
Transfer-in from buildings for sale	264,351	291,292	555,643
Fair value adjustment	250,957	266,396	517,353
2022.12.1 balance	<u>\$ 1,231,560</u>	<u>\$ 1,324,122</u>	<u>\$ 2,555,682</u>
	2022		
	Land	Buildings	Total
2021.1.1 balance	\$ 650,295	\$ 695,205	\$ 1,345,500
Transfer-in from buildings for sale	63,565	70,043	133,608
Fair value adjustment	2,392	1,186	3,578
2021.12.1 balance	<u>\$ 716,252</u>	<u>\$ 766,434</u>	<u>\$ 1,482,686</u>

A. Rent income and direct operating expense of investment properties:

	2023	2022
Rental income of investment properties	<u>\$ 30,907</u>	<u>\$ 23,628</u>
The direct operating expense incurred for the investment properties with current rental income	<u>\$ 6,187</u>	<u>\$ 8,221</u>

B. The fair value basis of investment properties

The investment properties held by the Group were classified as Level 3 fair value as of December 31, 2023, and in 2022. The fair value assessment was conducted by an independent valuation expert using the discounted cash flow analysis approach under the income approach. The key assumptions and relevant explanations are as follows:

- (A) The fair values of investment properties as of December 31, 2023, and December 31, 2022, are recognized in accordance with the financial reporting standards for securities issuers. The amounts reported for investment properties are as follows:

	2023.12.31	2022.12.31
Outsourced valuation	\$ 2,555,682	\$ 1,482,686

The fair value of the aforementioned investment properties is derived from the valuation conducted by Mr. Jian Wu Chi, a valuer at Zhongding Real Estate Appraisal Firm. The valuer determined the fair value in accordance with the "Real Estate Valuation Technical Rules" as of December 31, 2023, and 2022.

- (B) The Discounted Cash Flow (DCF) analysis method using the income approach is employed, which compares the rental income from similar properties in the vicinity or estimated subject property to determine the differences. Factors taken into consideration include the condition of the estimated subject property, its intended use, rental rates of neighboring or similar properties, vacancy losses, and annual rental growth rate. After adjusting and comparing, the DCF method calculates the trial rental value of the estimated subject property. Using the discounted cash flow analysis, the net income and terminal value of each period during the future discounted cash flow analysis period of the estimated subject property are discounted using an appropriate discount rate and then summed to derive the estimated property value. This valuation process complies with the "Financial Reporting Standards for Issuers of Securities" and the analysis, judgment, and conclusions drawn from it should be supported. The summarized information is as follows:

	2023.12.31	
	Office, storefront (NTD/square meter/month)	Parking space (NTD/square meter/month)
Estimated rent for this case	\$514~\$2,090	\$2,000~\$4,000
Local rental rates and market conditions of similar properties	Equivalent to the estimated rent	Equivalent to the estimated rent
Occupancy rate	91.67%~94.44%	
Rent growth rate	0.1%~1.0%	
	2022.12.31	
	Office, storefront (NTD/square meter/month)	Parking space (NTD/square meter/month)
Estimated rent for this case	\$514~\$1,520	\$2,000~\$4,000
Local rental rates and market conditions of similar properties	Equivalent to the estimated rent	Equivalent to the estimated rent
Occupancy rate	91.67%~95.83%	
Rent growth rate	0.1%~1.0%	

(C) The future cash outflows consist of relevant rental payments, royalties, operational royalties, property management fees, utility expenses, promotional costs, and other necessary expenses directly related to leasing. They also include necessary operating expenses related to the business, such as repair costs, taxes, insurance fees, and capital expenditures. The variation ratio used to determine the future changes in these expenses is consistent with the rental growth rate used to calculate rental income.

(D) Please refer to the table below for the discount rate range. It is based on the two-year postal fixed deposit savings rate of Chunghwa Post Co., Ltd., plus three digits. The risk premium is determined by factors such as bank deposit rates, government bond rates, currency fluctuations related to real estate investment, and the trend of real estate prices. The investment return rate of the most generic goods is chosen as the benchmark for comparing the differences in individual characteristics between the investment goods and the appraised targets. Factors such as liquidity, risk, appreciation potential, and management difficulty are considered for comparison and determination.

	2023.12.31	2022.12.31
Discount rate	2.49%~3.35%	3.38%~3.58%

C. For information on the fair value of investment properties, please refer to Note 6(33).

D. Details of investment properties pledged to others by the Group are shown in note 8.

(11) Short-term loans

Item	2023.12.31	2022.12.31
Collateralized borrowing	\$ 297,562	\$ 382,156
Unsecured loan	136,302	-
	<u>\$ 433,864</u>	<u>\$ 382,156</u>
Interest rate (%)	<u>3.20%~14.50%</u>	<u>1.00%~3.29%</u>

Please refer to note 8 for details of the transactions between the Group and related parties and the provision of assets as security for short-term loans.

(12) Short-term bills payable

Guarantee Institution	2023.12.31	2022.12.31
International Bills Finance Corporation	\$ 3,300,000	\$ 1,953,000
Mega Bills Finance Co., Ltd.	80,000	80,000
China Bills Finance Corporation	62,400	67,400
	<u>3,442,400</u>	<u>2,100,400</u>
Less: Discount on commercial papers issued	<u>(5,841)</u>	<u>(2,774)</u>
	<u>\$ 3,436,559</u>	<u>\$ 2,097,626</u>
Interest rate (%)	<u>3.36%~3.62%</u>	<u>1.26%~3.41%</u>

Please refer to note 8 for short-term bills payable and details of assets provided by the Group as a loan guarantee.

(13) Corporate bonds payable

Item	2023.12.31	2022.12.31
Corporate bonds payable - Secured	\$ -	\$ 1,157,249
Less: Long-term liabilities due within one year or one operating cycle	-	(1,157,249)
	<u>\$ -</u>	<u>\$ -</u>

A. The information on the issuance of secured ordinary corporate bonds by the Group is as follows:

Item	The first domestically secured ordinary corporate bond in 2020
1. Issue amount	The total amount of bonds issued by the Company is NT\$ 1.3 billion, which is divided into A and B bonds according to different issuance conditions. The A bond issuance amount is NT\$ 950 million, and the B bond issuance amount is NT\$ 350 million.
2. Par value	NT\$ 1 million.
3. Issue price	At par on the issue date.
4. Maturity period	The issuance period of each bond is three years, from November 23, 2020, to November 23, 2023.
5. Coupon rate	The coupon rate of each bond is a fixed annual interest rate of 0.85%.
6. Repayment method	The A bonds expire on the 24th, 27th, 30th, 33rd, and 36th months from the date of issuance and shall be repaid for 5%, 5%, 7.5%, 7.5%, and 75% of the principal respectively. The principal of the B bonds shall be repaid once upon maturity for three years from the date of issue.
7. Interest method	From the date of issue, the A bonds shall bear the interest at the coupon rate, and the simple interest shall be calculated and paid once in the first and second years. Interest shall be calculated and paid every three months from the 24th month (excluding). The calculation method of principal and interest is based on the coupon rate and the par value of the bonds held, and according to the actual holding days, the simple interest is calculated and the interest is paid once. Each NT\$ 1 million bond pays interest up to NT\$ 1, rounded up to the nearest NT\$. If the date of repayment of the principal and interest of the corporate bonds falls on the day when the banking industry of the place of payment ceases business, the principal and interest shall be paid on the business day following the day of suspension of business, and no interest will be calculated for the postponement days. If the principal and interest are received after the principal and interest payment date, no additional deferred interest will be calculated and paid.
8. Redemption right	The Company may exercise the redemption right of the corporate bonds from the date three months after the issuance of the corporate bonds. Each redemption amount shall be calculated as a multiple of NT \$1 million, and the creditor shall not refuse. The company may announce the exercise of the redemption right at a selected time by 7 business days before the redemption date, and notify the creditors of the corporate bonds in other appropriate ways to redeem the corporate bonds according to the par value of the bonds plus the interest payable during the actual holding period.
9. Security method	Ell securities commissions are performed by EnTie Commercial Bank, Ltd. in accordance with the entrusted guarantee contract to perform the corporate bond security.

Item	The second domestically secured ordinary corporate bond in 2019
1. Issue amount	The total amount of bonds issued is NT\$ 0.3 billion.
2. Par value	NT\$ 1 million.
3. Issue price	At par on the issue date.
4. Maturity period	The issuance period of each bond is three years, from December 20, 2019, to December 20, 2022.
5. Coupon rate	The coupon rate of each bond is a fixed annual interest rate of 0.98%.
6. Repayment method	One repayment at maturity for three years from the date of issue.
7. Interest method	From the date of issue, the bonds shall bear interest at the coupon rate and shall be paid once a year with simple interest. Each NT\$ 1 million bond pays interest up to NT\$ 1, rounded up to the nearest NT\$. If the date of repayment of the principal and interest of the Company's corporate bonds falls on the day when the banking industry of the place of payment ceases business, the principal and interest shall be paid on the business day following the day of suspension of business, and no interest will be calculated for the postponement days. If the principal and interest are received after the principal and interest payment date, no additional deferred interest will be calculated and paid.
8. Security method	All securities commissions are performed by First Commercial Bank Ltd. in accordance with the entrusted security contract to perform the corporate bond security.

B. Please refer to Note 8 for details of the assets provided by the Group as security.

(14) Long-term loans and long-term liabilities due within one year

Item	2023.12.31	2022.12.31
Secured loan	\$ 11,678,749	\$ 11,507,672
Secured loans from non-financial institutions	4,167,503	4,244,406
	15,846,252	15,752,078
Less: Due within one year	(4,626,637)	(6,054,162)
	\$ 11,219,615	\$ 9,697,916
Interest rate	1.00%~11.50%	1.00%~11.50%

Please refer to Note 8 for the details of the Group and the assets provided as loan guarantees.

(15) Long-term deferred income

	2023.12.31	2022.12.31
Deferred income - government grants	\$ 222,870	\$ 242,265

The Group received a government grant of RMB 157,719 thousand in 2010 for hotel construction and real estate development and recognized in deferred income. The construction case was completed in 2019 and transferred to income when the sale of real estate and amortization within the useful life of hotel buildings.

(16) Retirement Benefit Plans

A. Defined contribution plan

(A) The Company and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company and its domestic subsidiaries make monthly contributions to employees' pension accounts at 6% of monthly salaries and wages.

(B) Expenses under the defined contribution plan for the years ended December 31, 2023, and 2022 were \$7,592 thousand and \$6,957 thousand, respectively.

(C) The mainland subsidiary of the Company allocates endowment insurance benefits at a certain rate of the total salary of local employees every month in accordance with the endowment insurance system stipulated by the government of the People's Republic of China. The pension of each employee is managed and arranged by the government. In addition to the monthly appropriation of the Company, the pension of former employees is paid by the relevant departments of the Chinese government. Expenses of the above-mentioned pension regulations for the years ended December 31, 2023, and 2022 were \$24,730 thousand and \$25,822 thousand, respectively.

B. Defined benefit plans

(A) The Company and its domestic subsidiaries have defined retirement benefits in accordance with the provisions of the Labor Standards Act. It is applicable to the service years of all regular employees before the implementation of the Labor Pension Act on July 1, 2005, and the subsequent service years of employees who choose to continue to apply the Labor Standards Act after the implementation of the Labor Pension Act. If an employee meets the retirement conditions, the payment of pension is calculated according to the length of service and the average salary of the six months before retirement. Two bases are given for each full year of service within 15 years (inclusive), and one base is given for each full year of service beyond 15 years, but the cumulative maximum is 45 bases. The Company and its domestic subsidiaries allocate 2% of the total salary to the retirement fund monthly and deposit it in the Bank of Taiwan in a special account in the name of the labor retirement reserve supervision committee. In addition, the Company and its domestic subsidiaries estimate the balance of the special account for labor retirement reserve referred to in the preceding paragraph before the end of each year. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company and its domestic subsidiaries shall fund the difference in one appropriation that should be made before the end of March of the next year.

(B) Expenses under the defined contribution plan of the Group for the years ended December 31, 2023, and 2022 were \$170 thousand and \$139 thousand, respectively.

C. The amount of obligations incurred by the Group due to the determination of the benefit plan is listed in the consolidated balance sheet as follows:

	2023.12.31	2022.12.31
Present value of defined benefit obligation	\$ 30,662	\$ 35,866
The fair value of plan assets	(17,321)	(20,641)
Net defined benefit liabilities	<u>\$ 13,341</u>	<u>\$ 15,225</u>

D. Movements in net defined benefit liabilities were as follows:

	2023		
	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
2023.1.1 balance	\$ 35,866	\$ (20,641)	\$ 15,225
Service cost			
Interest cost (income)	355	(185)	170
Recognized in profit or loss	355	(185)	170
Remeasurement:			
Return on plan assets (excluding amounts included in net interest)	-	(230)	(230)
Actuarial (gain) loss			
Changes in financial assumptions	42	-	42
Experience adjustments	279	-	279
Recognized in other comprehensive income	321	(230)	91
Contributions from the employer	-	(465)	(465)
Benefits paid	(5,880)	4,200	(1,680)
2023.12.31 balance	<u>\$ 30,662</u>	<u>\$ (17,321)</u>	<u>\$ 13,341</u>
	2022		
	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
2022.1.1 balance	\$ 41,543	\$ (18,520)	\$ 23,023
Service cost			
Interest cost (income)	253	(114)	139
Recognized in profit or loss	253	(114)	139
Remeasurement:			
Return on plan assets (excluding amounts included in net interest)	-	(1,524)	(1,524)
Actuarial (gain) loss			
Changes in financial assumptions	(1,013)	-	(1,013)
Experience adjustments	(4,917)	-	(4,917)
Recognized in other comprehensive income	(5,930)	(1,524)	(7,454)
Contributions from the employer	-	(483)	(483)
2022.12.31 balance	<u>\$ 35,866</u>	<u>\$ (20,641)</u>	<u>\$ 15,225</u>

E. Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

(A) Investment risk

The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

(B) Interest risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

(C) Salary risk

The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

F. The actuarial summary of pensions is as follows: :

	2023	2022
Discount rate	<u>1.15%~1.20%</u>	<u>1.15%~1.30%</u>
Expected rate of salary increase	<u>2.00%</u>	<u>2.00%</u>
The average duration of the defined benefit obligation	4~9 years	4~10 years

(A) Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

(B) If the significant actuarial assumptions are reasonably likely to change, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows:

	2023.12.31	2022.12.31
Discount rate		
Increase 0.25%	\$ (380)	\$ (431)
Decrease 0.25%	\$ 389	\$ 442
Future salary increases		
Increase 0.25%	\$ 385	\$ 438
Decrease 0.25%	\$ (378)	\$ (429)

The sensitivity analysis previously presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

G. Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2024 amount to \$512 thousand.

(17) Preferred stock liabilities

	<u>2023.12.31</u>
Private placement of preferred shares	<u>\$ 1,000,000</u>

On May 22, 2023, the Company, by resolution of the extraordinary shareholders' meeting, resolved to conduct a cash capital increase by private placement, issuing preferred shares. The total number of shares to be issued shall not exceed 200,000,000 shares, with a par value of NT\$10 per share. The issuance will be carried out in two tranches within one year from the date of the shareholders' meeting resolution.

On May 30, 2023, the Board of Directors approved the issuance of new shares for the Company's first private placement of preferred shares for cash capital increase in 2023. The private placement is offered to subscribers approved at the first extraordinary shareholders' meeting held in 2023 and those who conform to the requirements of Article 43-6 of the Securities and Exchange Act and the specific individuals stipulated in the regulation of Taiwan-Finance-Securities-0910003455 of the the Securities and Futures Institute under tge Ministry of Finance on June 13, 2002. The number of private placement shares is 100,000,000 shares, with a private placement price of NT\$10 per share, totaling NT\$1,000,000,000. The capital increase base date is June 13, 2023. This capital increase has been approved by the Financial Supervisory Commission, and relevant statutory registration procedures have been completed.

The significant rights and obligations of the aforementioned preferred shares are as follows:

- A. In case the Company has annual surplus, apart from paying taxes in accordance with the law, it shall first offset previous years' losses, then allocate statutory surplus reserves in accordance with the law, and further allocate or reverse special surplus reserves as required by laws or competent authorities. If there is still a balance remaining, it may be distributed with the accumulated undistributed profits as dividends to the preferred shares for the current year.
- B. The dividend rate for this preferred stock is 7% annually, calculated based on the issuing price per share. Dividends are to be paid annually in cash, following the recognition of financial reports and dividend distribution proposals at the annual shareholders' meeting. The board of directors will establish the ex-dividend date for the distribution of preferred stock dividends after the annual shareholders' meeting, based on which the dividends to be distributed and any accumulated undistributed dividends will be paid. Dividends for each fiscal year will be calculated from the issuance date, based on the actual issuance date of that fiscal year.
- C. The Company has the discretion to distribute dividends on preferred stock. If, due to the lack of profits or insufficient profits for the preferred stock dividend according to the financial statement of the fiscal year, or for other necessary considerations, the preferred stock dividend can be exempt from distribution after approved by the Board of Directors without constituting a default, and preferred stockholders shall not object. Preferred stock is cumulative, and any undistributed or insufficiently distributed dividends after resolution shall accumulate and be deferred for payment in subsequent profitable years.
- D. Preferred shareholders, in addition to receiving dividends, are not entitled to participate in the distribution of earnings and capital surplus for cash and capital appropriations relating to common stock.
- E. This preferred stock is non-convertible into common stock.
- F. The preferred shareholders have priority over common shareholders in the distribution of the remaining assets of the Company, and their redemption priority is the same as that of other classes of preferred shareholders issued by the Company. They rank junior to general creditors, but are limited to the amount not exceeding the issued and outstanding preferred shares at the time of distribution, calculated at the issuance price.
- G. This preferred stock does not carry voting rights or election rights at the common shareholders' meeting. However, it does have voting rights at the preferred shareholders' meeting or any shareholders' meeting involving matters related to the rights and obligations of preferred

shareholders.

- H. This preferred stock has no expiration date, and preferred shareholders may not request the Company to retrieve their preferred shares. However, one year after the issuance date, the Company may, at its discretion in accordance with the issuance price and relevant issuance procedures, redeem all or a portion of the preferred shares for cash or by other legally permissible means. If, due to objective factors or force majeure, the Company is unable to redeem all or a portion of the preferred shares upon expiration, the rights associated with the unredeemed preferred shares shall continue according to the issuance conditions until such time as the Company redeems them in full.
- I. The capital surplus derived from the premium issuance of this preferred stock may not be allocated to capital during the period of issuance, except for the purpose of offsetting losses.
- J. This preferred stock is not listed for trading during the period of issuance.

(18) Share capital

As of December 31, 2023, and 2022, the capital stock authorized of the Company is \$15,000,000 thousand, which consists of both common shares and private preferred shares. The issued common shares amounted to 977,589 thousand shares, each with a par value of NT\$10, while the issued private preferred shares were issued in two tranches, 100,000 thousand shares and 0 thousand shares, respectively, each with a par value of NT\$10. All issued shares have been fully paid for. The private preferred shares are classified as liabilities. Please refer to Note 6(17) for details.

Adjustments were made to the outstanding shares as follows in December 31, 2023 and 2022. :

	Common shares		Private preferred shares	
	2023	2022	2023	2022
Beginning balance	977,589	977,589	-	-
Cash capital increase	-	-	100,000	-
Ending balance	<u>977,589</u>	<u>977,589</u>	<u>100,000</u>	<u>-</u>

(19) Capital surplus

Item	2023.12.31	2022.12.31
Treasury share transactions	\$ 8,450	\$ 8,450
Changes in equity of recognized subsidiaries	5,164	11,760
Other	141	141
	<u>\$ 13,755</u>	<u>\$ 20,351</u>

Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and donations can be used to offset the deficit or may be distributed as stock dividends or in cash when the company has no accumulated losses. Under the regulations of the Security Exchange Act, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's paid-in capital. Capital surplus can't be used to offset the deficit unless the legal reserve is insufficient. The capital surplus from long-term investments may not be used for any purpose.

(20) Retained earnings and dividend policy

- A. Under the dividends policy as outlined in the Company's Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, and setting aside as a legal reserve 10% of the remaining profit, but when the legal reserve has reached the Company's paid-in capital, it must no longer be listed, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

Considering the balanced and stable dividend policy, the Company will appropriately adopt a stock dividend or cash dividend according to the investment capital demand and the dilution of earnings per share. The cash dividends shall not be less than 10% of the total shareholders' dividends. When the cash dividend per share is less than NT\$ 0.1, when the proportion of liabilities in the Company's financial statements is more than 50%, or when there is a major capital expenditure plan, the board of directors may reduce the percentage of cash dividend or issue stock dividend instead.

- B. Legal reserve may be used to offset a deficit and be transferred to capital or distributed in cash. However, the legal reserve can be transferred to capital or distributed in cash only when the legal reserve has exceeded 25% of the Company's paid-in capital.
- C. (A) While earning distribution, the earnings can be distributed after appropriation of the equivalent amount of the debit balance of the other equities of the balance sheet
(B) Under Rule No.1010012865 issued by the FSC on 6th April 2012 for the first-time adoption of IFRS, the special reserve can be reversed while the usage, disposal, and reclassification of related assets.
- D. The Company approved the allocation of losses for the fiscal year 2022 and 2021 at the shareholders' meetings held on June 21, 2023, and June 24, 2022, respectively, in accordance with the proposed resolutions approved by the Board of Directors.
- E. Regarding the allocation of the 2023 loss compensation plan, the resolution is still pending and awaiting the decision at the shareholders' general meeting to be held in June 2024.
- F. Information on the earnings appropriation proposed by the Board of Directors and approved by the Company's shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(21) Other equity

Item	Exchange differences on translation of foreign operations	Unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive income	Total
2023.1.1 balance	\$ (489,297)	\$ (593)	\$ (489,890)
Unrealised valuation gain (loss) of financial assets measured at fair value through other comprehensive income	-	(7)	(7)
Exchange differences on translation of foreign operations	(54,908)	-	(54,908)
2023.12.31 balance	<u>\$ (544,205)</u>	<u>\$ (600)</u>	<u>\$ (544,805)</u>

Item	Exchange differences on translation of foreign operations	Unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive income	Total
2022.1.1 balance	\$ (971,368)	\$ (593)	\$ (971,961)
Exchange differences on translation of foreign operations	482,071	-	482,071
2022.12.31 balance	<u>\$ (489,297)</u>	<u>\$ (593)</u>	<u>\$ (489,890)</u>

(22) Non-controlling interest

<u>Item</u>	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 523,452	\$ 751,457
Shares attributable to non-controlling interest		
Net profit (loss) of the year	(190,898)	(259,911)
Other comprehensive profit and loss of the year	2	219
Decrease of non-controlling interest	1,472	30,284
Changes in subsidiary ownership equity	60,440	1,403
Ending balance	<u>\$ 394,468</u>	<u>\$ 523,452</u>

(23) Operating revenues

<u>Item</u>	<u>2023</u>	<u>2022</u>
Real estate income	\$ 2,995,115	\$ 738,403
Hotel Catering income	743,825	562,919
Hotel income	30,907	23,822
Lease income	7,556	3,521
Engineering income	1,378	1,619
Other	<u>\$ 3,778,781</u>	<u>\$ 1,330,284</u>

A. Breakdown of customer contract income

	<u>2023</u>			
	<u>Building Department</u>	<u>Construction Department</u>	<u>Other Department</u>	<u>Total</u>
Major regional markets:				
Taiwan	\$ 2,312,474	\$ 7,556	\$ -	\$ 2,320,030
Mainland China	714,926	-	743,825	1,458,751
	<u>\$ 3,027,400</u>	<u>\$ 7,556</u>	<u>\$ 743,825</u>	<u>\$ 3,778,781</u>
Main products/service lines:				
Real estate sales	\$ 2,995,115	\$ -	\$ -	\$ 2,995,115
Hotel services	-	-	743,825	743,825
Engineering contract	-	7,556	-	7,556
Other	32,285	-	-	32,285
	<u>\$ 3,027,400</u>	<u>\$ 7,556</u>	<u>\$ 743,825</u>	<u>\$ 3,778,781</u>
Income recognition time:				
Goods transferred at a certain time point	\$ 2,995,115	\$ -	\$ 387,119	\$ 3,382,234
Labor services gradually transferred over time	32,285	-	356,706	388,991
Engineerings gradually transferred over time	-	7,556	-	7,556
	<u>\$ 3,027,400</u>	<u>\$ 7,556</u>	<u>\$ 743,825</u>	<u>\$ 3,778,781</u>

	2022			
	Building Department	Construction Department	Other Department	Total
Major regional markets:				
Taiwan	\$ 408,579	\$ 3,521	\$ -	\$ 412,100
Mainland China	355,265	-	562,919	918,184
	<u>\$ 763,844</u>	<u>\$ 3,521</u>	<u>\$ 562,919</u>	<u>\$ 1,330,284</u>
Main products/service lines:				
Real estate sales	\$ 738,403	\$ -	\$ -	\$ 738,403
Hotel services	-	-	562,919	562,919
Engineering contract	-	3,521	-	3,521
Other	25,441	-	-	25,441
	<u>\$ 763,844</u>	<u>\$ 3,521</u>	<u>\$ 562,919</u>	<u>\$ 1,330,284</u>
Income recognition time:				
Goods transferred at a certain time point	\$ 663,893	\$ -	\$ 420,905	\$ 1,084,798
Labor services gradually transferred over time	99,951	-	142,014	241,965
Engineerings gradually transferred over time	-	3,521	-	3,521
	<u>\$ 763,844</u>	<u>\$ 3,521</u>	<u>\$ 562,919</u>	<u>\$ 1,330,284</u>

B. Contract liabilities

	2023.12.31	2022.12.31
Contractual liabilities - sale of real estate	\$ 933,325	\$ 1,663,972
Contractual liabilities - income received in advance	157,976	173,927
Contractual liabilities - construction engineering	23,664	31,220
	<u>\$ 1,114,965</u>	<u>\$ 1,869,119</u>

C. The amount of contract liabilities from the beginning of the period and performance obligations satisfied in the previous period recognized as income in the current period are as follows:

Item	2023	2022
From the beginning contract liabilities recognized in the current period		
Sales contract	<u>\$ 989,523</u>	<u>\$ 227,414</u>

(24) Interest income

Item	2023	2022
Interest income on financial assets measured at amortized cost	\$ 75,879	\$ 68,896
Bank deposit interest	5,581	2,495
	<u>\$ 81,460</u>	<u>\$ 71,391</u>

(25) Other income

Item	2023	2022
Transfer of overdue payables to income	\$ 114,932	\$ 31,517
Miscellaneous income	34,290	10,432
Government grants income	16,929	14,557
Rental income	1,846	-
Termination fee income	-	7,312
	<u>\$ 167,997</u>	<u>\$ 63,818</u>

(26) Other gains and losses

Item	2023	2022
Investment property fair value adjustment gain (loss)	\$ 517,353	\$ 3,578
Net currency exchange gain	(99,189)	(430,151)
Gain or loss on disposal of property, plant and equipment	(353)	71
Reversal of impairment gain on property, plant, and equipment.	-	12,412
Other	(8,052)	(6,605)
	<u>\$ 409,759</u>	<u>\$ (420,695)</u>

(27) Finance costs

Item	2023	2022
Interest expense:		
Loans	\$ 1,160,977	\$ 1,100,535
Bonds payable	5,499	12,925
Interest on lease liabilities	228	351
Less: capitalized amount for qualified assets	168,298	10,360
Item	(537,810)	(492,993)
	<u>\$ 797,192</u>	<u>\$ 631,178</u>

(28) Labor cost, depreciation, and amortization

Item	2023			2022		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Labor cost						
Salaries	\$ 25,762	\$ 351,353	\$ 377,115	\$ 34,152	\$ 372,432	\$ 406,584
Insurance	1,806	26,113	27,919	1,274	27,827	29,101
Pension	1,363	31,129	32,492	1,208	31,710	32,918
Other employment expenses	3,211	47,166	50,377	2,934	47,757	50,691
Depreciation	332,723	207,786	540,509	288,483	259,081	547,564
expense						
Amortization	-	52,231	52,231	-	50,927	50,927
Total	<u>\$ 364,865</u>	<u>\$ 715,778</u>	<u>\$ 1,080,643</u>	<u>\$ 328,051</u>	<u>\$ 789,734</u>	<u>\$ 1,117,785</u>

- A. The Company accrued employees' compensation and remuneration to directors at rates not less than 1% and not higher than 1% of net income before income tax, employees' compensation, and remuneration to directors during the period. Due to the loss in 2023 and 2022, the employees' compensation and remuneration to directors have not been estimated. If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate for the next year.
- B. Information about the appropriation of employees' compensation and directors' remuneration by the Company as proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" on the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense (gain):

Item	2023	2022
<u>Current income tax</u>		
Current tax expense	\$ -	\$ -
Surtax on undistributed retained earnings	6,629	10,356
Land value increment tax	2,781	4,274
Other	9,570	8,236
Item		
<u>Deferred income tax</u>	(50,687)	(245,077)
The origination and reversal of temporary differences	<u>\$ (31,707)</u>	<u>\$ (222,211)</u>
Income tax expense (gain)	\$ -	\$ -

The applicable tax rate used by the Group is 20%. In addition, the tax rate applicable to unappropriated earnings is 5%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

B. Income tax expense recognized in other comprehensive income was as follows:

Item	2023	2022
Exchange differences on translation of foreign operations	\$ (13,727)	\$ 120,519
Unrealized valuation (loss) of financial asset measured at fair value through other comprehensive income	(2)	-
Re-measurement of defined benefit plans	(18)	1,490
	<u>\$ (13,747)</u>	<u>\$ 122,009</u>

C. Reconciliation of income before income tax and income tax expense (profit) recognized in profit or loss was as follows:

	2023	2022
Loss before income tax	\$ (417,796)	\$ (1,858,102)
Net loss tax before tax at the statutory rate	\$ (83,559)	\$ (371,620)
Tax effect of adjusting items:		
The impact of items not included in the calculation of taxable income	(46,619)	25,166
Impact of different tax rates applicable to parent and subsidiary companies	35,844	49,174
5% surtax on undistributed retained earnings	6,629	10,356
Unrecognized loss offset	-	44,600
Adjustments for the prior year's tax adjustments	24,530	30,693
Other	31,468	(10,580)
Income tax expense recognized in profit or loss	\$ (31,707)	\$ (222,211)

D. Amounts of deferred tax assets or liabilities as a result of temporary difference, loss carryforward, and investment tax credit were as follows:

	2023			
	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets:				
Loss on foreign investment on equity method	\$ 500,083	\$ 178,220	\$ 13,727	\$ 692,030
Loss deduction	122,875	(41,778)	-	81,097
Unrealized impairment loss	132	(35)	18	115
Other	148	-	2	150
Subtotal	92,105	(25,996)	-	66,109
Deferred income tax liabilities:	715,343	110,411	13,747	839,501
Gain on foreign investment on equity method				
Unrealized impairment gain	(20,167)	(3,339)	-	(23,506)
Land financing interest listed as completed housing add back to the cost	(69,611)	(55,355)	-	(124,966)
Investment property fair value gains	-	(1,030)	-	(1,030)
Subtotal	(89,778)	(59,724)	-	(149,502)
Total	\$ 625,565	\$ 50,687	\$ 13,747	\$ 689,999

	2022			
	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets:				
Loss on foreign investment on equity method	\$ 383,330	\$ 237,272	\$ (120,519)	\$ 500,083
Loss deduction	149,542	(26,667)	-	122,875
Unrealized impairment loss	1,151	471	(1,490)	132
Other	72,172	20,081	-	92,253
Subtotal	606,195	231,157	(122,009)	715,343
Deferred income tax liabilities:				

Gain on foreign investment on equity method	(14,293)	14,293	-	-
Unrealized impairment gain	(5)	5	-	-
Land financing interest listed as completed housing add back to the cost	(22,265)	2,098	-	(20,167)
Investment property fair value gains	(67,135)	(2,476)	-	(69,611)
Subtotal	(103,698)	13,920	-	(89,778)
Total	\$ 502,497	\$ 245,077	\$ (122,009)	\$ 625,565

E. Items not recognized as deferred income tax assets:

Item	2023.12.31	2022.12.31
Loss deduction	\$ 44,600	\$ -

F. Unused loss deduction information of the Company

As of December 31, 2023, the relevant information regarding loss deduction is as follows:

Final annual offset	Unutilized balance	Unutilized tax amount
2029	\$ 374,034	\$ 74,807
2032	209,720	41,944
	\$ 583,754	\$ 116,751

G. The tax authorities have ratified Company's income tax returns through the Year 2021.

(30) Other comprehensive income (loss)

Item	2023		
	Before-tax	Income tax benefit	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit obligation	\$ (91)	\$ 18	\$ (73)
Unrealized profit (loss) of equity instrument investment measure at fair value through other comprehensive income	(9)	2	(7)
	\$ (100)	\$ 20	\$ (80)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	\$ (68,635)	\$ 13,727	\$ (54,908)

Item	2022		
	Before-tax	Income tax benefit	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit obligation	\$ 7,454	\$ (1,490)	\$ 5,964
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	\$ 602,590	\$ (120,519)	\$ 482,071

(31) Loss per share

	2023	2022
Basic and diluted loss per share:		
Net loss attributable to ordinary equity holders of the parent entity	\$ (195,191)	\$ (653,929)
Weighted average shares outstanding (in thousands)	977,589	977,589
Basic loss per share(after-tax)(NT\$)	\$ (0.20)	\$ (0.67)

(32) Reconciliation of liabilities from financing activities

	January 1, 2023	Cash flow	Exchange rate changes	Non-cash changes Changes in fair value	Other non-cash changes	December 31, 2023
Short-term loans	\$ 382,156	\$ 51,708	\$ -	\$ -	\$ -	\$ 433,864
Short-term bills payable	2,097,626	1,342,000	-	-	(3,067)	3,436,559
Corporate bonds payable (including those due within one year)	1,157,249	(1,157,249)	-	-	-	-
Long-term loans(including those due within one year)	15,752,078	317,981	(223,807)	-	-	15,846,252
Preferred stock liabilities-non-current	-	1,000,000	-	-	-	1,000,000
Deposits received	35,436	4,859	-	-	-	40,295
Other payables - related parties	1,458,131	224,279	-	-	-	1,682,410
Lease liabilities	7,326	(5,503)	(23)	-	16,788	18,588
Total liabilities from financing activities	<u>\$ 20,890,002</u>	<u>\$ 1,778,075</u>	<u>\$ (223,830)</u>	<u>\$ -</u>	<u>\$ 13,721</u>	<u>\$ 22,457,968</u>

	January 1, 2022	Cash flow	Exchange rate changes	Non-cash changes Changes in fair value	Other non-cash changes	December 31, 2022
Short-term loans	\$ 885,781	\$ (503,625)	\$ -	\$ -	\$ -	\$ 382,156
Short-term bills payable	2,258,126	(161,000)	-	-	500	2,097,626
Corporate bonds payable (including those due within one year)	1,531,159	(373,910)	-	-	-	1,157,249
Long-term loans(including those due within one year)	13,423,406	2,119,821	208,851	-	-	15,752,078
Deposits received	33,679	1,757	-	-	-	35,436
Other payables - related parties	1,409,166	48,965	-	-	-	1,458,131
Lease liabilities	7,840	(5,599)	14	-	5,071	7,326
Total liabilities from financing activities	<u>\$ 19,549,157</u>	<u>\$ 1,126,409</u>	<u>\$ 208,865</u>	<u>\$ -</u>	<u>\$ 5,571</u>	<u>\$ 20,890,002</u>

33 Financial instruments

A. Fair value and carrying amount

The fair value of the Group's non-derivative short-term financial instruments is estimated based on their carrying amount on the balance sheet. Because the maturity date of such financial instruments is very close, the carrying amount should be a reasonable basis for estimating the fair value. This method is applied to financial assets and financial liabilities measured at amortized cost, including cash and equivalent cash, accounts receivable (including related parties), accounts payable (including related parties), other financial assets, and short-term loans.

Except that the above financial instruments and lease liabilities are not required to disclose fair value information according to regulations, the carrying amount and fair value of the remaining financial instruments of the consolidated company on each financial reporting date are summarized as follows:

	2023.12.31		2022.12.31	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial assets</u>				
Financial assets measured at fair value through profit or loss	\$ 3,071	\$ 3,071	\$ 3,071	\$ 3,071
Financial assets measured at fair value through other comprehensive profit or loss	-	-	9	9
Financial assets measured at amortized cost				
Refundable deposit	5,353,113	5,353,113	1,617,614	1,617,614
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost				
Corporate bonds payable (including those due within one year)	-	-	1,157,249	1,157,249
Long-term loans (including those due within one year)	15,846,252	15,846,252	15,752,078	15,752,078
Preferred stock liabilities	1,000,000	1,000,000	-	-
Deposits received	40,295	40,295	35,436	35,436

B. Methods and assumptions used to determine fair value

The fair value of financial assets and financial liabilities with standard terms and conditions and trading in the active market is determined by reference to the market quotation respectively. If there is no market price for reference, the evaluation method is adopted for estimation, and the estimation and assumptions used are consistent with the information used by market participants as estimates and assumptions when pricing financial instruments.

The principal-guaranteed variant wealth management product is estimated by the discounted cash flow method. The main assumption is that the principal and the probability of occurrence are considered to estimate the income received, and the discounted present value is used to estimate.

The fair value of corporate bonds payable is the discounted value of its expected cash flow at the market interest rate.

The carrying amount of a long-term loan that pays interest at a floating interest rate is approximately equal to its fair value.

Since there is no definite maturity date for the preferred stock liabilities, deposits received and refundable deposits, the carrying amount is taken as the fair value.

C. Financial instruments measured at fair value

The observability of fair value is divided into the first to third levels

(A) Level 1

Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds, and derivative instruments with quoted market prices is included in Level 1.

(B) Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investments in government bonds, corporate bonds, financial debentures, convertible bonds, and most derivative instruments is included in Level 2.

(C) Level 3

Unobservable inputs for the asset or liability. The fair value of the Group's investments in some derivative instruments and equity instruments without an active market is included in Level 3.

D. The related information at fair value by level

The Group's financial instruments and investment property measured at fair value are measured at fair value based on repeatability. The information on the Group's fair value level is shown in the following table:

Item	2023.12.31			
	Level 1	Level 2	Level 3	Total
Recurring fair value				
Financial assets measured at fair value through profit or loss	\$ 3,071	\$ -	\$ -	\$ 3,071
Financial assets measured at fair value through other comprehensive income	\$ -	\$ -	\$ -	\$ -
Recurring fair value	\$ -	\$ -	\$ 2,555,682	\$ 2,555,682

Item	2022.12.31			
	Level 1	Level 2	Level 3	Total
Recurring fair value				
Financial assets measured at fair value through profit or loss	\$ 3,071	\$ -	\$ -	\$ 3,071
Financial assets measured at fair value through other comprehensive income	\$ -	\$ -	\$ 9	\$ 9
Recurring fair value	\$ -	\$ -	\$ 1,482,686	\$ 1,482,686

In both the fiscal years 2023 and 2022, the Company did not have any instances of transfers between Level 1 and Level 2 fair value measurements. There were also no transfers into or out of Level 3 during the same period.

E. Valuation techniques of financial instruments valued at fair value:

(A) The fair value of financial assets and liabilities traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Center Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with the open bid. A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive when the bid-ask spread is increasing; or the bid-ask spread varies significantly; or there has been a significant decline in trading volume.

The fair value of the financial instruments held by the Group with an active market is listed as follows by category and attribute:

a. Open-end Fund: net worth.

(B) Except for the above-mentioned financial instruments traded in an active market, the fair value is based on the valuation techniques or the quotation from the counterparty. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on the interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Company is not traded in an active market, the fair value is determined based on the ratio of the quoted market price of the comparative company, its book value per share, and its operating situation. Also, the fair value is discounted for its lack of liquidity in the market.

(C) The output of the valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk, etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes valuation adjustment is necessary in order to reasonably represent the fair value of financial and non-financial instruments on the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(D) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect the credit risk of the counterparty and the Group's credit quality.

F. The following is an explanation of the quantified information regarding significant unobservable input values and sensitivity analysis of significant unobservable input value changes for the valuation model used in Level 3 fair value measurements: :

	2023.12.31 Fair value	Evaluating technology	Significant unobservable input values	Discount rate	Relationship between Input Value and Fair Value
Unlisted (OTC) stocks	\$ -	Net asset value method	N/A	N/A	N/A
Investment properties	\$ 2,555,682	Discounted cash flow analysis using the income approach	Long-term rental income growth rate and discount rate	Note	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.

	2022.12.31 Fair value	Evaluating technology	Significant unobservable input values	Discount rate	Relationship between Input Value and Fair Value
Unlisted (OTC) stocks	\$ 9	Net asset value method	N/A	N/A	N/A
Investment properties	\$ 1,482,686	Discounted cash flow analysis using the income approach	Long-term rental income growth rate and discount rate	Note	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.

Note: Please refer to Note 6(9) for detailed explanations on the range of long-term rental income growth rates and discount rates.

(34) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk. To lower the related financial risk, the Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance. The plans for material treasury activities are reviewed by the board of directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Group Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

Significant financial risks and degrees of financial risks

A. Market risk

(A) Foreign exchange rate risk

The Company's activities expose to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Company's functional currencies are mainly NTD, as well as RMB and USD. These transactions are mainly denominated in US dollars and RMB. Part of the Company's cash inflow and outflow is in foreign currency, so it has some natural hedging effect; the exchange rate risk of the Company is managed to avoid risks, not to make profits. The exchange rate risk management strategy is to regularly review and manage the net portion of assets and liabilities in various currencies.

The net investment in foreign operations is a strategic investment. Therefore, the Company does not hedge for it.

Foreign currency risk and sensitivity analysis

2023.12.31						
(Foreign currency: functional currency)	Foreign Currency	Exchange	Carrying	Sensitivity Analysis		
	(in thousands)	rate	Value (NTD)	Variation	Profit and Loss Impact	Equity Impact
	<u>Financial assets</u>					
	<u>Monetary item</u>					
	USD	\$ 81	30.71	\$ 2,488	increase 1%	\$ 25
RMB	1,368,744	4.327	5,922,555	increase 1%	59,226	-
HKD	93	3.929	365	increase 1%	4	-
<u>Financial liabilities</u>						
<u>Monetary item</u>						
USD	\$ (94)	30.71	\$ (2,887)	increase 1%	\$ (29)	\$ -
RMB	(69,349)	4.327	(300,073)	increase 1%	(3,001)	-

2022.12.31						
(Foreign currency: functional currency)	Foreign Currency	Exchange	Carrying	Sensitivity Analysis		
	(in thousands)	rate	Value (NTD)	Variation	Profit and Loss Impact	Equity Impact
	<u>Financial assets</u>					
	<u>Monetary item</u>					
	USD	465	30.71	14,281	increase 1%	143
RMB	1,130,490	4.408	4,983,200	increase 1%	49,832	-
HKD	101	3.938	398	increase 1%	4	-
<u>Financial liabilities</u>						
<u>Monetary item</u>						
USD	(710)	30.71	(21,804)	increase 1%	(218)	-
RMB	(63,509)	4.408	(279,948)	increase 1%	(2,799)	-

(B) Interest rate risk

The carrying amount of the financial assets and liabilities that were exposed to interest rate risk at the reporting date was as follows:

Item	Carrying amount	
	2023.12.31	2022.12.31
Cash flow interest rate risk:		
Financial assets	\$ 705,062	\$ 1,097,743
Financial liabilities	(16,280,116)	(16,134,234)
Net	\$ (15,575,054)	\$ (15,036,491)

a. Sensitivity analysis of fair value interest rate risk tools:

The Group does not classify any fixed-rate instruments as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income and available for sale. In addition, the Group does not designate derivatives (interest rate swaps) as hedge instruments under hedge accounting. Therefore, the change in interest rate at reporting date does not influence net income and other comprehensive income.

b. Sensitivity analysis of cash flow interest rate risk tools:

The Group's financial instruments with variable interest rates are those with floating-rate. If the interest rate increases (decreases) by 1%, the net income will decrease (increase) by \$155,751 thousand and \$150,365 thousand for the years ended December 31, 2023, and 2022, respectively.

B. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a contract leading to a financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily accounts receivables, and from investing activities, primarily deposits, and other financial instruments. Credit risk is managed separately for business-related and financial-related exposures.

(A) Business-related credit risk

To maintain the credit quality of accounts receivables, the Group has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed in the consideration of the relevant factors which may affect the customer's paying ability such as financial condition, external and internal credit scoring, historical experience, and economic conditions.

(B) Financial credit risk

The Company's exposure to financial credit risk which pertained to bank deposits and other financial instruments was evaluated and monitored by the Company's Treasury function. The Group only deals with creditworthy counterparties, banks, and the government so significant credit risk was identified. In addition, the Group has no financial assets at amortized cost and investments in debt instruments at fair value through other comprehensive income.

(C) Credit concentration risk

The Group has a large customer base and is not related, so there is no risk of concentration of credit risk of accounts receivable.

(D) Measurement of expected credit impairment loss

- a. Accounts receivable: Simplified method is adopted. Please refer to note 6(4) for the description.
- b. Judgment basis for whether the credit risk has increased significantly: none. (The Group does not classify debt instrument investments at amortized cost and at fair value through other comprehensive profit or loss)
- c. The Group does not hold collateral and other credit increases to avoid the credit risk of financial assets.

C. Liquidity risk

(A) Liquidity risk management

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business requirements of cash and cash equivalents and the unused financing facilities associated with existing operations.

(B) Financial liabilities with repayment periods

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods:

		2023.12.31					
Non-derivative financial liabilities		Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans		\$ 450,380	\$ -	\$ -	\$ -	\$ 450,380	\$ 433,864
Short-term bills payable		3,442,400	-	-	-	3,442,400	3,436,559
Notes payable and accounts payable (including related parties)		4,537,000	-	-	-	4,537,000	4,537,000
Other payables (including related parties)		3,674,343	-	-	-	3,674,343	3,674,343
Long-term loans (including those due within one year)		5,402,029	3,525,144	6,949,676	1,468,886	17,345,735	15,846,252
Lease liabilities		5,144	4,037	11,016	-	20,197	18,588
Deposits received		3,991	1,479	7,286	27,539	40,295	40,295
		<u>\$ 17,515,287</u>	<u>\$ 3,530,660</u>	<u>\$ 6,967,978</u>	<u>\$ 1,496,425</u>	<u>\$ 29,510,350</u>	<u>\$ 27,986,901</u>

		2022.12.31					
Non-derivative financial liabilities		Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans		389,465	-	-	-	389,465	382,156
Short-term bills payable		2,100,400	-	-	-	2,100,400	2,097,626
Notes payable and accounts payable (including related parties)		4,977,825	-	-	-	4,977,825	4,977,825
Other payables (including related parties)		2,411,863	-	-	-	2,411,863	2,411,863
Corporate bonds payable (including those due within one year)		1,166,327	-	-	-	1,166,327	1,157,249
Long-term loans (including those due within one year)		6,986,271	5,506,404	4,584,478	384,597	17,461,750	15,752,078
Lease liabilities		5,747	1,479	365	-	7,591	7,326
Deposits received		27,223	441	1,653	6,119	35,436	35,436
		<u>\$ 18,065,121</u>	<u>\$ 5,508,324</u>	<u>\$ 4,586,496</u>	<u>\$ 390,716</u>	<u>\$ 28,550,657</u>	<u>\$ 26,821,559</u>

The Group does not expect that the time point of the cash flow analyzed on the maturity date will be significantly earlier or that the actual amount will be significantly different.

(35) Capital risk management

The Group's capital management objectives are to ensure that the Group can continue to operate, maintain the best capital structure, reduce the cost of capital, and provide remuneration to shareholders. To maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is the ultimate controller of the Group.

(2) Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Xusheng Investment Co., Ltd. (Xusheng investment)	Other related parties
Jingting Investment Co., Ltd. (Jingting investment)	Other related parties
Heyi Investment Co., Ltd.(Heyi Investment)	Other related parties
Jianxun International Co., Ltd (Jianxun International)	Other related parties
HuangKe Investment Co., Ltd(HuangKe Investment)	Other related parties
Lalu Hotel Co., Ltd.(Lalu Hotel)	Other related parties
Fuqi Investment Co., Ltd (Fuqi Investment)	Other related parties
Xianglin Hydropower Engineering Co., Ltd (Xianglin Hydropower)	Other related parties
Xianglin Travel Agency Co., Ltd. (Xianglin Travel Agency)	Other related parties
Dinglin Investment Development Co., Ltd(Dinglin Investment Development)	Other related parties
Guangyu Investment Development Co., Ltd (Guangyu Investment Development)	Other related parties
Hengmei Co., Ltd.	Other related parties
Huayan Engineering Company	Other related parties
General Chamber of Commerce of the Republic of China	Other related parties
Straits economic & Cultural Exchange Association	Other related parties
Culture and Education Foundation	Other related parties
Yunlin Associate Culture and Education Foundation	Other related parties
Dingling International (Cayman) Holding Co., Ltd. (DIH)	Other related parties
Good profit Holdings Ltd.(Good profit)	Other related parties
Harmony Land Limited (Harmony)	Other related parties
The Lalu Hotels and Resorts Management Co., Ltd. (Lalu)	Other related parties
Chengdu Zhaoxin Property Management Co., Ltd (Chengdu Zhaoxin)	Other related parties
Kunshan Meifa Real Estate Development Co., Ltd. (Kunshan Meifa)	Other related parties
Qingdao Zhengyu Property Management Co., Ltd (Qingdao Zhengyu)	Other related parties
Nanjing Zhaoxin Property Management Co., Ltd (Nanjing Zhaoxin)	Other related parties
Nanjing Youqun Greening Engineering Co., Ltd	Other related parties
Guilin Lalu Co., Ltd (Guilin Lalu)	Other related parties
Lai Cheng I	Other related persons and main management
Chen Yu Zhuan	Other related persons and main management
Wang Zhi Jie	Other related persons and main management

Related Party Name		Related Party Category	
Lin Xian Zhe		Other related persons and main management	
Lin Xian Zhe		Other related persons and main management	
Huang Zu De		Other related persons	
(3) <u>Significant transactions with related parties</u>			
A. <u>Income</u>			
Item	Related Party Category	2023	2022
Operating income	Other related parties	\$ 7,556	\$ 3,521
The price and collection terms of sales transactions between the Group and related parties are not significantly different from those of non-related parties.			
B. <u>Purchases</u>			
Item	Related Party Category	2023	2022
Operating income	Other related parties	\$ 103,938	\$ 197,459
The purchase items are mainly the spare parts for the project and the hotel contracted to the related parties. The Group handles the above-mentioned companies according to the contract operation regulations and contract payment terms, which are roughly the same as other manufacturers. The purchase price and payment terms are not significantly different from those of other manufacturers.			
C. <u>Receivables from related parties</u>			
Item	Related Party Category	2023.12.31	2022.12.31
Accounts receivable	Other related parties	\$ -	\$ 66
Other receivables	Kunshan Meifa	\$ 705,953	\$ -
	Nanjing Youqun	117,574	119,743
	Qingdao Zhengyu	50,401	30,654
	Other related parties	1,386	1,474
		\$ 875,314	\$ 151,871
No guarantee has been received for the receivables in circulation from related parties, and no provision has been made for losses.			
D. <u>Accounts payable to related parties (excluding loans from related parties)</u>			
Item	Related Party Category	2023.12.31	2022.12.31
Accounts receivable	Other related parties	\$ 32,889	\$ 35,408
Other receivables	Other related parties	\$ 382,009	\$ 366,468
E. <u>Lessee arrangements</u>			
Item	Related Party Category	2023.12.31	2022.12.31
Right-of-use asset acquired by lessee			
Other related parties		\$ 16,788	\$ -
Lease liabilities	Other related parties	\$ 16,788	\$ 3,572

Item	Related Party Category	2023	2022
Interest expense	Other related parties	\$ 100	\$ 198
Depreciation expense	Other related parties	\$ 3,383	\$ 3,383

As for the deposit paid by the Group due to the lease agreement, as of December 31, 2023, and 2022, the deposit is \$642 thousand, and the recognized deposit interest is \$10 thousand and \$5 thousand in 2023 and 2022, respectively.

F. Lease/sublease agreement

Item	Related Party Category	2023	2022
Operating income	Other related parties	\$ 953	\$ 965

G. Loans from related parties

(A) Ending balance

Item	Related Party Category	2023.12.31	2022.12.31
Other payables - related parties	Other related parties and main management	\$ 438,913	\$ 447,011
	Other related parties		
	Nanjing Zhaoxin	902,438	392,105
	Lalu Hotel	20,000	153,550
	Kunshan Meifa	24,352	143,130
	DIH	129,811	132,207
	Harmony	101,896	103,493
	Other	65,000	86,635
		\$ 1,682,410	\$ 1,458,131

(B) Interest expense

Item	Related Party Category	2023	2022
Financial cost	Other related parties	\$ 9,605	\$ 10,204
Interest rate range		1.50%-3.00%	1.50%-3.00%

All loans borrowed by the Group from related parties are unsecured loans, and the loan interest rate is equivalent to the market interest rate.

H. Guarantee for related parties

Related Party Category	2023.12.31	2022.12.31
Other related parties	\$ 680,000	\$ 680,000

The above endorsements and guarantees do not include endorsements and guarantees between the Groups. Please refer to Note 13(1)B for details.

I. Expenses

Related Party Category	2023	2022	Transaction type
Other related parties	\$ 55,155	\$ 45,797	Entertainment, repair, advertising, donation, and miscellaneous expenses

J. Other

As of December 31, 2023, and 2022, Fast, 168, and Billion provided the following details of collateral for financing lease payments to Shanghai Yuexing Financing Lease Co., Ltd. and Shanghai Youtuo Financing Lease Co., Ltd., jointly with Qingdao Dinglin International and Qingdao Zhengyu:

	2023.12.31		2022.12.31	
	RMB(in thousand)	NTD	RMB(in thousand)	NTD
168	\$ 560,000	\$ 2,423,142	\$ 560,000	\$ 2,467,856
Fast	415,000	1,795,721	400,000	1,762,754
Billion	295,000	1,276,477	90,000	396,620
	<u>\$ 1,270,000</u>	<u>\$ 5,495,340</u>	<u>\$ 1,050,000</u>	<u>\$ 4,627,230</u>

(4) Key management compensation

	2023	2022
Salaries and other short-term employee benefits	\$ 17,540	\$ 15,421
Post-employment benefits	529	407
	<u>\$ 18,069</u>	<u>\$ 15,828</u>

8. PLEDGED ASSETS

The carrying amount of the assets pledged and guaranteed by the Group are detailed as follows:

Pledged assets	2023.12.31	2022.12.31	Pledge guarantee subject
Other financial assets	\$ 557,779	\$ 3,702,506	Short-term loans, corporate bonds payable, long-term loans, and litigation cases
Inventory-Construction	17,035,570	17,137,305	Short-term loans, short-term bills payable, corporate bonds payable, and long-term loans
Property, plant, and equipment	9,106,834	9,546,227	Short-term loans, short-term bills payable, and long-term loans
Right-of-use assets	704,649	764,806	Long-term loan
Investment real estate	2,537,781	1,465,786	Short-term loans and short-term bills payable
Refundable deposit	5,313,388	1,568,631	Short-term loan and long-term loan
	<u>\$ 35,256,001</u>	<u>\$ 34,185,261</u>	

As a loan guarantee, the Group pledged 100% of the equity of its subsidiary Chengdu Dingkang real estate in September 2021. Please refer to note 4. (3)B for details.

As a loan guarantee, the Group pledged 100% of the equity of its subsidiary Nanjing Dingzheng real estate in December 2020.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2023, and 2022, the guarantee notes received by the Group for construction performance bonds were \$123,719 thousand and \$1,752,119 thousand respectively.

(2) Major litigation cases

Nanjing Dingzheng Real Estate - Dispute over curtain wall construction contract

Nanjing Dingzheng Real Estate filed a lawsuit on August 22, 2020, requesting Nanjing Lihua to pay the liquidated damages for the overdue completion of the Nanjing Lalu Hotel and office building, the expenses for the failure to implement the project "wind and rain test, and observation of visual model" according to the construction contract, the expenses incurred by the owner's vehicle due to the self explosion and damage of the glass of Lalu Hotel, the maintenance expenses of the automatic door in the lobby of Lalu Hotel, and repairing broken glass. The total cost is RMB 194,84 thousand. Nanjing Jianye District People's Court ruled on June 18, 2021, that Nanjing Lihua should pay liquidated damages for overdue completion of Nanjing Dingzheng Real Estate, return the expenses for failing to implement the project of "wind and rain test, and observation of visual samples" and pay a total of RMB 4,803 thousand for the repair of broken glass. Nanjing Lihua has appealed to Nanjing Intermediate People's Court. The Nanjing Intermediate People's Court issued a final verdict on March 24, 2022, ruling that Nanjing Lihua is required to pay a confirmed amount of 2.7 million Chinese yuan for the repair costs of the damaged glass. Nanjing Dingzheng Real Estate, dissatisfied with the judgment, has applied for a retrial to the Jiangsu Provincial Higher People's Court on March 25, 2022. On December 27, 2023, both parties reached a mediated settlement presided over by the Nanjing Jianye District People's Court, agreeing not to assert any further claims against each other.

Based on the nature of the cases, the amount of possible loss and whether it is significant, the progress of the cases, and the opinions of professional legal counsel, the Group will evaluate the rationality of the recognized expenses in each financial reporting period, and make necessary adjustments in a manner deemed appropriate by the Group. However, the final amount can only be determined after the conclusion of relevant cases. The Group eagers to defend the above-mentioned litigation cases that have not been settled or are still in progress, but due to the unpredictable nature of legal cases, it is impossible to accurately estimate the possible losses (if any). The group cannot rule out the possibility to win or settle all relevant cases. The suspension, judgment amount, or settlement of relevant cases may have a significant adverse impact on the business, operation, or prospects of the Group.

(3) As of December 31, 2023, the Group has provided endorsements and guarantees for Qingdao Dinglin International, Taiyu construction, and Nanjing Dingzheng real estate. Please refer to note 13. (1) B for details.

10. SIGNIFICANT DISASTER LOSS

NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

NONE.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information:

A. Loans provided to other parties:

(In Thousands of New Taiwan Dollars)

No.	Financing	Counter-party	Financial Statement	Related	Maximum Balance for	Ending	Amount Actually	Interest	Nature for Financing	Transaction	Reason for	Allowance for	Collateral		Financing Limits for Financing Company's	Financing Company's Total Financing Amount Limits
													Item	Value		
(Note 1)	Company	party	Account	Party	the Period	Balance	Drawn	Rate	(Note 2)	Amounts	Financing	Bad Debt			(Note 3)	(Note 3)
0	The Company	Billion	Other receivables - Related parties	Yes	288,925	-	-	-%	2	-	Operating capital	-	None	-	4,051,903	4,051,903
1	Taiyu Construction	Yusheng Design Engineering Co., Ltd	Other receivables	No	24,000	24,000	24,000	1.50%	2	-	Operating capital	-	Obligation of construction funds	24,000	71,289	71,289
		Meiyu Country Lei Decoration (Shanghai) Co., Ltd.	Other receivables	No	7,434	1,206	1,190	1.50%	2	-	Operating capital	-	None	-	71,289	71,289
2	Billion	China Commercial Credit Group Co., Ltd	Other receivables	No	244,475	237,948	237,948	2.00%	2	-	Operating capital	-	None	-	525,830	525,830
		Qingdao Dinglin International	Other receivables - Related parties	Yes	288,925	-	-	-%	2	-	Operating capital	-	None	-	525,830	525,830
		168	Other receivables - Related parties	Yes	88,291	-	-	-%	2	-	Operating capital	-	None	-	525,830	525,830
3	Headway	168	Other receivables - Related parties	Yes	87,122	81,573	81,573	1.50%	2	-	Operating capital	-	None	-	167,967	167,967
		Fast	Other receivables - Related parties	Yes	83,640	79,203	79,203	1.50%	2	-	Operating capital	-	None	-	167,967	167,967
		Qingdao Dinglin International	Other receivables - Related parties	Yes	71,520	-	-	-%	2	-	Operating capital	-	None	-	167,967	167,967
		Billion	Other receivables - Related parties	Yes	4,445	-	-	-%	2	-	Operating capital	-	None	-	167,967	167,967
4	Fast	Qingdao Dinglin International	Other receivables - Related parties	Yes	171,997	-	-	-%	2	-	Operating capital	-	None	-	854,803	854,803
		168	Other receivables - Related parties	Yes	272,885	266,935	266,935	1.50%	2	-	Operating capital	-	None	-	854,803	854,803
		Billion	Other receivables - Related parties	Yes	584,204	575,792	575,792	1.50%	2	-	Operating capital	-	None	-	854,803	854,803
5	168	Qingdao Dinglin International	Other receivables - Related parties	Yes	464,465	-	-	-%	2	-	Operating capital	-	None	-	2,089,818	2,089,818
		Billion	Other receivables - Related parties	Yes	500,658	489,741	489,741	1.50%	2	-	Operating capital	-	None	-	2,089,818	2,089,818
6	Qingdao Dinglin International	Chengdu Dingkang Real Estate	Other receivables - Related parties	Yes	2,280,658	2,267,455	2,267,455	-%	2	-	Operating capital	-	None	-	-	-
7	Qingdao Xiangdu Investment	Qingdao Dinglin International	Other receivables - Related parties	Yes	260,379	254,300	254,300	-%	2	-	Operating capital	-	None	-	103,100	103,100
8	Nanjing Dingzheng Real Estate	Qingdao Dinglin International	Other receivables - Related parties	Yes	1,982,347	1,158,965	1,158,965	-%	2	-	Operating capital	-	None	-	1,073,404	1,073,404
		Chengdu Dingkang Real Estate	Other receivables - Related parties	Yes	2,791	2,726	2,726	-%	2	-	Operating capital	-	None	-	1,073,404	1,073,404

Note 1 : The description of the number column is as follows:

- (1) The issuer is represented in O.
- (2) The investee company is numbered sequentially from the Arabic numeral 1.

Note 2: The description of the financing nature is as follows:

- (1) Please fill in 1 if there are business dealings.
- (2) If there is a need for short-term financing, please fill in 2.

Note 3: Limit amount calculation method:

- (1) Total amount of capital loans of the parent company and limits of individual parties.
 - A. The total loan amount of the Company shall not exceed 40% of the net value of the Company.
 - B. For the companies or business entities which the company has business dealings with, the number of individual loans shall not exceed the business dealings between the two parties. The business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.
- (2) Total amount of capital loans of the subsidiaries and limits of individual parties.
 - A. The total loan amount of the Company shall not exceed 40% of the net value of the Company.
 - B. For the companies and business entities which the company has business dealings with, the number of individual loans shall not exceed the business dealings between the two parties. The business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.
 - C. For companies or business entities that have business dealings with Taiyu construction, the number of individual loans shall not exceed 20% of the net value of Taiyu construction.

Note 4: The above transactions related to the consolidated individual have been written off when preparing the consolidated financial statements.

B. Endorsements/guarantees provided :

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsers	Endorsee		Endorsement Balance During the Period	Highest Balance	Ending Amount Drawn	Actual Secured by Collaterals	Balance Accumulated to Net Worth of the Company	The ratio of the Amount of Endorsement	Maximum Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Party in Mainland China	Provision of Endorsements to the Party in Mainland China
		Name of endorsee	Limit for a Single Entity										
0	The Company	Nanjing Dingzheng Real Estate Billion	b	10,129,757 (Note 3)	222,250	216,350	216,350	-	2.14 %	20,259,514 (Note 3)	Y	N	Y
			b	10,129,757 (Note 3)	309,540	50,000	43,270	-	0.49 %	20,259,514 (Note 3)	Y	N	N
		Qingdao Dinglin International	b	10,129,757 (Note 3)	1,383,373	-	-	-	- %	20,259,514 (Note 3)	Y	N	Y
1	168	Nanjing Dingzheng Real Estate	b	62,694,528 (Note 4)	4,489,450	3,596,806	3,596,686	5,106,652	68.84 %	62,694,528 (Note 4)	N	N	Y
2	Fast	Qingdao Dinglin Hotel	b	25,644,096 (Note 5)	1,866,900	1,817,060	1,795,429	1,795,721	85.03 %	25,644,096 (Note 5)	N	N	Y
3	Qingdao Dinglin International	Qingdao Dinglin Hotel	b	- (Note 6)	40,005	-	-	-	- %	- (Note 6)	N	N	Y
4	Billion	Chengdu Chunya Enterprise Management Co., Ltd.	b	15,774,900 (Note 7)	1,297,900	1,297,900	1,276,269	1,276,477	98.73 %	15,774,900 (Note 7)	N	N	Y
5	Chengdu Chunya Enterprise Management Co., Ltd.	Chengdu Dingkang Real Estate Co., Ltd.	b	10,323,360 (Note 8)	8,106,250	7,676,250	4,166,825	870,923	892.30 %	10,323,360 (Note 8)	N	N	Y

Note 1: The description of the number column is as follows:

- (1) The issuer is represented in O.
- (2) The investee company is numbered sequentially from the Arabic numeral 1.

Note 2: The relationship between the endorser and the endorsee is as follows:

- (1) Trading partner.
- (2) The Company directly or indirectly holds more than 50% voting shares of the company.
- (3) The Company directly or indirectly holds more than 50% voting shares of the company.
- (4) The Company directly or indirectly holds 90% voting shares of the company.

Note 3 : According to the provision of the Company's endorsement guarantee provide to others, the amount of endorsement guarantee shall not exceed 200% of the net value of the current period, and the limit of endorsement guarantee for a single corporate shall not exceed 100% of the net value of the current period.

Note 4 : According to the provision of the subsidiary 168 Investment Ltd.'s endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

Note 5 : According to the provision of the subsidiary Fast's endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

Note 6 : According to the provision of the subsidiary Qingdao Dinglin International Business Management Co., Ltd's endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

Note 7 : According to the provision of the subsidiary Billion's endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

Note 8 : According to the provision of the subsidiary Billion's endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

C. Marketable securities held (not including subsidiaries, associates, and joint ventures) :

Amounts in Thousands of New Taiwan Dollars/Thousand shares

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Ending balance				Remark securities issuer
				Number of shares	Carrying Value	Ownership	Fair value	
The Company	Lalu Network Technology Co., Ltd.	The chairman of the Company is also the chairman of this company	Financial assets based on fair value through other comprehensive gains and losses	75,000	-	15.00%	-	
Fast	9801 Collective account of entrusted four-year maturity bonds	None	Financial assets based on fair value through gains and losses	10,000	3,071	- %	-	

D. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.

E. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital:

In Thousands of New Taiwan Dollars/Foreign currency thousand dollars

Company name	Types of properties	Transaction date	Transaction amount	Payment term	Counterparty	Nature of relationships	Prior transaction of related counterparty				Price reference	Purpose of acquisition	Other terms
							Owner	Relationships	Transfer date	Amount			
The Company	Six parcels of land, including land lot numbers 411-9 in the Haifonglun subsection of Douliu City, Yunlin County	May 18, 2023	422,768	Fully paid	Four people including Hsu, etc.	None	-	-	-	-	According to the appraisal report by the CHINA PROPERTY APPRAISING CENTER CO., LTD., the amount is subject to mutual agreement between the parties.	Land for construction	None

F. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		(Notes/Accounts Payable) Or Receivable		Remarks
			Purchases/Sales	Amount	% to Total	Payment Terms	Price	Payment terms	Amount	% to Total	
The Company	Taiyu Construction	Transactions between parent and subsidiary companies	Construction procurements	This period: 611,210	48.01 %	Collection under contract	-	-	309,966	73.75 %	-
Taiyu Construction	The Company	Transactions between parent and subsidiary companies	Construction procurements	Engineering income 662,809	98.87 %	Collection under contract	-	-	309,966	100.00 %	-
Taiyu Construction	Xianglin Hydropower	The Company's substantial related party	Construction procurements	This period: 103,694	28.73 %	Collection under contract	-	The Company is in accordance with the project procurement contract procedures.	7,448	3.21 %	-

Note: The above transactions related to the consolidated individual have been written off when preparing the consolidated financial statements.

H. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	Remark
					Amount	in Subsequent Period			
Taiyu Construction Fast	The Company	Subsidiary	309,966	-	-		-	-	-
	Billion	The same parent company	577,965	-	-		-	-	-
	168	The same parent company	(USD 18,820)	-	-		-	-	-
	168	The same parent company	268,119	-	-		-	-	-
	Billion	The same parent company	(USD 8,731)	-	-		-	-	-
		The same parent company	493,132	-	-		-	-	-
		The same parent company	(USD 16,058)	-	-		-	-	-
Qingdao Dinglin International	Chengdu Dingkang Real Estate	The same parent company	2,582,869	-	-		-	-	-
		The same parent company	(CNY 596,914)	-	-		-	-	-
Qingdao Xiangdu Investment	Qingdao Dinglin International	The same parent company	254,300	-	-		-	-	-
		The same parent company	(CNY 58,770)	-	-		-	-	-
Nanjing Dingzheng Real Estate	Qingdao Dinglin International	The same parent company	1,158,965	-	-		-	-	-
		The same parent company	(CNY 267,842)	-	-		-	-	-
Nanjing Dingzheng Hotel	Nanjing Dingzheng Real Estate	The same parent company	1,372,848	-	-		-	-	-
		The same parent company	(CNY 317,272)	-	-		-	-	-
Qingdao Dinglin Hotel	Qingdao Dinglin International	The same parent company	319,349	-	-		-	-	-
		The same parent company	(CNY 73,803)	-	-		-	-	-

Note: The above transactions related to the consolidated individual have been written off when preparing the consolidated financial statements.

I. Information about the derivative financial instruments transaction: None.

J. The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them:

Amounts in Thousands of New Taiwan Dollars

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 4)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Taiyu Construction	The Company	2	Operating income-construction	662,809	-	17.54%
2	Fast	Billion	3	Other receivables	577,965	-	1.41%
3	168	Billion	3	Other receivables	493,132	-	1.20%
4	Qingdao Dinglin International	Chengdu Dingkang Real Estate	3	Other receivables	2,582,869	-	6.29%
5	Nanjing Dingzheng Real Estate	Qingdao Dinglin International	3	Other receivables	1,158,965	-	2.82%
	Nanjing Dingzheng Real Estate	Nanjing Dingzheng Hotel	3	Operating income-rental	55,571	-	1.47%
6	Nanjing Dingzheng Hotel	Nanjing Dingzheng Real Estate	3	Other receivables	1,372,848	-	3.34%

Note 1: the number is as follows:

(1) Parent company fill in 0.

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

Note 2: there are three types of relationships with traders:

(1) Parent company to a subsidiary.

(2) Subsidiary to the parent company.

(3) Subsidiary to subsidiary.

Note 3: For the calculation of the ratio of the transaction amount to the individual's total revenue or total assets, if it belongs to the asset-liability account, it shall be calculated in the way that the ending balance accounts for the individual's total assets; If it belongs to the profit and loss account, it shall be calculated by the way that the cumulative amount in the interim accounts for the individual's total revenue.

Note 4: the above transactions related to the consolidated individual have been written off when preparing the consolidated financial statements.

(2) Information on investees(excluding Mainland China invested companies):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares Held as at the End of the Period			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Remark
				End of the current period	End of the prior year	Number of shares	Ratio	Carrying amount			
The Company	Taiyu Construction	Taiwan	Engineering and construction business	176,800	176,800	18,633	92.70%	118,177	(2,105)	11,771	Subsidiary
The Company	Headway	Samoa	Investment	284,791	248,791	9,643	66.67%	279,945	8,097	5,398	Subsidiary
The Company	Baihuang Investment	Taiwan	Investment	9,000	9,000	-	100.00%	1,020	3	3	Subsidiary
The Company	Dinglin international enterprise	Taiwan	Residential and building development lease and sale business	255	255	26	51.00%	394	2	1	Subsidiary
The Company	168	Samoa	Investment	6,692,803	6,447,629	216,897	95.59%	4,994,142	(482,307)	(458,808)	Subsidiary
The Company	Quantum	Samoa	Investment	1,817,289	1,712,616	58,385	85.38%	1,122,384	(210,371)	(177,186)	Subsidiary
The Company	Diamond	Samoa	Investment	12,252	12,252	386	100.00%	360	(49)	(49)	Subsidiary
The Company	Fast	Samoa	Investment	3,728,275	3,285,890	117,930	100.00%	2,137,008	(255,033)	(255,033)	Subsidiary
Taiyu Construction	Worldwide	Samoa	Engineering Consultant	32	32	-	100.00%	447	(28)	(28)	Subsidiary
Baihuang Investment	Dinglin international enterprise	Taiwan	Residential and building development lease and sale business	245	245	25	49.00%	379	2	1	Subsidiary
Headway	Gold Square	Samoa	Investment	-	-	-	100.00%	654	(28)	(28)	Subsidiary
Quantum	Billion	Samoa	Investment	(USD-) 2,100,103	(USD-) 2,000,084	68,385	100.00%	(USD21) 1,314,575	(USD-1) (210,420)	(USD-1) (210,420)	Subsidiary
Fast	Century Up	Hong Kong	Investment	(USD68,385) 941,870	(USD65,128) 741,212	239,244	81.21%	(USD42,806) (326,864)	(USD-6,754) (303,899)	(USD-6,754) (241,935)	Subsidiary
				(USD30,670)	(USD24,136)			(USD-10,644)	(USD-9,754)	(USD-7,766)	

(3) Information on investments in Mainland China:

Amounts in Thousands of New Taiwan Dollars/Foreign currency thousand

Investee Company	Main Business and Products	Total Amount of Paid-in Capital	Investment method	Accumulated investment amount of remittance from Taiwan—beginning of the current period	Exported or recovered investment amount of the current period		Accumulated investment amount of remittance from Taiwan—end of the current period	Current profit or loss of the investee company	Shareholding percentage from direct or indirect investment	Investment profit or loss recognized in the current period (Note 2)	Carrying amount of investment at the end of the current period	Accumulated repatriation of investment income as of the end of the period
					Received	Remitted						
Nanjing Dingzheng Real Estate	Real estate development, operation, and management	3,746,344 (USD121,991) (Note 3)	(2) 168	1,284,000 (USD40,000) (Note 3)	-	-	1,284,000 (USD40,000) (Note 3)	(451,050)	95.59%	(431,159)	\$ 2,565,167	-
Qingdao Dinglin International	Enterprise management services, catering production and sales, accommodation services, wholesale, exhibition services, and house leasing	1,152,454 (USD37,527) (Note 3)	(2) Century Up	614,200 (USD20,000) (Note 3)	-	-	614,200 (USD20,000) (Note 3)	(380,775)	64.92%	(247,199)	(320,002)	-
Chengdu Chunya enterprise	Enterprise management services	1,535,500 (USD50,000) (Note 3)	(2) Billion	1,228,400 (USD40,000) (Note 3)	-	-	1,228,400 (USD40,000) (Note 3)	(209,483)	85.38%	(178,857)	734,507	-
Qingdao Xiangdu	Self-owned funds and private equity funds are engaged in equity investment, investment management, asset management, and other activities	307,100 (USD10,000) (Note 3)	(2) Headway	307,100 (USD10,000) (Note 3)	-	-	307,100 (USD10,000) (Note 3)	(13)	66.67%	(9)	171,841	-
Nanjing Dingzheng Hotel	Hotel operation and management	519,245 (CNY120,000) (Note 3)	(3) Nanjing Dingzheng Real Estate	-	-	-	-	(1,020)	95.59%	(975)	365,124	-
Qingdao Dinglin Hotel	Hotel operation and management	44,069 (CNY10,000) (Note 3)	(3) Qingdao Dinglin International	-	-	-	-	27,460	64.92%	17,827	(49,989)	-
Chengdu Dingkang Real Estate	Construction of hotels and real estate development	1,322,170 (CNY305,560) (Note 3)	(3) Chengdu Chunya enterprise	-	-	-	-	(209,481)	85.38%	(178,855)	736,205	-

Investor Company	Accumulated remitted investment amount from Taiwan to Mainland China—end of the current period	Investment amount approved by the Investment Committee of the Ministry of Economic Affairs	Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs
Shining Building Business Co. Ltd	\$ 4,524,044 (USD147,315) (Note 3)	\$ 4,799,973 (USD156,300) (Note 3)	\$ 6,077,854 (Note 4)

Note 1: Investments are divided into the following three types:

- (1) Direct investment in the mainland.
- (2) Reinvestment in mainland companies through third regional companies.
- (3) Others.

Note 2: investment losses recognized in this period:

- (1) If there is no investment profit or loss in preparation, it shall be noted.
- (2) The recognition basis of investment profit and loss is divided into the following three types, which should be noted:
 - A. The financial statements are audited and endorsed by an international accounting firm that has a cooperative relationship with an accounting firm of the Republic of China.
 - B. The financial statements are audited and endorsed by the certified public accountant of the Taiwan parent company.
 - C. Others.

Note 3: The amount in Taiwan dollars is converted at the exchange rate on the balance sheet date (the recognized gains and losses are converted at the average exchange rate).

Note 4: the investment limit is calculated at 60% of the net value..

Details of significant transactions with Mainland invested companies directly or indirectly through third-party territories (offset in the preparation of consolidated financial statements), including their prices, payment terms, unrealized gains or losses, and other relevant information to understand the impact of Mainland investments on financial statements:

- (1) Please refer to Note 13.1 for significant transactions occurred between the Group and Mainland invested companies indirectly through third-party territories in 2023.
- (2) Unrealized (losses) gains incurred by the Group indirectly through third-party territories in 2023: None.

(4) Information on major shareholders:

		Unit: shares
Name of Major Shareholder	Shares	Percentage of Ownership (%)
	Number of Shares	
Dinglin Investment Development	146,508,678	13.59%
Dingzheng Investment Co., Ltd	143,631,799	13.32%
Quanyang Investment Co., Ltd	98,221,964	9.11%
Guangyu Investment Co., Ltd	66,000,854	6.12%
Mingheng Investment Co., Ltd	56,978,163	5.28%
Heting Investment Co., Ltd	55,510,514	5.15%

Note 1: The information of major shareholders is 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. The share capital in the consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: As per the information above, if the shareholder delivers the shares to the trust, shares will be disclosed based on the trustee's account. Additionally, according to the Securities and Exchange Act, an internal stakeholder who holds more than 10% of the Company's share, which includes shares held by the stakeholder and parts delivered to the trust that has decision-making rights, should be declared. For information regarding internal stakeholder declaration, please refer to the Market Observation Post System website of the Taiwan Stock Exchange Corporation.

14. SEGMENT INFORMATION

(1) General information

For management, the Group's operational decision-makers divide the operating segments according to the business units and divide the main reportable segments into building units and construction units. Some of the subsidiaries' operations are not included in the reportable segments because of their small scale of operation and the relevant information is not included in the operational decision-making report. Their operating results are consolidated under "other unit":

- A. Building unit: Mainly engaged in the business of building commercial buildings and renting and selling public housing.
- B. Construction unit: Mainly engaged in construction and civil engineering business.
- C. Other units: Mainly engaged in hotel construction and real estate development and general investment.

The Group's operational decision-makers monitor the operational results of each operating unit to make decisions on resource allocation and performance evaluation. The performance of segments is assessed based on net profit (loss) before tax and is measured in a manner consistent with net profit (loss) before tax in the consolidated financial statements. The accounting policies of the operating segment are the same as the summary of important accounting policies described in Note 4 of the consolidated financial statements.

Item	2023				Total
	Building segment	Construction segment	Other	Reconciliation and elimination	
Income					
Revenue from external customers	\$ 3,027,400	\$ 7,556	\$ 743,825	-	\$ 3,778,781
Inter segments revenue	87,458	662,809	-	(750,267)	-
Interest income	5,820	504	97,034	(21,898)	81,460
Total income	\$ 3,120,678	\$ 670,869	\$ 840,859	(772,165)	\$ 3,860,241
Total assets of segments	\$ 47,568,342	\$ 538,265	\$ 15,004,537	(22,054,098)	\$ 41,057,046
Segment liabilities	\$ 34,767,716	\$ 360,042	\$ 3,570,049	(8,164,986)	\$ 30,532,821

Item	2022				Total
	Building segment	Construction segment	Other	Reconciliation and elimination	
Income					
Revenue from external customers	\$ 763,845	\$ 3,521	\$ 562,918	-	\$ 1,330,284
Inter segments revenue	74,510	932,920	-	(1,007,430)	-
Interest income	5,538	454	86,770	(21,371)	71,391
Total income	\$ 843,893	\$ 936,895	\$ 649,688	(1,028,801)	\$ 1,401,675
Segment income	\$ (2,752,951)	\$ (8,079)	\$ (1,888,380)	\$ 2,791,308	\$ (1,858,102)
Total assets of segments	\$ 49,641,738	\$ 606,342	\$ 14,535,128	(24,662,208)	\$ 40,121,000
Segment liabilities	\$ 35,047,217	\$ 426,048	\$ 2,394,140	(8,710,235)	\$ 29,157,170

(2) Geographical information

The regional information of the Group is as follows, in which the income is classified based on the receiving region, while the non-current assets are classified based on the geographical location of the assets.

A. Revenue from external customers: Please refer to Note 6. (23)

B. Non-current assets

Area	2023.12.31	2022.12.31
Taiwan	\$ 9,465,587	\$ 4,516,647
Mainland China	10,243,234	10,952,687
	\$ 19,708,821	\$ 15,469,334

6.5 The Parent Company Only Financial Statements of the Company Certified by CPAs in the Most Recent Year

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shining Building Business Co. Ltd.

Auditors' Opinions

We have audited the accompanying financial statements of Shining Building Business Co. Ltd. (collectively referred to as the "Company"), which comprise the balance sheets as of December 31, 2023, and 2022, the statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 parent company only financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Company's parent company only financial statements for the year ended December 31, 2023, is as follows:

1. Revenue recognition

Please refer to Note 4(18) revenue recognition of consolidated financial statements for the accounting policies related to revenue recognition; For the description of revenue recognition, please refer to Note 6(20) revenue of consolidated financial statements.

Description of the key audit:

The Company belongs to the real estate development activities, and the income from real estate sales is the main source of income for operation. The income from real estate sales in 2023 was \$2,281,566 thousand, accounting for 98.65% of the total consolidated revenue. The timing of recognition of operating revenue and the authenticity of sales have a significant impact on the parent company only financial statements.

Revenue from real estate sales is recognized when the real estate transfer is completed and the house is handed over. Due to a large number of sales objects, it is necessary to recognize the sales revenue after examining the ownership transfer and house delivery data one by one, which usually involves many manual operations to determine the correctness of the recognition time point of sales revenue. Therefore, the recognition of income is one of the important evaluation items for the CPA to perform the audit of the parent company only financial statements of the Company.

Our main audit procedures performed in respect of the key audit matter were as follows:

- (1) Understand the main income patterns, contract terms, and trading conditions;
- (2) Understand and test the effectiveness of internal control related to the sales and collection cycle of the Company;
- (3) Obtain and inspect the detailed sales statement, house purchase and sale contract, house transfer and delivery receipt, house and land ownership certificate of each case, confirm the completion date of transfer registration and house delivery date, and perform the income deadline test to evaluate whether the accounting policy at the time point of income recognition is appropriate and whether the income recognition policy is handled in accordance with the provisions of the relevant provisions.

2. Inventory valuation

Please refer to Note 4(7) inventory of the parent company only financial statements for the accounting policies related to inventory evaluation; Please refer to Note 5(2)(B) of the parent company only financial statements for the accounting estimates and assumptions uncertainty of inventory evaluation; For the description of inventory evaluation, please refer to Note 6(5) inventory to the parent company only financial statements.

Description of the key audit:

The real estate development activities of the Company are an industry with high capital investment and a long payback period, and its inventory is listed at the lower of cost and net realizable value. At present, the real estate industry is affected by overall economic, political factors, tax reform, market supply and demand, and other factors. Therefore, the important assumptions and judgments of net realizable value depend on the subjective judgment and estimation of the management or the evaluation of the changes in relevant parameters of real estate appraisal. Therefore, the evaluation of inventory is one of the important evaluation items for the CPA to perform the audit of the parent company only financial statements of the Company.

Our main audit procedures performed in respect of the key audit matter were as follows:

- (1) Understand the internal operating procedures and accounting treatment of the Company for the subsequent measurement of these real estate premises;
- (2) Obtain the appraisal data of the net realizable value of the inventory of the Company. Sampling audit sales contracts that have been signed, and refer to the latest current real estate prices announced by the Ministry of the Interior, or obtain transaction quotations in neighboring areas. We analyzed the gross profit rate of the real estate sold in the year and convert it into the net realizable value of the real estate for sale. Obtain the profit plans of the Company for each case, and evaluate whether there is any significant difference between the profits of the construction land and the profits of the sold cases, to evaluate whether the net realizable value of the previously disclosed inventory is properly expressed.

3. Fair value evaluation of investment properties

For the accounting policies related to the fair value evaluation of investment properties, please refer to Note 4(11) in the parent company only financial statements. For the accounting estimates and assumptions uncertainty related to fair value evaluation of investment properties, please refer to Note 5(2)(C) in the consolidated financial statements. For further explanation on the fair value evaluation of investment properties, please refer to Note 6(9) in the consolidated financial statements.

Description of the key audit:

- (1) Evaluate the professional competence, suitability, and objectivity of the real estate appraisers hired by external joint appraisal firms commissioned by the management, and verify their qualifications.
- (2) Understand whether the valuation methods and assumptions comply with the financial reporting standards for the issuer of securities and the technical rules for real estate valuation. Evaluate the relevance and reliability of the data sources and important parameters (such as yield rates and discount rates) used in the valuation report and confirm the reasonableness of the valuation results.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerned 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 members of the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 auditing standards generally accepted in 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 parent company only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the invested company adopting the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 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.

Crowe (TW) CPAs

Accountant: Hung Suk Fan

Accountant: Hslao You Wen

No.: Financial-Supervisory-Securities-Auditing-1070118530

No.: Financial-Supervisory-Securities-Auditing-1120333782

March 13, 2024

Shining Building Business Co. Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	NOTE	2023. 12. 31		2022. 12. 31		CODE	LIABILITIES AND EQUITY	NOTE	2023. 12. 31		2022. 12. 31	
			AMOUNT	%	AMOUNT	%				AMOUNT	%	AMOUNT	%
	CURRENT ASSETS							CURRENT LIABILITIES					
1100	Cash and cash equivalents	6(1)	\$ 164,699	1	\$ 357,805	2	2100	Current borrowings	6(10) 6(28) and 6(30)	\$ 254,906	1	\$ 338,087	2
1150	Notes receivable, net	6(3) and 6(4)	-	-	3,578	-	2110	Short-term notes and bills payable, net	6(11) 6(28) and 6(30)	3,436,559	19	2,097,626	11
1170	Accounts receivable	6(4)	-	-	-	-	2130	Current contract liabilities	6(19)	594,382	3	1,112,732	6
1200	Other receivables		331	-	700	-	2150	Notes payables	6(30)	50,137	-	67,772	-
1210	Other receivables due from related parties	7	131	-	280,787	2	2160	Accounts payables	6(30) and 7	-	-	50,000	-
1220	Current tax assets		930	-	1,282	-	2170	Accounts payable to related parties	6(30)	60,208	-	208	-
130X	Current inventories	6(5) and 8	5,140,822	28	5,947,927	31	2180	Other payables	6(30) and 7	309,966	2	353,522	2
1410	Prepayments		68,834	-	79,434	-	2200	Other payables to related parties	6(30)	58,822	-	86,396	-
1476	Other current financial assets	8	340,068	2	616,531	3	2220	Current tax liabilities	6(28) 6(30) and 7	25,470	-	22,207	-
1479	Other current assets, others		228,232	1	225,318	1	2280	Current lease liabilities	6(8) 6(28) 6(30) and 7	4,229	-	4,616	-
	Total current assets		<u>5,944,047</u>	<u>32</u>	<u>7,513,362</u>	<u>39</u>	2320	Long-term liabilities - current portion	6(12) 6(13) 6(28)6(29)and 6(30)	156,241	1	1,813,660	9
	NON-CURRENT ASSETS						2399	Other current liabilities, others		14,135	-	92,401	1
1517	Non-current financial assets at fair value through profit or loss	6(2) and 6(29)	-	-	9	-		Total current liabilities		<u>4,965,055</u>	<u>26</u>	<u>6,039,227</u>	<u>31</u>
1550	Non-current financial assets at fair value through other comprehensive income	6(6)	8,653,430	46	8,864,147	46	2540	NON-CURRENT LIABILITIES					
1600	Property, plant, and equipment	6(7) and 8	730,732	4	726,504	4		Non-current portion of non-current borrowings	6(13) 6(28) 6(29)and 6(30)	2,492,299	13	2,743,276	14
1755	Right-of-use assets	6(8)	18,192	-	5,840	-	2570	Deferred tax liabilities	6(25)	149,502	1	89,778	1
1760	Investment properties, net	6(9), 6(29) and 8	2,555,682	14	1,482,686	7	2580	Non-current lease liabilities	6(8) 6(28) 6(30) and 7	13,993	-	1,435	-
1780	Intangible assets		2,195	-	3,053	-	2635			1,000,000	6	-	
1840	Deferred tax assets	6(25)	831,893	4	703,167	4	2640	Net defined benefit liability, non-current	6(14)	14,952	-	16,621	-
1920	Guarantee deposits paid	6(29) and 7	36,317	-	36,404	-	2645	Guarantee deposits received	6(28) 6(29) and 6(30)	6,930	-	4,457	-
	Total non-current assets		<u>12,828,441</u>	<u>68</u>	<u>11,821,810</u>	<u>61</u>		Total non-current liabilities		<u>3,677,676</u>	<u>20</u>	<u>2,855,567</u>	<u>15</u>
								Total liabilities		<u>8,642,731</u>	<u>46</u>	<u>8,894,794</u>	<u>46</u>
								EQUITY					
							3100	Ordinary share	6(15)	9,775,892	52	9,775,892	51
							3200	Capital surplus	6(16)	13,755	-	20,351	-
							3300	Retained earnings	6(17)	884,915	5	1,134,025	6
							3400	Other equity interest	6(18)	(544,805)	(3)	(489,890)	(3)
								Total equity		<u>10,129,757</u>	<u>54</u>	<u>10,440,378</u>	<u>54</u>
	TOTAL		<u>\$ 18,772,488</u>	<u>100</u>	<u>\$ 19,335,172</u>	<u>100</u>		TOTAL		<u>\$ 18,772,488</u>	<u>100</u>	<u>\$ 19,335,172</u>	<u>100</u>

(The accompanying Note is an integral part of the parent company only financial statements)

Chairman: Lai Cheng I

Manager: Fang, Wei-Min

Accounting Supervisor:Liao Pei Chi

Shining Building Business Co. Ltd.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

CODE	ITEM	NOTE	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	OPERATING REVENUE	6(9), 6(19) and 7	\$ 2,312,679	100	\$ 408,785	100
5000	OPERATING COSTS	6(5) and 7	(1,721,133)	(74)	(284,843)	(70)
5900	GROSS PROFIT		591,546	26	123,942	30
	OPERATING EXPENSES	6(8), 6(9) 6(14), 6(24), and 7				
6100	Selling expenses		(116,409)	(5)	(142,194)	(35)
6200	Administrative expenses		(228,990)	(10)	(214,785)	(52)
6450	Impairment loss determined in accordance with IFRS 9		-	-	2,047	-
6000	Total operating expenses		(345,399)	(15)	(354,932)	(87)
6900	NET OPERATING (LOSS)INCOME		246,147	11	(230,990)	(57)
	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income	6(20) and 7	5,794	-	5,500	1
7010	Other income	6(21)	1,326	-	15,513	4
7020	Other gains and losses	6(22)	519,273	22	7,905	2
7050	Finance costs	6(23) and 7	(142,446)	(6)	(125,107)	(30)
7070	Total non-operating income and expenses		(873,903)	(38)	(1,276,973)	(312)
7000	PROFIT BEFORE INCOME TAX		(489,956)	(22)	(1,373,162)	(335)
7900	TAX INCOME(EXPENSE)		(243,809)	(11)	(1,604,152)	(392)
7950	PROFIT(LOSS)	6(25)	48,618	2	228,172	55
8200	NON-OPERATING INCOME AND EXPENSES		(195,191)	(9)	(1,375,980)	(337)
	OTHER COMPREHENSIVE INCOME (LOSS)	6(14), 6(18), 6(25) and 6(26)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		(131)	-	3,696	1
8316	Unrealized profit and loss of equity instrument investment measured at fair value through other comprehensive income		(9)	-	-	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		38	-	3,484	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		20	-	(1,435)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(68,635)	(3)	602,590	147
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		13,727	1	(120,519)	(29)
8300	Other comprehensive income (loss) for the year, net of income tax		(54,990)	(2)	487,816	120
8500	TOTAL COMPREHENSIVE INCOME		\$ (250,181)	(11)	\$ (888,164)	(217)
	EARNINGS PER SHARE:	6(27)				
9750	Basic earnings per share (NT\$)		\$ (0.20)		\$ (1.41)	
9850	Diluted earnings per share (NT\$)		\$ (0.20)		\$ (1.41)	

(The accompanying Note is an integral part of the parent company only financial statements)

Chairman: Lai Cheng I Manager: Fang, Wei-Min Accounting Supervisor:Liao Pei Chi

Shining Building Business Co. Ltd.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Retained Earnings					Retained Earnings		Total Equity
	Ordinary share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
BALANCE, JANUARY 31, 2022	\$ 9,775,892	\$ 21,754	\$ 1,305,280	\$ 1,457,140	\$ (258,160)	\$ (971,368)	\$ (593)	\$ 11,329,945
Net loss for 2022	-	-	-	-	(1,375,980)	-	-	(1,375,980)
Other comprehensive income (loss) for 2022	-	-	-	-	5,745	482,071	-	487,816
Total comprehensive income (loss) for 2022	-	-	-	-	(1,370,235)	482,071	-	(888,164)
Changes in ownership interest of subsidiaries	-	(1,403)	-	-	-	-	-	(1,403)
BALANCE, DECEMBER 31, 2022	9,775,892	20,351	1,305,280	1,457,140	(1,628,395)	(489,297)	(593)	10,440,378
Net loss for 2023	-	-	-	-	(195,191)	-	-	(195,191)
Other comprehensive income (loss) for 2023	-	-	-	-	(75)	(54,908)	(7)	(54,990)
Total comprehensive income (loss) for 2023	-	-	-	-	(195,266)	(54,908)	(7)	(250,181)
Changes in ownership interest of subsidiaries	-	(6,596)	-	-	(53,844)	-	-	(60,440)
BALANCE, DECEMBER 31, 2023	<u>\$ 9,775,892</u>	<u>\$ 13,755</u>	<u>\$ 1,305,280</u>	<u>\$ 1,457,140</u>	<u>\$ (1,877,505)</u>	<u>\$ (544,205)</u>	<u>\$ (600)</u>	<u>\$ 10,129,757</u>

(The accompanying Note is an integral part of the parent company only financial statements)

Chairman: Lai Cheng I Manager: Fang, Wei-Min Accounting Supervisor: Liao Pei Chi

Shining Building Business Co. Ltd.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ITEM	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	\$ (243,809)	\$ (1,604,152)
Adjustments for:		
Adjustments to reconcile profit (loss)		
Depreciation expense	14,354	13,641
Amortization expense	51,469	49,918
Expected credit loss amount	-	(2,047)
Interest expenses	142,446	125,107
Interest income	(5,794)	(5,500)
Share of losses from subsidiaries, associated companies, and joint ventures accounted for using the equity method	873,903	1,276,973
Revenue on disposal and write-off of property, plant, and equipment	-	(76)
Reversal of inventory write-downs	(613)	(61,748)
Reversal of impairment losses on property, plant, and equipment	-	(12,412)
Fair value adjustments (gain/loss) on investment properties	(517,353)	(3,578)
Total adjustments to reconcile profit (loss)	558,412	1,380,278
Changes in operating assets and liabilities:		
Notes receivable	3,578	25,800
Accounts receivable	-	52,762
Other receivable	378	(109)
Other receivables - related parties	(105)	11,113
Inventories	252,075	(689,330)
Prepayments	(40,011)	(70,469)
Other current assets	(2,914)	19,328
Increase in contract liabilities	(518,350)	690,821
Increase in notes payable	(17,635)	11,421
Increase in notes payable - related parties	(50,000)	50,000
Accounts payable	60,000	(4)
Accounts payable - related parties	(43,556)	4,563
Increase in other payable	(26,701)	(73,883)
Other payable - related parties	3,263	(69,409)
Other current liabilities	(78,266)	32,667
Net defined benefit liability	(1,800)	(210)
Net changes in operating assets and liabilities	(460,044)	(4,939)
Cash inflow (outflow) generated from operations	(145,441)	(228,813)
Interest received	5,133	2,167
Interest paid	(146,386)	(123,396)
Income tax paid	(6,277)	(16,707)
Net cash flows from operating activities	(292,971)	(366,749)

Continued on page 10

(The accompanying Note is an integral part of the parent company only financial statements)

Chairman: Lai Cheng I

Manager: Fang, Wei-Min

Accounting Supervisor: Liao Pei Chi

Shining Building Business Co. Ltd.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ITEM	2023	2022
Continued from page 9		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of investments accounted for using the equity method	\$ (792,231)	\$ (358,006)
Proceeds from capital reduction of investments accounted for using equity method	-	237,732
Acquisition of property, plant, and equipment	(14,146)	(3,331)
Decrease (increase) in refundable deposits	87	(33,587)
Acquisition of intangible assets	-	(953)
Decrease in other receivables due from related parties	277,413	(277,413)
Decrease (Increase) in other financial assets	276,463	(99,764)
Collected interest	4,000	-
Net cash flows from investing activities	<u>(248,414)</u>	<u>(535,322)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in short-term loans	(83,181)	(98,983)
Increase (decrease) in short-term notes and bills payable	1,342,000	(161,000)
(Repayments) proceeds from issuing bonds	(1,157,249)	(373,910)
Proceeds (repayments) from long-term debt	(751,147)	906,928
Increase(decrease) in guarantee deposits received	1,000,000	-
Decrease in other receivables due from related parties	2,473	397
Payments of lease liabilities	(4,617)	(4,206)
Net cash flows from financing activities	<u>348,279</u>	<u>269,226</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(193,106)	(632,845)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>357,805</u>	<u>990,650</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 164,699</u>	<u>\$ 357,805</u>

(The accompanying Note is an integral part of the parent company only financial statements)

Chairman: Lai Cheng I

Manager: Fang, Wei-Min

Accounting Supervisor: Liao Pei Chi

Shining Building Business Co. Ltd.
Notes to Parent Company Only Financial Statements
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Shining building business Co. Ltd. (hereinafter referred to as the Company) was incorporated in May 1990, with the approval of the Ministry of Economic Affairs. Its registered address is No.408, sec.2, Taiwan Blvd., West Dist., Taichung City, Taiwan, R.O.C. It is mainly engaged in the business of entrusting construction firms to build commercial buildings, rent, and sell public housing.

The Company was public issued on November 27, 1996, with the approval of the Securities and Futures Bureau, Financial Supervisory Commission, R.O.C. On 19 June 2001, it was approved to be listed on the OTC. On 31 January 2005, shares of the Company have been listed on the TWSE.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved and published by the Company's board of directors on March 13, 2024.

3. APPLICATION OF NEW, AMENDED, AND REVISED STANDARDS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC"):

New standards, interpretations, and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations, and Amendments	Effective date by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendment to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)
Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"	(Note 4)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for otherwise specified with for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

Note 4 : With regards to the temporary exemption provision under IAS 12 (i.e., entities shall not recognize deferred tax assets and liabilities related to pillar two income taxes, nor disclose related information; however, entities shall disclose the application of this exemption in the financial statements), upon issuance of this amendment (May 23, 2023), immediate retrospective application shall be made in accordance with IAS 8. Other disclosure requirements shall apply to annual reporting periods beginning on or after January 1, 2023; there is no requirement to disclose such other information for interim reporting periods ending before December 31, 2023.

After assessing the criteria and explanations provided above, it has been determined that they do not have a significant impact on the financial condition and financial performance of the group.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company:

New standards, interpretations, and amendments endorsed by the FSC effective from 2024 are as

follows:

<u>New Standards, Interpretations, and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 1)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS7 and IFRS7”Supplier Finance Arrangements”	January 1, 2024 (Note 2)

Note 1: The seller cum lessee shall retrospectively apply the provisions of this amendment in accordance with IAS 8 to sale and leaseback transactions entered into after the initial application date of IFRS 16.

Note 2: This amendment provides certain transitional relief provisions, whereupon initial application, enterprises are not required to disclose comparative information, interim period information, nor the initial information as specified in paragraph 44H(b)(ii)-(iii).

The above standards and interpretations have no significant impact on the Company’s financial condition and financial performance based on the Company’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC:

New standards, interpretations, and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations, and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17, “Initial application of IFRS 17 and IFRS 9 - comparative information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations and related applicable periods. The related impact will be disclosed when the Company completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(1) Compliance statement

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - a. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - b. Other financial assets at fair value through profit or loss.
 - c. Liabilities of the cash delivery share-based payment agreement at fair value.
- B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Foreign currency translation

- A. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and the Company's presentation currency.
- B. In preparing the parent company only financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.
- C. For the purposes of presenting the parent company only financial statements, the assets and liabilities of the foreign operations are translated into NT\$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

(4) Classification of Current and Noncurrent Assets and Liabilities

A. Assets that meet one of the following criteria are classified as current assets:

- a. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- b. Assets held mainly for trading purposes;
- c. Assets that are expected to be realized within twelve months from the balance sheet date;
- d. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise, they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- a. Liabilities that are expected to be settled within the normal operating cycle;
- b. Liabilities arising mainly from trading activities;
- c. Liabilities that are to be settled within twelve months from the balance sheet date, even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue.
- d. Liabilities for which the repayment date cannot be extended unconditionally to over twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification;

Otherwise, they are classified as non-current liabilities.

(5) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and 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. (Including time deposits with original maturities of less than 3 months)

(6) Financial Instruments

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs were directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss and are recognized immediately in profit or loss.

Financial assets

A. Measurement categories

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

Financial assets of the Company are classified as financial assets at fair value through profit or loss, financial assets not measured at amortized cost, debt instrument investment at fair value through other comprehensive income, and equity instrument investment at fair value through other comprehensive income.

(A) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. The contractual terms of the financial assets give rise on a specified date to cash flow that is solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss are measured at fair value. Dividends, interest income, and remeasured benefits or losses are recognized in other benefits, and losses/dividends generated are recognized in other income, and interest income and remeasured benefits or losses are recognized in other benefits and losses. Please refer to the Note for the determination method of fair value.

Except for the following two cases, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

- a. Purchased or originated credit-impaired financial assets: for those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- b. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets: for those financial assets, the Company shall apply the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

(B) Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Company's right to receive the dividends is established unless the Company's right clearly represents a recovery of part of the cost of the investment.

(B) Impairment of financial assets

- a. At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivable, and contract assets.
- b. At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivable, and contract assets.
- c. Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.
- d. The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

(C) De-recognition of financial assets

- The Company derecognizes a financial asset when one of the following conditions is met:
- a. The contractual rights to receive the cash flows from the financial asset expire.
 - b. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
 - c. The Company has not transferred substantially almost all risks and rewards; however, the Company has not retained control of the financial asset.

On the de-recognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On the de-recognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. However, on the de-recognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Equity instruments

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

(A) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following:

- a. Financial liabilities at fair value through profit or loss are financial liabilities held for transactions or financial liabilities initially recognized at fair value. Those classified into financial liabilities held for trading are derivatives acquired principally for the purpose of repurchasing in the near term or are derivatives other than those designated as hedged items under hedge accounting requirements. The Company designated financial liabilities as measured at fair value through profit or loss in the original recognition when they meet one of the following criteria:
 - (a) Hybrid (combined) contract containing embedded derivative instruments, where the main contract does not qualify as an asset within the scope of IFRS 9; or
 - (b) Eliminating or significantly reducing inconsistency in measurement or recognition.
 - (c) Instruments that are managed on a fair value basis, and are assessed with their performance, in accordance with written risk management policy.
- b. Financial liabilities measured at FVTPL are financial liabilities recognized at fair value, with the relevant transaction costs recognized as profit or loss. Subsequently, the costs of such financial liabilities are measured at fair value, and any changes in fair value are recognized as profit or loss.
- c. For those designated as financial liabilities measured at FVTPL, the changes in fair value due to credit risk variations are recognized in other comprehensive income, without subsequently being reclassified as profit or loss. The remaining change in the fair value of such liabilities is recognized as profit or loss. However, if the aforementioned accounting treatment would incur or accelerate an accounting mismatch, the gains or losses of such liabilities are recognized as profit or loss in their entirety.

(B) De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, canceled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(7) Inventories

Including the land to be built, the land under construction, and the land for sale, the construction income/loss is recognized according to the completed contract method based on the acquisition cost. The inventory is measured according to the lower of cost and net realizable value. When comparing the cost with the net realizable value, the item-by-item method is adopted; the net realizable value refers to the balance of the estimated selling price under normal circumstances after deducting the estimated costs and related variable expenses to be invested until completion. The interest on land under construction shall be capitalized in accordance with IAS 23.

The perpetual inventory system is adopted for commodity inventory according to the lower of cost and net realizable value. The cost is calculated by the weighted average method.

(8) Investments accounted for under equity method/associates

A. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for under the equity method and are initially recognized at cost.

B. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

C. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

D. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

E. Upon loss of significant influence over an associate, the Company re-measures any investment retained in the former associate at its fair value. Any difference between fair value and the carrying amount is recognized in profit or loss.

F. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

G. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the association are transferred to profit or loss. If it retains significant influence over this associate, the amounts

previously recognized as capital surplus in relation to the association are transferred to profit or loss proportionately.

(9) Property, plant, and equipment

- A. Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. The cost model is applied to other properties, plants, and equipment, and these are depreciated using the straight-line method. The assets' residual values, useful lives, and depreciation methods are reviewed and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the asset's future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant, and equipment are as follows:

<u>Asset item</u>	<u>Useful life</u>
Buildings	8 to 55 years
Other equipment	3 to 11 years

- D. An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising from the disposal or retirement of an item of property, plant, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(10) Leases

At the inception of a contract, the Company assesses whether the contract is, or contains a lease. The Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

A. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use asset

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Except for the right-of-use assets that meet the definition of investment property, the right-of-use assets are presented as separate items in the parent company only balance sheet. For the recognition and measurement of the right-of-use assets that meet the definition of investment property, please refer to note 4 (11) of accounting policies for investment property.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. If the lease transfers ownership of the underlying assets to the Company by the end of the lease terms or if the cost of right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments. Lease payments comprise fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

If the change of the lease term, the evaluation of the option to purchase the underlying asset, the amount expected to be paid under the residual value guarantee, or the index or rate used to determine the lease payment results in the change of the future lease payment, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Company recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction. The Company continues to recognize the transferred assets and recognize the financial liabilities equal to the transfer price.

B. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease. The lease payments (including any one-time past payment) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying for recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accruing to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. The Company allocates the financing income to the lease term on a systematic and reasonable basis so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of the lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(11) Investment Properties

Investment properties are properties held for earning rentals and/or for capital appreciation, including property under construction for these purposes. Investment properties also include land held for currently undetermined future use.

Own investment properties are measured initially at cost, including transaction costs.

All investment properties are subsequently measured using the fair value model, and the profits or losses arising from changes in fair value are recognized in the income statement in the year they occur.

Investment properties are initially recognized at fair value on the date of transition to owner-occupied or when they cease to be owner-occupied and are reclassified as property, plant, and equipment.

On the de-recognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in the profit or loss of the year.

(12) Intangible Assets

Separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization is recognized using the straight-line method over the following estimated useful lives: software and system design costs – 5 years; cost of issuing corporate bonds - the economic life or contract period. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Goodwill and intangible assets with uncertain service life are not amortized and instead are tested for impairment annually.

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising from the disposal or retirement of an item of intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss of the year.

(13) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist, the impairment loss is reversed within the scope of the amount of loss provided in prior years.

The recoverable amount of goodwill, intangible assets with uncertain life, and intangible assets not yet available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

(14) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees and should be recognized as an expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the

extent of a cash refund or a reduction in future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefit that employees will receive on retirement for their services with the Company in the current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).
- ii. Re-measurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

C. Employees' bonus and directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as changes in estimates.

D. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result of either the Company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after the balance sheet date shall be discounted to their present value.

(15) Preferred stock liabilities

The redeemable preferred shares of the Company are classified as financial liabilities, as they are subject to cumulative dividends and the holders do not have a redemption right. Dividends are recognized as interest expense under accrual basis.

(16) Share capital & treasury stock

A. Share capital

Common shares were classified as equity. The classification of preferred shares refers to the definition of substantial contractual agreement, financial liabilities, and equity instruments, and evaluates the specific rights attached to preferred shares. When the basic characteristics of financial liabilities were exhibited, they were classified as liabilities; otherwise, they would be equity. The net increase in costs directly attributable to the issuance of new shares or share warrants after deducting income tax is recorded as the deduction of share prices.

B. Treasury stocks

The Company withdrew the issued outstanding shares and recognized them as "treasury stocks" based on the consideration paid at the time of purchase (including directly attributable costs) as a deduction of equity. Where the price of the disposal of treasury stocks is higher than the carrying amount, the difference was listed as capital surplus-treasury stock transactions. Where the disposal price is lower than the carrying amount, the difference is offset against the asset surplus generated by the exchange of the same type of treasury stock. In case of a shortfall, the surplus is debited in the retained earnings. The carrying amount of treasury stocks shall be weighted average and calculated separately according to the reasons for recovery.

When treasury stocks are canceled, the capital reserve is debited according to the proportion of equity - share certificates issuance premium and share capital. Where the carrying amount is higher than the face value and the total value of the stock issuance premium, the difference would be offset against the capital generated by the exchange of the same type of treasury stocks. In case of a shortfall, it would be offset against the retained earnings. Where the carrying amount is lower than the face value and the total of the stock issuance premium, the capital reserve generated by the same type of treasury stock exchanges would be credited.

(17) Income tax

- A. The income tax expenses comprise current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the income tax is recognized in other comprehensive income or directly in equity, respectively.
- B. The Company calculates the income tax payable for the current term exactly in accordance with the tax rates that had been enacted or substantially enacted in the countries for the income tax as of the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable relevant laws of income tax, and under the fact of situations, the income tax liabilities estimated shall be paid to the tax collection authority. The unappropriated earnings having been consolidated were charged for the income tax. The income tax expense of unappropriated earnings was recognized based on the actual allocation of the earnings as resolved in the shareholders' meeting in the year ensuing the year in which the earnings were yielded.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the balance sheets. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction results in neither equal taxable nor deductible temporary differences. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and, probably, the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability

is settled.

- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. The Company's tax incentives-oriented expenditures that comply with the purchase of equipment or technology, research and development expenditure, personnel training expenditure, and equity investment were accounted for with the use of income tax deduction accounting.

(18) Revenue recognition

The Company's revenue recognition principle of customer contract is the following steps to recognize revenue:

- A. Identify the contract with the customer;
- B. Identify the performance obligations in the contract;
- C. Determine the transaction price;
- D. Allocate the transaction price to the performance obligations in the contracts; and
- E. Recognize revenue when the entity satisfies a performance obligation.

The Company identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

In an event where several contracts are signed with the same customer or relative parties of the customer near the same time, and these contracts are (A) negotiated as a single commercial package, (B) consideration in one contract depends on the other contract, or (C) goods or services (or some of the goods or services) are single performance obligations, the Company treats these contracts as a single contract.

Contracts of which the time interval between the transfer of goods or services and the consideration is less than one year shall not have its major financial components, such as transaction price, adjusted.

(A) Land development and real estate sales

The Company develops and sells residential real estate and often pre-sells real estate during or before construction. The Company recognizes revenue when the control over real estate is transferred. Due to contractual restrictions, the real estate usually has no other use for the Company. Therefore, the Company shall be subject to the date when the legal ownership of the real estate is transferred to the customer and the premises have been delivered. However, only one of them is completed before the reporting date, but the other one that has been completed in the subsequent period is also recognized as revenue.

However, after the legal ownership of the real estate is transferred to the customer, the Company has enforceable rights over the payment that has been performed so far. Therefore, the Company recognizes revenue when the legal ownership of real estate is transferred to customers.

Revenue is measured at the transaction price of the contract agreement. In most cases, consideration can be collected when the legal ownership of the real estate is transferred. In a few cases, the payment of accounts can be deferred according to the contract agreement. If significant financial components are included, the transaction price shall be adjusted to reflect the impact of significant financial components. In the case of pre-sale of real estate, the payment is usually collected in installments during the period from the signing of the contract to the transfer of the real estate to the customer. If the contract contains significant financial components, the transaction price shall be adjusted according to the project loan interest rate during the period to reflect the impact of the time value of the current. Amounts received in advance are recognized as contractual liabilities, and interest expenses and contractual liabilities

are recognized when adjusting the impact of the time value of the current. The amount of accumulated contractual liabilities is transferred to revenue when the real estate is transferred to the customer.

(B) Engineering contract

The Company is engaged in the contracting business of residential real estate and commercial buildings. Since the assets are under the control of the customer at the time of construction, the revenue is gradually recognized over time based on the proportion of the project cost incurred so far in the estimated total contract cost. Contracts include fixed and variable considerations. The customer shall pay a fixed amount according to the agreed schedule. Some variable consideration (such as fines and price adjustments based on overdue days) is estimated based on the expected value using the experience accumulated in the past. The Company recognizes revenue only to the extent that the accumulated revenue is highly likely not to be significantly reversed. If the amount of revenue recognized has not been paid, it is recognized as contract assets. When there is an unconditional right to the consideration, the contract assets shall be transferred to accounts receivable.

If it is impossible to reasonably measure the completion of the performance obligations of the engineering contract, the contract revenue is recognized only within the range of the expected recoverable cost.

When the Company expects that the inevitable cost of performing the obligations of an engineering contract exceeds the expected economic benefits from the contract, the liability provision for the loss contract shall be recognized.

If the situation changes, the estimates of revenue, cost, and degree of completion will be revised, and the resulting increase or decrease will be reflected in profit or loss during the period when the management is informed of the change.

(19) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these parent company only financial statements in applying the Company's accounting policies and making critical assumptions and estimates consist of the following:

(1) Critical judgments in applying accounting policies

Investment properties

When the Company holds certain real estate with the intention of earning rental income or capital appreciation, it classifies such real estate as investment properties.

Judgment with significant impacts on associates

Although the direct and indirect shareholding of Chengdu Dingkang real estate Co., Ltd. is less than 50%, in essence, the Company can still lead the operation activities of Chengdu Dingkang real estate Co., Ltd., has the right to participate in the variable remuneration and has the ability to affect it. Therefore, it is proposed to continue to include Chengdu Dingkang real estate Co., Ltd. in the associates of the Company in accordance with the judgment guidance of IFRS 10 and the special factors of the instruction described in IFRS 10: B18, B19, and B20.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of tangible and intangible assets

The Company assesses impairment based on its subjective judgment and determines the separate cash flows of a specific group of assets, the useful lives of assets, and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes in economic circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on the balance sheet date using judgments and estimates. The Company evaluates the amounts of normal inventory consumption, obsolete inventories, or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value.

C. The fair value measurement of investment properties

Due to the subsequent measurement of investment properties at fair value, the investment properties held by the Company mainly consist of real estates such as land and buildings. Therefore, it is necessary to engage experts to apply their professional judgment and estimation to determine the fair value of investment properties as of the balance sheet date. The Company will adjust the cost to fair value based on the appraisal report issued by the experts. The valuation of these investment properties primarily relies on the estimates provided in the expert's report, and as such, future changes in specific periods of product demand, real estate market conditions, and the judgment and estimation of the experts may all affect the measurement of fair value.

D. Reliability of deferred income tax assets

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the realisability of deferred income tax assets involves critical accounting judgments and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, tax-exempt duration, available tax credits, tax planning, etc. Any variations in the global economic environment, industrial environment, laws, and regulations might cause material adjustments to deferred income tax assets.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

Item	2023.12.31	2022.12.31
Cash on hand and petty cash	\$ 608	\$ 967
Bank deposits	164,091	356,838
	<u>\$ 164,699</u>	<u>\$ 357,805</u>

A. The financial institutions dealing with the Company are creditworthy, and the Company's transactions with a number of financial institutions to diversify credit risk are unlikely to be expected to default.

B. The Company had no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through other comprehensive profit or loss – noncurrent

	2023.12.31	2022.12.31
Equity instrument		
Domestic unlisted stock	\$ 750	\$ 750
Valuation adjustment	(750)	(741)
	<u>\$ -</u>	<u>\$ 9</u>

A. The Company invests in the common stock of Laru Network Technology Co., Ltd. For medium and long-term strategic purposes, and expects to make profits through long-term investment. The management of the Company believes that if the short-term fair value fluctuation of such investment is included in the profit and loss, it is inconsistent with the long-term investment planning mentioned above, so they choose to designate such investment as measured by fair value through other comprehensive profit and loss.

B. The Company has no financial assets at fair value through other comprehensive income in its possession provided as collateral or pledged.

C. B. Please refer to Note 6(30) for the credit risk management and evaluation method.

(3) Notes receivable, net

Item	2023.12.31	2022.12.31
Notes receivable	\$ -	\$ 3,578
Less: Loss allowance	-	-
Net	<u>\$ -</u>	<u>\$ 3,578</u>

The Company had no notes receivable pledged to others.

(4) Accounts receivable, net

Item	2023.12.31	2022.12.31
Accounts receivable	\$ 25,531	\$ 25,531
Less: Loss allowance	(25,531)	(25,531)
Net	\$ -	\$ -

A. The average credit period of the Company's accounts receivable is 30 to 45 days, which is the credit standard set according to the industrial characteristics, operation scale, and profitability of the counterparty.

B. The Company had no account receivable pledged to others.

C. The Company applies the simplified approach to provisions for expected credit losses, which permits the use of a lifetime expected credit losses provision for trade receivables. The expected credit loss on trade receivables is to examine the debtor's default experience and current financial and industrial conditions, as well as the overall economic and industrial outlook to adjust the loss rate established by historical and current information.

As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on the past due status is not further distinguished according to the different segments of the Company's customer base. Therefore, the provision matrix does not further distinguish the customer segment and only sets the expected credit loss rate based on the overdue days of accounts receivable. The following table details the loss allowance of trade receivables based on the Company's provision matrix.

2023.12.31				
Aging range	Weighted mean expected credit loss rate	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Not overdue	-	\$ -	\$ -	\$ -
1-30 days overdue	-	-	-	-
31-180 days overdue	-	-	-	-
181-365 days overdue	-	-	-	-
More than 365 days overdue	100%	25,531	(25,531)	-
		<u>\$ 25,531</u>	<u>\$ (25,531)</u>	<u>\$ -</u>

2022.12.31				
Aging range	Weighted mean expected credit loss rate	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Not overdue	-	\$ 3,578	\$ -	\$ 3,578
1-30 days overdue	-	-	-	-
31-180 days overdue	-	-	-	-
181-365 days overdue	-	-	-	-
More than 365 days overdue	100%	25,531	(25,531)	-
		<u>\$ 29,109</u>	<u>\$ (25,531)</u>	<u>\$ 3,578</u>

D. Changes in loss allowance of accounts receivable:

	2023	2022
Beginning balance	\$ 25,531	\$ 27,578
Provision for impairment(reversal) loss	-	(2,047)
Balance at December 31	<u>\$ 25,531</u>	<u>\$ 25,531</u>

The Company does not hold any collateral or other credit enhancement guarantee for these accounts receivable.

(5) Inventories and sales costs

<u>Item</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Buildings and lands held for sale	\$ 2,347,314	\$ 2,989,502
Construction land	1,514,095	895,533
Construction in progress	1,105,643	1,913,876
Other expenses under construction	79,493	87,191
Prepayment for land purchases	94,277	61,825
	<u>\$ 5,140,822</u>	<u>\$ 5,947,927</u>

A. Inventory:

(A) Buildings and lands held for sale

<u>Name</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Shining Shilin Medical Park	\$ 1,575,374	\$ 2,131,017
Shining Art Museum	771,940	771,940
Shining Yuchuan	-	86,545
	<u>\$ 2,347,314</u>	<u>\$ 2,989,502</u>

(B) Land held for sale

<u>Item</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Yuanlin City, Zhanghua county	\$ 517,572	\$ 517,572
Haifenglun section, Douliu, Yunlin	426,681	-
Central section, Wanhua District, Taipei	295,479	291,607
Dehui section B, Zhongshan District, Taipei	241,608	25,642
Dehui section A, Zhongshan District, Taipei	32,755	32,755
Wuguwang section, Sanchong District, Taipei	-	27,957
	<u>\$ 1,514,095</u>	<u>\$ 895,533</u>

(C) Construction in progress

<u>Name</u>	<u>Estimated completion date</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Shining Rural Dome	2024	\$ 654,878	\$ 283,415
Shining The Zhongshan	2027	37,797	20
Shining Yun Feng	2026	26,234	-
Shining Hengmei	2023	-	1,243,807
Bulk transfer		386,734	386,634
		<u>\$ 1,105,643</u>	<u>\$ 1,913,876</u>

(D) Other expenses under construction

Item	2023.12.31	2022.12.31
Prepaid real estate	\$ 79,493	\$ 87,191

(E) Prepayment for land purchases

Item	2023.12.31	2022.12.31
Nong'an street, Zhongshan District, Taipei	\$ 37,459	\$ 37,459
Dehui section B, Zhongshan District, Taipei	29,641	-
Da'an Longquan Section, Taipei	24,366	24,366
Hongfu Section, Sinjhuang District, New Taipei	1,087	-
Wuguwang section, Sanchong District, Taipei	1,724	-
	\$ 94,277	\$ 61,825

B. The profits (losses) related to inventories recognized as cost of sales in the current period are as follows:

Item	2023	2022
Inventory cost of houses and lands sold	\$ 1,717,378	\$ 346,490
Inventory value recovery benefits	(613)	(61,748)
Other operating costs	4,368	101
	\$ 1,721,133	\$ 284,843

C. In the fiscal years 2023 and 2022, The Company recognized inventory write-up recovery benefits of NT\$613 thousand and NT\$61,748 thousand, respectively, based on the appraisal results of market prices and appraisal reports of neighboring areas' real estate registration values. This recognition was due to the improvement in the net realizable value of our inventory.

D. For the capitalized amount of interest on inventories in 2023 and 2022, please refer to Note 6(24) for details.

E. Please refer to Note 8 for details of the Company's guaranteed borrowings for inventories.

(6) Investment accounted for using the equity method

The investments of the Company using the equity method at the reporting date are listed as follows:

Item	2023.12.31	2022.12.31
Subsidiaries	\$ 8,653,430	\$ 8,864,147

A. For information about the Company's subsidiaries, please refer to Note 4(3) to the consolidated financial statements for 2023.

B. The cash dividends paid by subsidiaries in 2023 and 2022 are both \$0 thousand.

(7) Property, plant, and equipment

Item	2023.12.31	2022.12.31
Land	\$ 319,503	\$ 319,503
Buildings	476,682	476,682
Miscellaneous equipment	52,756	38,610
Total cost	848,941	834,795
Less: Accumulated depreciation	(109,714)	(99,796)
Accumulated impairment	(8,495)	(8,495)
Total	<u>\$ 730,732</u>	<u>\$ 726,504</u>

	Land	Buildings	Miscellaneous equipment	Total
<u>Cost</u>				
2023.1.1 balance	\$ 319,503	\$ 476,682	\$ 38,610	\$ 834,795
Additions	-	-	14,146	14,146
2023.12.31 balance	<u>\$ 319,503</u>	<u>\$ 476,682</u>	<u>\$ 52,756</u>	<u>\$ 848,941</u>
<u>Accumulated depreciation and impairment</u>				
2023.1.1 balance	\$ 8,495	\$ 65,213	\$ 34,583	\$ 108,291
Depreciation expense	-	8,491	1,427	9,918
2023.12.31 balance	<u>\$ 8,495</u>	<u>\$ 73,704</u>	<u>\$ 36,010</u>	<u>\$ 118,209</u>

	Land	Buildings	Miscellaneous equipment	Total
<u>Cost</u>				
2022.1.1 balance	\$ 319,503	\$ 476,682	\$ 35,287	\$ 831,472
Additions	-	-	3,331	3,331
Disposals	-	-	(8)	(8)
2022.12.31 balance	<u>\$ 319,503</u>	<u>\$ 476,682</u>	<u>\$ 38,610</u>	<u>\$ 834,795</u>
<u>Accumulated depreciation and impairment</u>				
2022.1.1 balance	\$ 19,570	\$ 58,058	\$ 33,603	\$ 111,231
Depreciation expense	-	8,492	1,064	9,556
Disposals	-	-	(84)	(84)
Reversal of impairment loss	(11,075)	(1,337)	-	(12,412)
2022.12.31 balance	<u>\$ 8,495</u>	<u>\$ 65,213</u>	<u>\$ 34,583</u>	<u>\$ 108,291</u>

A. No interest capitalization of the Company's property, plant, and equipment.

B. Please refer to Note 8 for details of the collateral provided to financial institutions.

(8) Lease agreement

A. Right-of-use assets

Item	2023.12.31	2022.12.31
Buildings	\$ 16,788	\$ 16,913
Transport equipment	3,160	3,160
Total cost	19,948	20,073
Less: Accumulated depreciation	(1,756)	(14,233)
Net	\$ 18,192	\$ 5,840

Cost	Buildings	Transport equipment	Total
2023.1.1 balance	\$ 16,913	\$ 3,160	\$ 20,073
Additions	16,788	-	16,788
Decrease	(16,913)	-	(16,913)
2023.12.31 balance	\$ 16,788	\$ 3,160	\$ 19,948
Accumulated depreciation			
2023.1.1 balance	13,531	702	14,233
Depreciation expense	3,382	1,054	4,436
Decrease	(16,913)	-	(16,913)
2023.12.31 balance	\$ -	\$ 1,756	\$ 1,756

Cost	Buildings	Transport equipment	Total
2022.1.1 balance	\$ 16,913	\$ 2,339	\$ 19,252
Additions	-	3,160	3,160
Decrease	-	(2,339)	(2,339)
2022.12.31 balance	\$ 16,913	\$ 3,160	\$ 20,073
Accumulated depreciation			
2022.1.1 balance	\$ 10,143	\$ 2,338	\$ 12,487
Depreciation expense	3,382	703	4,085
Decrease	-	(2,339)	(2,339)
2022.12.31 balance	\$ 13,531	\$ 702	\$ 14,233

B. Lease liabilities

Item	2023.12.31	2022.12.31
Carrying amount of lease liabilities		
current	\$ 4,229	\$ 4,616
noncurrent	13,993	1,435
	\$ 18,222	\$ 6,051

Ranges of discount rates for lease liabilities were as follows:

	2023.12.31	2022.12.31
Buildings	3.06%	2.80%
Miscellaneous equipment	2.57%	2.57%

Please refer to Note 6(31) for lease liabilities with repayment periods.

C. Other lease information

The current lease relevant expense information was as follows:

	2023	2022
Short-term lease expense	\$ 7,329	\$ 12,516
Low-value asset lease expense	\$ 384	\$ -
Total cash outflow for leases (Note)	\$ 12,330	\$ 16,722

(Note): Including principle paid for current lease liabilities.

(9) Investment properties.

	2023		
	Land	Buildings	Total
2023.1.1 balance	\$ 716,252	\$ 766,434	\$ 1,482,686
Transfer-in from buildings for sale	264,351	291,292	555,643
Fair value adjustment	250,957	266,396	517,353
2023.12.1 balance	\$ 1,231,560	\$ 1,324,122	\$ 2,555,682

	2022		
	Land	Buildings	Total
2022.1.1 balance	\$ 650,295	\$ 695,205	\$ 1,345,500
Transfer-in from buildings for sale	63,565	70,043	133,608
Fair value adjustment	2,392	1,186	3,578
2022.12.1 balance	\$ 716,252	\$ 766,434	\$ 1,482,686

A. Rent income and direct operating expense of investment properties:

	2023	2022
Rental income of investment properties	\$ 31,113	\$ 23,628
Direct operating expense incurred for the investment properties with current rental income	\$ 6,187	\$ 8,221

B. The fair value basis of investment properties

The investment properties held by the Company were classified as Level 3 fair value as of December 31, 2023, and in 2022. The fair value assessment was conducted by an independent valuation expert using the discounted cash flow analysis approach under the income approach. The key assumptions and relevant explanations are as follows:

(A) The fair values of investment properties as of December 31, 2023, and December 31, 2022, are recognized in accordance with the financial reporting standards for securities issuers. The amounts reported for investment properties are as follows:

	2023.12.31	2022.12.31
Outsourced valuation	\$ 2,555,682	\$ 1,482,686

The fair value of the aforementioned investment properties is derived from the valuation conducted by Mr. Jian Wu Chi, a valuer at Zhongding Real Estate Appraisal Firm. The valuer determined the fair value in accordance with the "Real Estate Valuation Technical Rules" as of December 31, 2023, and 2022.

- (B) The Discounted Cash Flow (DCF) analysis method using the income approach is employed, which compares the rental income from similar properties in the vicinity or estimated subject property to determine the differences. Factors taken into consideration include the condition of the estimated subject property, its intended use, rental rates of neighboring or similar properties, vacancy losses, and annual rental growth rate. After adjusting and comparing, the DCF method calculates the trial rental value of the estimated subject property. Using the discounted cash flow analysis, the net income and terminal value of each period during the future discounted cash flow analysis period of the estimated subject property are discounted using an appropriate discount rate and then summed to derive the estimated property value. This valuation process complies with the "Financial Reporting Standards for Issuers of Securities" and the analysis, judgment, and conclusions drawn from it should be supported. The summarized information is as follows:

	2023.12.31	
	Office, storefront (NTD/square meter/month)	Parking space (NTD/square meter/month)
Estimated rent for this case	\$514~\$2,090	\$2,000~\$5,000
Local rental rates and market conditions of similar properties	Equivalent to the estimated rent	Equivalent to the estimated rent
Occupancy rate	91.67%~94.44%	
Rent growth rate	0.1%~1.0%	
	2022.12.31	
	Office, storefront (NTD/square meter/month)	Parking space (NTD/square meter/month)
Estimated rent for this case	\$514~\$1,520	\$2,000~\$4,000
Local rental rates and market conditions of similar properties	Equivalent to the estimated rent	Equivalent to the estimated rent
Occupancy rate	91.67%~95.83%	
Rent growth rate	0.1%~1.0%	

- (C) The future cash outflows consist of relevant rental payments, royalties, operational royalties, property management fees, utility expenses, promotional costs, and other necessary expenses directly related to leasing. They also include necessary operating expenses related to the business, such as repair costs, taxes, insurance fees, and capital expenditures. The variation ratio used to determine the future changes in these expenses is consistent with the rental growth rate used to calculate rental income.

(D) Please refer to the table below for the discount rate range. It is based on the two-year postal fixed deposit savings rate of Chunghwa Post Co., Ltd., plus three digits. The risk premium is determined by factors such as bank deposit rates, government bond rates, currency fluctuations related to real estate investment, and the trend of real estate prices. The investment return rate of the most generic goods is chosen as the benchmark for comparing the differences in individual characteristics between the investment goods and the appraised targets. Factors such as liquidity, risk, appreciation potential, and management difficulty are considered for comparison and determination.

	2023.12.31	2022.12.31
Discount rate	2.49%~3.35%	3.38%~3.58%

C. For information on the fair value of investment properties, please refer to Note 6(30).

D. Details of investment properties pledged to others by the Company are shown in note 8.

(10) Short-term loans

Item	2023.12.31	2022.12.31
Collateralized borrowing	\$ 254,906	\$ 338,087
Interest rate (%)	3.20%~3.87%	2.74%~3.29%

Please refer to note 8 for details of the transactions between the Company and related parties and the provision of assets as security for short-term loans.

(11) Short-term bills payable

Guarantee Institution	2023.12.31	2022.12.31
International Bills Finance Corporation	\$ 3,300,000	\$ 1,953,000
Mega Bills Finance Co., Ltd.	80,000	80,000
China Bills Finance Corporation	62,400	67,400
Subtotal	3,442,400	2,100,400
Less: Discount on commercial papers issued	(5,841)	(2,774)
Net	\$ 3,436,559	\$ 2,097,626
Interest rate (%)	3.36%~3.62%	1.26%~3.41%

Please refer to Note 8 for short-term bills payable and details of assets provided by the Company as a loan guarantee.

(12) Corporate bonds payable

Item	2023.12.31	2022.12.31
Corporate bonds payable - Secured	\$ -	\$ 1,157,249
Less: Long-term liabilities due within one year or one operating cycle	-	(1,157,249)
	\$ -	\$ -

A. The information on the issuance of secured ordinary corporate bonds by the Company is as follows:

Item	The first domestically secured ordinary corporate bond in 2020
1. Issue amount	The total amount of bonds issued by the Company is NT\$ 1.3 billion, which is divided into A and B bonds according to different issuance conditions. The A bond issuance amount is NT\$ 950 million, and the B bond issuance amount is NT\$ 350 million.
2. Par value	NT\$ 1 million.
3. Issue price	At par on the issue date.
4. Maturity period	The issuance period of each bond is three years, from November 23, 2020, to November 23, 2023.
5. Coupon rate	The coupon rate of each bond is a fixed annual interest rate of 0.85%.
6. Repayment method	The A bonds expire on the 24th, 27th, 30th, 33rd, and 36th months from the date of issuance and shall be repaid for 5%, 5%, 7.5%, 7.5%, and 75% of the principal respectively. The principal of the B bonds shall be repaid once upon maturity for three years from the date of issue.
7. Interest method	From the date of issue, the A bonds shall bear the interest at the coupon rate, and the simple interest shall be calculated and paid once in the first and second years. Interest shall be calculated and paid every three months from the 24th month (excluding). The calculation method of principal and interest is based on the coupon rate and the par value of the bonds held, and according to the actual holding days, the simple interest is calculated and the interest is paid once. Each NT\$ 1 million bond pays interest up to NT\$ 1, rounded up to the nearest NT\$. If the date of repayment of the principal and interest of the corporate bonds falls on the day when the banking industry of the place of payment ceases business, the principal and interest shall be paid on the business day following the day of suspension of business, and no interest will be calculated for the postponement days. If the principal and interest are received after the principal and interest payment date, no additional deferred interest will be calculated and paid.
8. Redemption right	The Company may exercise the redemption right of the corporate bonds from the date three months after the issuance of the corporate bonds. Each redemption amount shall be calculated as a multiple of NT \$1 million, and the creditor shall not refuse. The company may announce the exercise of the redemption right at a selected time by 7 business days before the redemption date and notify the creditors of the corporate bonds in other appropriate ways to redeem the corporate bonds according to the par value of the bonds plus the interest payable during the actual holding period.
9. Security method	All securities commissions are performed by EnTie Commercial Bank Ltd. in accordance with the entrusted security contract to perform the corporate bond security.

Item	The second domestically secured ordinary corporate bond in 2019
1. Issue amount	The total amount of bonds issued is NT\$ 0.3 billion.
2. Par value	NT\$ 1 million.
3. Issue price	At par on the issue date.
4. Maturity period	The issuance period of each bond is three years, from December 20, 2019, to December 20, 2022.
5. Coupon rate	The coupon rate of each bond is a fixed annual interest rate of 0.98%.
6. Repayment method	One repayment at maturity for three years from the date of issue.
7. Interest method	From the date of issue, the bonds shall bear interest at the coupon rate and shall be paid once a year with simple interest. Each NT\$ 1 million bond pays interest up to NT\$ 1, rounded up to the nearest NT\$. If the date of repayment of the principal and interest of the Company's corporate bonds falls on the day when the banking industry of the place of payment ceases business, the principal and interest shall be paid on the business day following the day of suspension of business, and no interest will be calculated for the postponement days. If the principal and interest are received after the principal and interest payment date, no additional deferred interest will be calculated and paid.
8. Security method	All securities commissions are performed by First Commercial Bank Ltd. in accordance with the entrusted security contract to perform the corporate bond security.

B. Please refer to Note 8 for details of the assets provided by the Company as security.

(13) Long-term loans and long-term liabilities due within one year

Item	2023.12.31	2022.12.31
Secured loan	\$ 2,648,540	\$ 3,399,687
Less: Due within one year	(156,241)	(656,411)
	<u>\$ 2,492,299</u>	<u>\$ 2,743,276</u>
Interest rate	<u>2.50%~3.79%</u>	<u>2.35%~3.56%</u>

Please refer to Note 8 for the details of the Company and the assets provided as loan guarantees.

(14) Retirement Benefit Plans

A. Defined contribution plan

(A) Since 1st, July 1985, the Company and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan and applicable to national employees. Under the LPA, the Company and its domestic subsidiaries make monthly contributions to employees' pension accounts at 6% of monthly salaries and wages.

(B) Expenses under the defined contribution plan for the years ended December 31, 2023, and 2022 were \$5,846 thousand and \$5,672 thousand, respectively.

B. Defined benefit plans

(A) The Company has defined retirement benefits in accordance with the provisions of the Labor Standards Act. It is applicable to the service years of all regular employees before the implementation of the Labor Pension Act on July 1, 2005, and the subsequent service years of employees who choose to continue to apply the Labor Standards Act after the implementation of the Labor Pension Act. If an employee meets the retirement conditions, the payment of pension is calculated according to the length of service and the average salary for the six months before retirement. Two bases are given for each full year of service within 15 years (inclusive), and one base is given for each full year of service beyond 15 years, but the cumulative maximum is 45 bases. The Company allocates 2% of the total salary to the retirement fund monthly and deposits it in the Bank of Taiwan in a special account in the name of the labor retirement reserve supervision committee. In addition, the Company estimates the balance of the special account for labor retirement reserve referred to in the preceding paragraph before the end of each year. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company shall fund the difference in one appropriation that should be made before the end of March of the next year.

(B) Expenses under the defined contribution plan of the Company for the years ended December 31, 2023, and 2022 were \$189 thousand and \$122 thousand, respectively.

C. The amount of obligations incurred by the Company due to the determination of the benefit plan is listed in the parent company only balance sheet as follows:

	2023.12.31	2022.12.31
Present value of defined benefit obligation	\$ 26,187	\$ 31,455
The fair value of plan assets	(11,235)	(14,834)
Net defined benefit liabilities	<u>\$ 14,952</u>	<u>\$ 16,621</u>

D. Movements in net defined benefit liabilities were as follows:

	2023		
	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
2023.1.1 balance	\$ 31,455	\$ (14,834)	\$ 16,621
Service cost			
Interest cost (income)	299	(110)	189
Recognized in profit or loss	299	(110)	189
Remeasurement:			
Return on plan assets (excluding amounts included in net interest)	-	(182)	(182)
Actuarial (gain) loss			
Experience adjustments	313	-	313
Recognized in other comprehensive income	313	(182)	131
Contributions from the employer	-	(309)	(309)
Benefits paid	(5,880)	4,200	(1,680)
2023.12.31 balance	\$ 26,187	\$ (11,235)	\$ 14,952

	2022		
	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
2022.1.1 balance	\$ 33,899	\$ (13,372)	\$ 20,527
Service cost			
Interest cost (income)	200	(78)	122
Recognized in profit or loss	200	(78)	122
Remeasurement:			
Return on plan assets (excluding amounts included in net interest)	-	(1,052)	(1,052)
Actuarial (gain) loss			
Changes in financial assumptions	(732)	-	(732)
Experience adjustments	(1,912)	-	(1,912)
Recognized in other comprehensive income	(2,644)	(1,052)	(3,696)
Contributions from the employer	-	(332)	(332)
2022.12.31 balance	\$ 31,455	\$ (14,834)	\$ 16,621

E. Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

(A) Investment risk

The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

(B) Interest risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

(C) Salary risk

The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

F. The actuarial summary of pensions is as follows:

	2023	2022
Discount rate	<u>1.15%</u>	<u>1.15%</u>
Expected rate of salary increase	<u>2.00%</u>	<u>2.00%</u>
The average duration of the defined benefit obligation	4 years	4 years

(A) Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

(B) If the significant actuarial assumptions are reasonably likely to change, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows:

	2023.12.31	2022.12.31
Discount rate		
Increase 0.25%	\$ (276)	\$ (321)
Decrease 0.25%	\$ 282	\$ 328
Future salary increases		
Increase 0.25%	\$ 279	\$ 325
Decrease 0.25%	\$ (274)	\$ (319)

The sensitivity analysis previously presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

G. Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to \$356 thousand.

(15) Preferred stock liabilities

	2023.12.31
Private placement of preferred shares	<u>\$ 1,000,000</u>

On May 22, 2023, the Company, by resolution of the extraordinary shareholders' meeting, resolved to conduct a cash capital increase by private placement, issuing preferred shares. The total number of shares to be issued shall not exceed 200,000,000 shares, with a par value of NT\$10 per share. The issuance will be carried out in two tranches within one year from the date of the shareholders' meeting resolution.

On May 30, 2023, the Board of Directors approved the issuance of new shares for the Company's first private placement of preferred shares for cash capital increase in 2023. The private placement is offered to subscribers approved at the first extraordinary shareholders' meeting held in 2023 and those who conform to the requirements of Article 43-6 of the Securities and Exchange Act and the specific individuals stipulated in the regulation of Taiwan-Finance-Securities-0910003455 of the the Securities and Futures Institute under the Ministry of Finance on June 13, 2002. The number of private placement shares is 100,000,000 shares, with a private placement price of NT\$10 per share, totaling NT\$1,000,000,000. The capital increase base date is June 13, 2023. This capital increase has been approved by the Financial Supervisory Commission, and relevant statutory registration procedures have been completed.

The significant rights and obligations of the aforementioned preferred shares are as follows:

- A. In case the Company has annual surplus, apart from paying taxes in accordance with the law, it shall first offset previous years' losses, then allocate statutory surplus reserves in accordance with the law, and further allocate or reverse special surplus reserves as required by laws or competent authorities. If there is still a balance remaining, it may be distributed with the accumulated undistributed profits as dividends to the preferred shares for the current year.
- B. The dividend rate for this preferred stock is 7% annually, calculated based on the issuing price per share. Dividends are to be paid annually in cash, following the recognition of financial reports and dividend distribution proposals at the annual shareholders' meeting. The board of directors will establish the ex-dividend date for the distribution of preferred stock dividends after the annual shareholders' meeting, based on which the dividends to be distributed and any accumulated undistributed dividends will be paid. Dividends for each fiscal year will be calculated from the issuance date, based on the actual issuance date of that fiscal year.
- C. The Company has the discretion to distribute dividends on preferred stock. If, due to the lack of profits or insufficient profits for the preferred stock dividend according to the financial statement of the fiscal year, or for other necessary considerations, the preferred stock dividend can be exempt from distribution after approved by the Board of Directors without constituting a default, and preferred stockholders shall not object. Preferred stock is cumulative, and any undistributed or insufficiently distributed dividends after resolution shall accumulate and be deferred for payment in subsequent profitable years.
- D. Preferred shareholders, in addition to receiving dividends, are not entitled to participate in the distribution of earnings and capital surplus for cash and capital appropriations relating to common stock.
- E. This preferred stock is non-convertible into common stock.
- F. The preferred shareholders have priority over common shareholders in the distribution of the remaining assets of the Company, and their redemption priority is the same as that of other classes of preferred shareholders issued by the Company. They rank junior to general creditors, but are limited to the amount not exceeding the issued and outstanding preferred shares at the time of distribution, calculated at the issuance price.
- G. This preferred stock does not carry voting rights or election rights at the common shareholders' meeting. However, it does have voting rights at the preferred shareholders' meeting or any shareholders' meeting involving matters related to the rights and obligations of preferred shareholders.
- H. This preferred stock has no expiration date, and preferred shareholders may not request the Company to retrieve their preferred shares. However, one year after the issuance date, the Company may, at its discretion in accordance with the issuance price and relevant issuance procedures, redeem all or a portion of the preferred shares for cash or by other legally permissible means. If, due to objective factors or force majeure, the Company is unable to redeem all or a portion of the preferred shares upon expiration, the rights associated with the unredeemed preferred shares shall continue according to the issuance conditions until such time as the Company redeems them in full.
- I. The capital surplus derived from the premium issuance of this preferred stock may not be allocated to capital during the period of issuance, except for the purpose of offsetting losses.
- J. This preferred stock is not listed for trading during the period of issuance.

(16) Share capital

As of December 31, 2023, and 2022, the capital stock authorized of the Company is \$15,000,000 thousand, which consists of both common shares and private preferred shares. The issued common shares amounted to 977,589 thousand shares, each with a par value of NT\$10, while the issued private preferred shares were issued in two tranches, 100,000 thousand shares and 0 thousand shares, respectively, each with a par value of NT\$10. All issued shares have been fully paid for. The private preferred shares are classified as liabilities. Please refer to Note 6(15) for details.

Adjustments were made to the outstanding shares as follows in December 31, 2023 and 2022 :

	Common shares		Private preferred shares	
	2023	2022	2023	2022
Beginning balance	977,589	977,589	-	-
Cash capital increase	-	-	100,000	-
Ending balance	977,589	977,589	100,000	-

(17) Capital surplus

Item	2023.12.31	2022.12.31
Treasury share transactions	\$ 8,450	\$ 8,450
Changes in equity of recognized subsidiaries	5,164	11,760
Other	141	141
	<u>\$ 13,755</u>	<u>\$ 20,351</u>

Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and donations can be used to offset the deficit or may be distributed as stock dividends or in cash when the company has no accumulated losses. Under the regulations of the Security Exchange Act, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's paid-in capital. Capital surplus can't be used to offset the deficit unless the legal reserve is insufficient. The capital surplus from long-term investments may not be used for any purpose.

(18) Retained earnings and dividend policy

- A. Under the dividends policy as outlined in the Company's Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, but when the legal reserve has reached the Company's paid-in capital, it must no longer be listed, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.
- Considering the balanced and stable dividend policy, the Company will appropriately adopt stock dividends or cash dividends according to the investment capital demand and the dilution of earnings per share. The cash dividends shall not be less than 10% of the total shareholders' dividends. When the cash dividend per share is less than NT\$ 0.1, or when the proportion of liabilities in the Company's financial statements is more than 50%, or when there is a major capital expenditure plan, the board of directors may reduce the percentage of cash dividend or issue stock dividend instead.
- B. Legal reserve may be used to offset a deficit and be transferred to capital or distributed in cash. However, the legal reserve can be transferred to capital or distributed in cash only when the legal reserve has exceeded 25% of the Company's paid-in capital.
- C. (A) While earning distribution, the earnings can be distributed after appropriation of the equivalent amount of the debit balance of the other equities of the balance sheet.
- (B) Under Rule No.1010012865 issued by the FSC on 6th April 2012 for the first-time adoption of IFRS for the special reserve. If the company subsequently uses, disposes, or reclassifies the relevant assets, the proportion originally set aside as a special reserve may be reversed into distributable retained earnings.
- D. The Company approved the allocation of losses for the fiscal year 2022 and 2021 at the shareholders' meetings held on June 21, 2023, and June 24, 2022, respectively, in accordance with the proposed resolutions approved by the Board of Directors.

- E. Regarding the allocation of the 2023 loss compensation plan, the resolution is still pending and awaiting the decision at the shareholders' general meeting to be held in June 2024.
- F. Information on the earnings appropriation proposed by the Board of Directors and approved by the Company's shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(19) Other equity

Item	Exchange differences on translation of foreign operations	Unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive income	Total
2023.1.1 balance	\$ (489,297)	\$ (593)	\$ (489,890)
Unrealised valuation gain (loss) of financial assets measured at fair value through other comprehensive income	-	(7)	(7)
Exchange differences on translation of foreign operations	(54,908)	-	(54,908)
2023.12.31 balance	<u>\$ (544,205)</u>	<u>\$ (600)</u>	<u>\$ (544,805)</u>

Item	Exchange differences on translation of foreign operations	Unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive income	Total
2022.1.1 balance	\$ (971,368)	\$ (593)	\$ (971,961)
Exchange differences on translation of foreign operations	482,071	-	482,071
2022.12.31 balance	<u>\$ (489,297)</u>	<u>\$ (593)</u>	<u>\$ (489,890)</u>

(20) Operating revenues

Item	2023	2022
Real estate income	\$ 2,281,566	\$ 384,757
Lease income	31,113	24,028
	<u>\$ 2,312,679</u>	<u>\$ 408,785</u>
A. Breakdown of customer contract income		
Major regional markets:		
Asia	<u>\$ 2,312,679</u>	<u>\$ 408,785</u>
Main products/service lines:		
Real estate sales	\$ 2,281,566	\$ 384,757
Lease	31,113	24,028
	<u>\$ 2,312,679</u>	<u>\$ 408,785</u>
Income recognition time:		
Goods transferred at a certain time point	\$ 2,281,566	\$ 384,757
Labor services gradually transferred over time	31,113	24,028
	<u>\$ 2,312,679</u>	<u>\$ 408,785</u>

B. Contract liabilities

	2023.12.31	2022.12.31
Contractual liabilities - construction engineering	\$ 575,107	\$ 1,095,337
Contractual liabilities - payment received in advance	17,382	17,382
Contractual liabilities - rent received in advance	1,893	13
	<u>\$ 594,382</u>	<u>\$ 1,112,732</u>

C. The amount of contract liabilities from the beginning of the period and performance obligations satisfied in the previous period recognized as income in the current period are as follows:

Item	2023	2022
From the beginning contract liabilities recognized in the current period		
Sales contract	\$ 643,745	\$ 49,524

(21) Interest income

Item	2023	2022
Bank deposit interest	\$ 5,116	\$ 2,141
Other interest income	678	3,359
	<u>\$ 5,794</u>	<u>\$ 5,500</u>

(22) Other income

Item	2023	2022
Termination fee income	\$ 1,245	\$ 7,312
Advertising service income	-	1,583
Transfer of overdue payables to income	81	6,618
Miscellaneous income	<u>\$ 1,326</u>	<u>\$ 15,513</u>

(23) Other gains and losses

Item	2023	2022
Investment property fair value adjustment gain (loss)	\$ 517,353	\$ 3,578
Net currency exchange gain	1,920	(5,676)
Impairment reversal of profits	-	12,412
Gain on disposal of property, plant and equipment	-	76
OTHER	-	(2,485)
	<u>\$ 519,273</u>	<u>\$ 7,905</u>

(24) Finance costs

Item	2023	2022
Interest expense:		
Loans	\$ 179,483	\$ 141,712
Bonds payable	5,499	12,925
Interest on lease liabilities	151	247
Other	125	32
Less: capitalized amount for qualified assets	(42,812)	(29,809)
	<u>\$ 142,446</u>	<u>\$ 125,107</u>

(25) Labor cost, depreciation, and amortization

Item	2023			2022		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Labor cost						
Salaries	\$ -	\$ 105,855	\$ 105,855	\$ -	\$ 149,497	\$ 149,497
Insurance	-	11,261	11,261	-	10,896	10,896
Pension	-	6,035	6,035	-	5,794	5,794
Other employment expenses	-	2,240	2,240	-	2,110	2,110
Depreciation expense	-	5,122	5,122	-	4,925	4,925
Amortization	-	14,354	14,354	-	13,641	13,641
Total	-	<u>51,469</u>	<u>51,469</u>	-	<u>49,918</u>	<u>49,918</u>
Labor cost	<u>\$ -</u>	<u>\$ 196,336</u>	<u>\$ 196,336</u>	<u>\$ -</u>	<u>\$ 236,781</u>	<u>\$ 236,781</u>

A. Additional information on the Company's 2023 and 2022 employee numbers and employee benefit expenses are as follows:

	2023	2022
Cumber of employees	142	146
Number of directors who are not concurrently employees	3	3
Average employee compensation expense	\$ 923	\$ 1,197
Average employee salary expenses	\$ 762	\$ 1,045
Average employee salary adjustment	(27.08)%	6.00%

B. Salary and Remuneration Policy

(A) The company has established an audit committee without supervisors.

(B) The performance evaluation and remuneration of the directors and managers of the Company shall refer to the general level of payment in the same industry, and consider the time invested by the individual, the responsibilities are undertaken, the achievement of personal objectives, the performance of other positions, the remuneration of the Company for equivalent positions in recent years, and to evaluate the reasonableness of the relationship between personal performance and the Company's operating performance and future risks via the achievement of the Company's short-term and long-term business objectives.

The Company's employee compensation policy: In order to attract, retain and motivate talents, the salary of employees of the Company is determined according to their academic background, professional knowledge, and technology, professional seniority and experience, and personal performance. For incentive salary and annual salary adjustment, the salary adjustment items and the amount shall be formulated respectively according to the company's operation status and taking into account the value of personal contribution and performance evaluation, so as to timely stimulate morale, retain excellent employees and keep the sustainable operation of the Company.

C. The Company accrued employees' compensation and remuneration to directors at rates not less than 1% and not higher than 1% of net income before income tax, employees' compensation, and remuneration to directors during the period. Due to the loss in 2023 and 2022, the employees' compensation and remuneration to directors have not been estimated. If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate for the next year.

D. Information about the appropriation of employees' compensation and directors' remuneration by the Company as proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" on the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense (gain):

Item	2023	2022
<u>Current income tax</u>		
Current tax expense	\$ -	\$ -
Land value increment tax	6,629	10,356
Prior period adjustments of income tax	-	4,274
<u>Deferred income tax</u>		
The origination and reversal of temporary differences	(55,247)	(242,802)
Income tax expense (gain)	<u>\$ (48,618)</u>	<u>\$ (228,172)</u>

The applicable tax rate used by the Company is 20%. In addition, the tax rate applicable to unappropriated earnings is 5%.

B. Income tax expense recognized in other comprehensive income was as follows:

Item	2023	2022
Re-measurement of defined benefit plans	\$ (26)	\$ 739
Exchange differences on translation of foreign operations	(13,727)	120,519
Unrealized valuation (loss) of financial asset measured at fair value through other comprehensive income	(2)	-
Share of other comprehensive profits and losses of associates using the equity method	8	696
	<u>\$ (13,747)</u>	<u>\$ 121,954</u>

C. Reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	2023	2022
Loss before income tax	\$ (243,809)	\$ (1,604,152)
Tax of net lost before tax at the statutory rate	\$ (48,762)	\$ (320,830)
Tax effect of adjusting items:		
The impact of items not included in the calculation of taxable income	(50,132)	25,825
Land value increment tax	6,629	10,356
5% surtax on undistributed retained earnings	-	-
Adjustments for the prior year's tax adjustments	21,748	11,877
Unrecognized loss offset	-	44,600
Other	21,899	-
Income tax expense recognized in profit or loss	\$ (48,618)	\$ (228,172)

D. Amounts of deferred tax assets or liabilities as a result of temporary difference, loss carryforward, and investment tax credit were as follows:

	2023			
	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets:				
Loss on foreign investment on equity method	\$ 500,167	\$ 178,215	\$ 13,727	\$ 692,109
Loss deduction	111,947	(37,140)	-	74,807
Unrealized impairment loss	410	-	26	436
Unrealized loss of financial asset measured at fair value through other comprehensive income	148	-	2	150
Other	90,495	(26,104)	-	64,391
Subtotal	703,167	114,971	13,755	831,893
Deferred income tax liabilities:				
Land financing interest listed as completed housing add back to the cost	(20,167)	(3,339)	-	(23,506)
Investment property fair value gains	(69,611)	(55,355)	-	(124,966)
Other	-	(1,030)	-	(1,030)
Subtotal	(89,778)	(59,724)	-	(149,502)
Total	\$ 613,389	\$ 55,247	\$ 13,755	\$ 682,391

	2022			
	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets:				
Loss on foreign investment on equity method	\$ 383,288	\$ 237,398	\$(120,519)	\$ 500,167
Loss deduction	141,023	(29,076)	-	111,947
Unrealized impairment loss	1,149	-	(739)	410
Unrealized loss of financial asset measured at fair value through other comprehensive income	148	-	-	148
Other	69,930	20,565	-	90,495
Subtotal	595,538	228,887	(121,258)	703,167
Deferred income tax liabilities:				
Gain on foreign investment on equity method	(22,265)	2,098	-	(20,167)
Unrealized impairment gain	(14,293)	14,293	-	-
Land financing interest listed as completed housing add back to the cost	(67,135)	(2,476)	-	(69,611)
Investment property fair value gains	(103,693)	13,915	-	(89,778)
Subtotal	\$ 491,845	\$ 242,802	\$(121,258)	\$ 613,389

E. Items not recognized as deferred income tax assets:

Item	2023.12.31	2022.12.31
Loss deduction	\$ 41,944	\$ 44,600

F. Unused loss deduction information of the Company

As of December 31, 2023, the relevant information regarding loss deduction is as follows:

Final annual offset	Unutilized balance	Unutilized tax amount
2029	\$ 374,034	\$ 74,807
2032	209,720	41,944
	\$ 583,754	\$ 116,751

G. The tax authorities have ratified Company's income tax returns through the Year 2021.

(27) Other comprehensive income (loss)

Item	2023		
	Before-tax	Income tax expense	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	\$ (131)	\$ 26	\$ (105)
Share of other comprehensive profits and losses of associates using the equity method	38	(8)	30
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(9)	2	(7)
Subtotal	<u>\$ (102)</u>	<u>\$ 20</u>	<u>\$ (82)</u>
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	<u>\$ (68,635)</u>	<u>\$ 13,727</u>	<u>\$ (54,908)</u>

Item	2022		
	Before-tax	Income tax expense (benefit)	Net of tax
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	\$ 3,696	\$ (739)	\$ 2,957
Share of other comprehensive profits and losses of associates using the equity method	3,484	(696)	2,788
Subtotal	<u>\$ 7,180</u>	<u>\$ (1,435)</u>	<u>\$ 5,745</u>
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	<u>\$ 602,590</u>	<u>\$ (120,519)</u>	<u>\$ 482,071</u>

(28) Loss per share

	2023	2022
Basic and diluted loss per share:		
Net loss attributable to ordinary equity holders of the parent entity	<u>\$ (195,191)</u>	<u>\$ (1,375,980)</u>
Weighted average shares outstanding (in thousands)	<u>977,589</u>	<u>977,589</u>
Basic loss per share(after-tax)(NT\$)	<u>\$ (0.20)</u>	<u>\$ (1.41)</u>

(29) Reconciliation of liabilities from financing activities

	January 1, 2023	Cash flow	Non-cash changes			December 31, 2023
			Exchange rate changes	Changes in fair value	Other non-cash changes	
Short-term loans	\$ 338,087	\$ (83,181)	\$ -	\$ -	\$ -	\$ 254,906
Short-term bills payable	2,097,626	1,342,000	-	-	(3,067)	3,436,559
Corporate bonds payable (including those due within one year)	1,157,249	(1,157,249)	-	-	-	-
Long-term loans(including those due within one year)	3,399,687	(751,147)	-	-	-	2,648,540
Preferred stock liabilities-non-current	-	1,000,000	-	-	-	1,000,000
Deposits received	4,457	2,473	-	-	-	6,930
Lease liabilities	6,051	(4,617)	-	-	16,788	18,222
Total liabilities from financing activities	<u>\$ 7,003,157</u>	<u>\$ 348,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$13,721</u>	<u>\$ 7,365,157</u>

	January 1, 2022	Cash flow	Non-cash changes			December 31, 2022
			Exchange rate changes	Changes in fair value	Other non-cash changes	
Short-term loans	\$ 437,070	\$ (98,983)	\$ -	\$ -	\$ -	\$ 338,087
Short-term bills payable	2,258,126	(161,000)	-	-	500	2,097,626
Corporate bonds payable (including those due within one year)	1,531,159	(373,910)	-	-	-	1,157,249
Long-term loans(including those due within one year)	2,492,759	906,928	-	-	-	3,399,687
Deposits received	4,060	397	-	-	-	4,457
Lease liabilities	7,097	(4,206)	-	-	3,160	6,051
Total liabilities from financing activities	<u>\$ 6,730,271</u>	<u>\$ 269,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,660</u>	<u>\$ 7,003,157</u>

30 Financial instruments

A. Fair value and carrying amount

The fair value of the Company's non-derivative short-term financial instruments is estimated based on their carrying amount on the balance sheet. Because the maturity date of such financial instruments is very close, the carrying amount should be a reasonable basis for estimating the fair value. This method is applied to financial assets and financial liabilities measured at amortized cost, including cash and equivalent cash, accounts receivable (including related parties), accounts payable (including related parties), other financial assets, and short-term loans.

Except that the above financial instruments and lease liabilities are not required to disclose fair value information according to regulations, the carrying amount and fair value of the remaining financial instruments of the consolidated company on each financial reporting date are summarized as follows:

	2023.12.31		2022.12.31	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial assets</u>				
Financial assets are measured at fair value through other comprehensive profit or loss	\$ -	\$ -	\$ 9	\$ 9
Financial assets measured at amortized cost				
Refundable deposit	36,317	36,317	36,404	36,404
<u>Financial liabilities</u>				
Financial liabilities measured at amortized cost				
Corporate bonds payable (including those due within one year)	-	-	1,157,249	1,157,249
Long-term loans (including those due within one year)	2,648,540	2,648,540	3,399,687	3,399,687
Preferred stock liabilities	1,000,000	1,000,000	-	-
Deposits received	6,930	6,930	4,457	4,457

B. Methods and assumptions used to determine fair value

The fair value of financial assets and financial liabilities with standard terms and conditions and trading in the active market is determined by reference to the market quotation respectively. If there is no market price for reference, the evaluation method is adopted for estimation, and the estimation and assumptions used are consistent with the information used by market participants as estimates and assumptions when pricing financial instruments.

The principal-guaranteed variant wealth management product is estimated by the discounted cash flow method. The main assumption is that the principal and the probability of occurrence are considered to estimate the income received, and the discounted present value is used to estimate.

The fair value of corporate bonds payable is the discounted value of its expected cash flow at the market interest rate.

The carrying amount of a long-term loan that pays interest at a floating interest rate is approximately equal to its fair value.

Since there is no definite maturity date for the deposits received and refundable deposits, the carrying amount is taken as the fair value.

C. Financial instruments measured at fair value

The observability of fair value is divided into the first to third levels

(A) Level 1

Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds, and derivative instruments with quoted market prices is included in Level 1.

(B) Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investments in government bonds, corporate bonds, financial debentures, convertible bonds, and most derivative instruments is included in Level 2.

(C) Level 3

Unobservable inputs for the asset or liability. The fair value of the Company's investments in some derivative instruments and equity instruments without an active market is included in Level 3.

D. The related information at fair value by level

The Company's financial instruments and investment property measured at fair value are measured at fair value based on repeatability. The information on the Company's fair value level is shown in the following table:

Item	2023.12.31			
	Level 1	Level 2	Level 3	Total
Recurring fair value				
Financial assets measured at fair value through other comprehensive income	\$ -	\$ -	\$ -	\$ -
Recurring fair value	\$ -	\$ -	\$ 2,555,682	\$ 2,555,682
Item	2022.12.31			
	Level 1	Level 2	Level 3	Total
Recurring fair value				
Financial assets measured at fair value through other comprehensive income	\$ -	\$ -	\$ 9	\$ 9
Recurring fair value	\$ -	\$ -	\$ 1,482,686	\$ 1,482,686

In both the fiscal years 2023 and 2022, the Company did not have any instances of transfers between Level 1 and Level 2 fair value measurements. There were also no transfers into or out of Level 3 during the same period.

E. Valuation techniques of financial instruments valued at fair value:

(A) The fair value of financial assets and liabilities traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Center Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with the open bid. A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive when the bid-ask spread is increasing; or the bid-ask spread varies significantly; or there has been a significant decline in trading volume.

(B) Except for the above-mentioned financial instruments traded in an active market, the fair value is based on the valuation techniques or the quotation from the counterparty. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on the interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Company is not traded in an active market, the fair value is determined based on the ratio of the quoted market price of the comparative company, its book value per share, and its operating situation. Also, the fair value is discounted for its lack of liquidity in the market.

(C) The output of the valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk, etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes valuation adjustment is necessary in order to reasonably represent the fair value of financial and non-financial instruments on the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(D) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect the credit risk of the counterparty and the Company's credit quality.

F. The following is an explanation of the quantified information regarding significant unobservable input values and sensitivity analysis of significant unobservable input value changes for the valuation model used in Level 3 fair value measurements: :

	2023.12.31 Fair value	Evaluating technology	Significant unobservable input values	Discount rate	Relationship between Input Value and Fair Value
Unlisted (OTC) stocks	\$ -	Net asset value method	N/A	N/A	N/A
Investment properties	\$ 2,555,682	Discounted cash flow analysis using the income approach	Long-term rental income growth rate and discount rate	Note	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.
	2022.12.31 Fair value	Evaluating technology	Significant unobservable input values	Discount rate	Relationship between Input Value and Fair Value
Unlisted (OTC) stocks	\$ 9	Net asset value method	N/A	N/A	N/A
Investment properties	\$ 1,482,686	Discounted cash flow analysis using the income approach	Long-term rental income growth rate and discount rate	Note	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the

lower the fair value.

Note: Please refer to Note 6(9) for detailed explanations on the range of long-term rental income growth rates and discount rates.

(31) Financial risk management

The Company's activities expose to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk. To lower the related financial risk, the Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance. The plans for material treasury activities are reviewed by the board of directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Company Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

Significant financial risks and degrees of financial risks

A. Market risk

(A) Foreign exchange rate risk

The Company's activities expose to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Company's functional currencies are mainly NTD, as well as RMB and USD. These transactions are mainly denominated in US dollars and RMB. Part of the Company's cash inflow and outflow is in foreign currency, so it has some natural hedging effect; The exchange rate risk of the Company is managed to avoid risks, not to make profits. The exchange rate risk management strategy is to regularly review and manage the net portion of assets and liabilities in various currencies.

Foreign currency risk and sensitivity analysis

		2023.12.31					
		Foreign Currency (in thousands)	Exchange rate	Carrying Value (NTD)	Sensitivity Analysis		
					Variation	Profit and Loss Impact	Equity Impact
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary item</u>							
USD	\$	40	30.71	\$ 1,216	increase 1%	\$ 12	-
RMB		97	4.327	419	increase 1%	4	-
<u>Financial liabilities</u>							
<u>Monetary item</u>							
RMB	\$	(633)	4.327	\$ (2,740)	increase 1%	\$(27)	-
		2022.12.31					
		Foreign Currency (in thousands)	Exchange rate	Carrying Value (NTD)	Sensitivity Analysis		
					Variation	Profit and Loss Impact	Equity Impact
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary item</u>							
USD	\$	220	30.71	\$ 6,754	increase 1%	\$ 68	-
RMB		63,897	4.408	281,658	increase 1%	2,817	-
<u>Financial liabilities</u>							
<u>Monetary item</u>							
RMB	\$	(633)	4.408	\$ (2,791)	increase 1%	\$(28)	-

(B) Interest rate risk

The carrying amount of the financial assets and liabilities that were exposed to interest rate risk at the reporting date was as follows:

Item	Carrying amount	
	2023.12.31	2022.12.31
Cash flow interest rate risk:		
Financial assets	\$ 504,767	\$ 974,336
Financial liabilities	(2,903,446)	(3,737,774)
Net	<u>\$ (2,398,679)</u>	<u>\$ (2,763,438)</u>

a. Sensitivity analysis of fair value interest rate risk tools:

The Company does not classify any fixed-rate instruments as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income and available for sale. In addition, the Company does not designate derivatives (interest rate swaps) as hedge instruments under hedge accounting. Therefore, the change of interest rate at reporting date does not influence net income and other comprehensive income.

b. Sensitivity analysis of cash flow interest rate risk tools:

The Company's financial instruments with variable interest rates are those with floating-rate. If the interest rate increases (decreases) by 1%, the net income will increase (decrease) by \$23,987 thousand and \$27,634 thousand for the years ended December 31, 2023, and 2022, respectively.

B. Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a contract leading to a financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily accounts receivables, and from investing activities, primarily deposits, and other financial instruments. Credit risk is managed separately for business-related and financial-related exposures.

(A) Business-related credit risk

To maintain the credit quality of accounts receivables, the Company has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed in the consideration of the relevant factors which may affect the customer's paying ability such as financial condition, external and internal credit scoring, historical experience, and economic conditions.

(B) Financial credit risk

The Company's exposure to financial credit risk which pertained to bank deposits and other financial instruments was evaluated and monitored by the Company's Treasury function. The Company only deals with creditworthy counterparties, banks, and the government so no significant credit risk was identified. In addition, the Company has no financial assets at amortized cost and investments in debt instruments at fair value through other comprehensive income.

(C) Credit concentration risk

The Company has a large customer base and is not related, so there is no risk of concentration of credit risk of accounts receivable.

(D) Measurement of expected credit impairment loss

- a. Accounts receivable: Simplified method is adopted. Please refer to note 6(4) for the description.
- b. Judgment basis for whether the credit risk has increased significantly: none. (The Company does not classify debt instrument investments at amortized cost and at fair value through other comprehensive profit or loss)
- c. The Company does not hold collateral and other credit increases to avoid the credit risk of financial assets.

C. Liquidity risk

(A) Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements of cash and cash equivalents and the unused financing facilities associated with existing operations.

(B) Financial liabilities with repayment periods

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods:

		2023.12.31					
Non-derivative financial liabilities		Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans		\$ 258,309	\$ -	\$ -	\$ -	\$ 258,309	\$ 254,906
Short-term bills payable		3,442,400	-	-	-	3,442,400	3,436,559
Notes payable and accounts payable (including related parties)		420,311	-	-	-	420,311	420,311
Other payables (including related parties)		84,292	-	-	-	84,292	84,292
Long-term loans (including those due within one year)		232,159	1,112,268	1,505,544	-	2,849,971	2,648,540
Lease liabilities		4,768	4,037	11,016	-	19,821	18,222
Deposits received		205	-	5,148	1,577	6,930	6,930
Total		<u>\$ 4,442,444</u>	<u>\$ 1,116,305</u>	<u>\$ 1,521,708</u>	<u>\$ 1,577</u>	<u>\$ 7,082,034</u>	<u>\$ 6,869,760</u>

		2022.12.31					
Non-derivative financial liabilities		Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans		\$ 345,246	\$ -	\$ -	\$ -	\$ 345,246	\$ 338,087
Short-term bills payable		2,100,400	-	-	-	2,100,400	2,097,626
Notes payable and accounts payable (including related parties)		471,502	-	-	-	471,502	471,502
Other payables (including related parties)		108,603	-	-	-	108,603	108,603
Corporate bonds payable (including those due within one year)		1,166,327	-	-	-	1,166,327	1,157,249
Long-term loans (including those due within one year)		739,466	363,199	2,494,304	34,073	3,631,042	3,399,687
Lease liabilities		4,768	1,095	365	-	6,228	6,051
Deposits received		2,526	-	1,540	391	4,457	4,457
Total		<u>\$ 4,938,838</u>	<u>\$ 364,294</u>	<u>\$ 2,496,209</u>	<u>\$ 34,464</u>	<u>\$ 7,833,805</u>	<u>\$ 7,583,262</u>

The Company does not expect that the time point of the cash flow analyzed on the maturity date will be significantly earlier or that the actual amount will be significantly different.

(32) Capital risk management

The Company's capital management objectives are to ensure that the Company can continue to operate, maintain the best capital structure, reduce the cost of capital, and provide remuneration to shareholders. To maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is the ultimate controller of the Company.

(2) Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Taiyu Construction Co., Ltd(Taiyu Construction)	Subsidiary
Headway Investment Ltd.(Headway)	Subsidiary
Billion Capital Holding Co., Ltd.(Billion)	Subsidiary
Qingdao Dinglin International Business Management Co., Ltd (Qingdao Dinglin International)	Subsidiary
Qingdao Dinglin Hotel Co., Ltd (Qingdao Dinglin Hotel)	Subsidiary
Chengdu Dingkang Real Estate Co., Ltd (Chengdu Dingkang Real Estate)	Subsidiary
Xusheng Investment Co., Ltd. (Xusheng Investment)	Other related parties
Jingting Investment Co., Ltd. (Jingting Investment)	Other related parties
Heyi Investment Co., Ltd(Heyi Investment)	Other related parties
Qingdao Dinglin International Business Management Co., Ltd (Qingdao Dinglin International)	Subsidiary
HuangKe Investment Co., Ltd(HuangKe Investment)	Other related parties
Lalu Hotel Co., Ltd. (Lalu Hotel)	Other related parties
Fuqi Investment Co., Ltd(Fuqi Investment)	Other related parties
Xianglin Hydropower Engineering Co., Ltd (Xianglin Hydropower)	Other related parties
Xianglin Travel Agency Co., Ltd. (Xianglin Travel Agency)	Other related parties
Dinglin Investment Development Co., Ltd (Dinglin Investment Development)	Other related parties
Hengmei Co., Ltd. (Hengmei)	Other related parties
General Chamber of Commerce of the Republic of China	Other related parties
Straits economic & Cultural Exchange Association	Other related parties
Taichung City Real Estate Developers Association	Other related parties
Yunlin Associate Culture and Education Foundation	Other related parties
Lai Cheng I	Other related persons and main management

(3) Significant transactions with related parties

A. Purchases

<u>Item</u>	<u>Related Party Category</u>	<u>2023</u>	<u>2022</u>
Operating cost	Subsidiary	<u>\$ 611,210</u>	<u>\$ 877,524</u>

The purchase items are mainly the spare parts for the project and the hotel contracted to the related parties. The Company handles the above-mentioned companies according to the contract operation regulations and contract payment terms, which are roughly the same as other manufacturers. The purchase price and payment terms are not significantly different from those of other manufacturers.

B. Receivables from related parties

<u>Item</u>	<u>Related Party Category</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Other receivables	Subsidiary	\$ 131	\$ 3,374

No guarantee has been received for the receivables in circulation from related parties, and no provision has been made for losses.

C. Accounts payable to related parties (excluding loans from related parties)

<u>Item</u>	<u>Related Party Category</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Accounts payable	Subsidiary	\$ 309,966	\$ 353,522
Notes payable	Subsidiary	-	50,000
Other accounts payable	Subsidiary	2,740	9,312
Other accounts payable	Other related parties	22,730	12,895
		<u>\$ 335,436</u>	<u>\$ 425,729</u>

D. Property trading

Acquisition of property, plant and equipment

<u>Related Party Category</u>	<u>Acquisition pricing</u>	
	<u>January to December 2023</u>	<u>January to December 2022</u>
Subsidiary	\$ 13,952	\$ -

E. Lessee arrangements

<u>Item</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Right-of-use asset acquired by lessee		
Other related parties	\$ 16,788	\$ -

<u>Item</u>	<u>Related Party Category</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Lease liabilities	Other related parties	\$ 16,788	\$ 3,572

<u>Item</u>	<u>Related Party Category</u>	<u>2023</u>	<u>2022</u>
Interest expense	Other related parties	\$ 100	\$ 197
Depreciation expense	Other related parties	\$ 3,383	\$ 3,383

As for the deposit paid by the Company due to the lease agreement, as of December 31, 2023, and 2022, the deposit is \$642 thousand, and the recognized deposit interest is \$10 thousand and \$5 thousand in 2023 and 2022, respectively.

F. Lease/sublease agreement

<u>Item</u>	<u>Related Party Category</u>	<u>2023</u>	<u>2022</u>
Operating income (rental income)	Subsidiary	\$ 206	\$ 206
	Other related parties	953	965
		<u>\$ 1,159</u>	<u>\$ 1,171</u>

G. Lending to related parties

(A) Ending balance

<u>Item</u>	<u>Related Party Category</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Other receivables -related parties	Subsidiary	\$ -	\$ 277,413

(B) Interest income

<u>Item</u>	<u>Related Party Category</u>	<u>2023</u>	<u>2022</u>
Interest income	Subsidiary	\$ 652	\$ 3,348
Interest rate range		<u>1.50%</u>	<u>1.50%</u>

All loans borrowed by related parties from the Company are unsecured loans, and the loan interest rate is equivalent to the market interest rate.

H. Guarantee for related parties

Please refer to the attached Note 13(1)B for details of the endorsement and guarantee.

I. Expenses

<u>Related Party Category</u>	<u>2023</u>	<u>2022</u>	<u>Transaction type</u>
Subsidiary	\$ 9,084	\$ 21,071	Entertainment, repair, advertising, donation, and miscellaneous expenses
Other related parties	<u>11,894</u>	<u>4,964</u>	
	<u>\$ 20,978</u>	<u>\$ 26,035</u>	

(4) Key management compensation

	<u>2023</u>	<u>2022</u>
Salaries and other short-term employee benefits	\$ 17,540	\$ 15,421
Post-employment benefits	<u>529</u>	<u>407</u>
	<u>\$ 18,069</u>	<u>\$ 15,828</u>

8. PLEGDED ASSETS

The carrying amount of the assets pledged and guaranteed by the Company is detailed as follows:

<u>Pledged assets</u>	<u>2023.12.31</u>	<u>2022.12.31</u>	<u>Pledge guarantee subject</u>
Other financial assets	\$ 340,068	\$ 616,531	Short-term loans, corporate bonds payable, and long-term loans
Inventory - Construction	3,702,680	3,716,905	Short-term loans, short-term bills payable, and corporate bonds payable
Property, plant, and equipment	677,478	685,876	Short-term loans and short-term bills payable
Investment real estate	<u>2,537,781</u>	<u>1,465,786</u>	Short-term loans and short-term bills payable
	<u>\$ 7,258,007</u>	<u>\$ 6,485,098</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Please refer to Note 13(1) B for details of the amount and circumstances of endorsements and guarantees provided by the Company for others as of December 31, 2023.

10. SIGNIFICANT DISASTER LOSS

NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS

NONE.

12. OTHERS

NONE.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information:

A. Loans provided to other parties:

(In Thousands of New Taiwan Dollars)

No.	Financing	Counter-party	Financial Statement	Related	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction	Reason for Financing	Allowance for	Collateral		Financing Limits for Financing Company's	Financing Company's Total Financing Amount Limits
													Item	Value		
0	The Company	Billion	Other receivables - Related parties	Yes	288,925	-	-	-%	2	-	Operating capital	-	None	-	4,051,903	4,051,903
1	Taiyu Construction	Yusheng Design Engineering Co., Ltd	Other receivables	No	24,000	24,000	24,000	1.50%	2	-	Operating capital	-	Obligation of construction funds	24,000	71,289	71,289
		Meiyu Country Lei Decoration (Shanghai) Co., Ltd.	Other receivables	No	7,434	1,206	1,190	1.50%	2	-	Operating capital	-	None	-	71,289	71,289
2	Billion	China Commercial Credit Group Co., Ltd	Other receivables	No	244,475	237,94	237,94	2.00%	2	-	Operating capital	-	None	-	525,830	525,830
		Qingdao Dinglin International	Other receivables - Related parties	Yes	288,925	-	-	-%	2	-	Operating capital	-	None	-	525,830	525,830
		168	Other receivables - Related parties	Yes	88,291	-	-	-%	2	-	Operating capital	-	None	-	525,830	525,830
3	Headway	168	Other receivables - Related parties	Yes	87,122	81,573	81,573	1.50%	2	-	Operating capital	-	None	-	167,967	167,967
		Fast	Other receivables - Related parties	Yes	83,640	79,203	79,203	1.50%	2	-	Operating capital	-	None	-	167,967	167,967
		Qingdao Dinglin International	Other receivables - Related parties	Yes	71,520	-	-	-%	2	-	Operating capital	-	None	-	167,967	167,967
		Billion	Other receivables - Related parties	Yes	4,445	-	-	-%	2	-	Operating capital	-	None	-	167,967	167,967
4	Fast	Qingdao Dinglin International	Other receivables - Related parties	Yes	171,997	-	-	-%	2	-	Operating capital	-	None	-	854,803	854,803
		168	Other receivables - Related parties	Yes	272,885	266,935	266,935	1.50%	2	-	Operating capital	-	None	-	854,803	854,803
		Billion	Other receivables - Related parties	Yes	584,204	575,792	575,792	1.50%	2	-	Operating capital	-	None	-	854,803	854,803
5	168	Qingdao Dinglin International	Other receivables - Related parties	Yes	464,465	-	-	-%	2	-	Operating capital	-	None	-	2,089,818	2,089,818
		Billion	Other receivables - Related parties	Yes	500,658	489,741	489,741	1.50%	2	-	Operating capital	-	None	-	2,089,818	2,089,818
6	Qingdao Dinglin International	Chengdu Dingkang Real Estate	Other receivables - Related parties	Yes	2,280,658	2,267,455	2,267,455	-%	2	-	Operating capital	-	None	-	-	-
7	Qingdao Xiangdu Investment	Qingdao Dinglin International	Other receivables - Related parties	Yes	260,379	254,300	254,300	-%	2	-	Operating capital	-	None	-	103,100	103,100
8	Nanjing Dingzheng Real Estate	Qingdao Dinglin International	Other receivables - Related parties	Yes	1,982,347	1,158,965	1,158,965	-%	2	-	Operating capital	-	None	-	1,073,404	1,073,404
		Chengdu Dingkang Real Estate	Other receivables - Related parties	Yes	2,791	2,726	2,726	-%	2	-	Operating capital	-	None	-	1,073,404	1,073,404

Note 1 : The description of the number column is as follows:

- (1) The issuer is represented in O.
- (2) The investee company is numbered sequentially from the Arabic numeral 1.

Note 2: The description of the financing nature is as follows:

- (1) Please fill in 1 if there are business dealings.
- (2) If there is a need for short-term financing, please fill in 2.

Note 3: Limit amount calculation method:

- (1) Total amount of capital loans of the parent company and limits of individual parties.
 - A. The total loan amount of the Company shall not exceed 40% of the net value of the Company.
 - B. For the companies or business entities which the company has business dealings with, the number of individual loans shall not exceed the business dealings between the two parties. The business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.
- (2) Total amount of capital loans of the subsidiaries and limits of individual parties.
 - A. The total loan amount of the Company shall not exceed 40% of the net value of the Company.
 - B. For the companies and business entities which the company has business dealings with, the number of individual loans shall not exceed the business dealings between the two parties. The business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.
 - C. For companies or business entities that have business dealings with Taiyu construction, the number of individual loans shall not exceed 20% of the net value of Taiyu construction.

B. Endorsements/guarantees provided:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsers	Endorsee		Endorsement Balance During the Period	Highest Balance	Ending Amount Drawn	Actual Secured by Collaterals	Balance Accumulated to Net Worth of the Company	The ratio of the Amount of Endorsement	Maximum Endorsements by Parent Company to Subsidiary	Provision of Endorsemen ts by Subsidiary to Parent Company	Provision of Endorsemen ts to the Party in Mainland China	Provision of Endorsemen ts to the Party in Mainland China
		Name of endorsee	Limit for a Single Entity										
0	The Company	Nanjing Dingzheng Real Estate Billion	b	10,129,757	222,250	216,350	216,350	-	2.14 %	20,259,514	Y	N	Y
			b	(Note 3) 10,129,757	309,540	50,000	43,270	-	0.49 %	(Note 3) 20,259,514	Y	N	N
1	168	Qingdao Dinglin International Nanjing Dingzheng Real Estate	b	(Note 3) 10,129,757	1,383,373	-	-	-	- %	(Note 3) 20,259,514	Y	N	Y
			b	(Note 3) 62,694,528	4,489,450	3,596,806	3,596,686	5,106,652	68.84 %	(Note 3) 62,694,528	N	N	Y
2	Fast	Qingdao Dinglin Hotel	b	(Note 4) 25,644,096	1,866,900	1,817,060	1,795,429	1,795,721	85.03 %	(Note 4) 25,644,096	N	N	Y
3	Qingdao Dinglin International Billion	Qingdao Dinglin Hotel	b	(Note 5) -	40,005	-	-	-	- %	(Note 5) -	N	N	Y
4		Chengdu Chunya Enterprise Management Co., Ltd.	b	(Note 6) 15,774,900	1,297,900	1,297,900	1,276,269	1,276,477	98.73 %	(Note 6) 15,774,900	N	N	Y
5	Chengdu Chunya Enterprise Management Co., Ltd.	Chengdu Dingkang Real Estate Co., Ltd.	b	(Note 7) 10,323,360	8,106,250	7,676,250	4,166,825	870,923	892.30 %	(Note 7) 10,323,360	N	N	Y
				(Note 8)						(Note 8)			

Note 1: The description of the number column is as follows:

(1) The issuer is represented in O.

(2) The investee company is numbered sequentially from the Arabic numeral 1.

Note 2: The relationship between the endorser and the endorsee is as follows:

(1) Trading partner.

(2) The Company directly or indirectly holds more than 50% voting shares of the company.

(3) The Company directly or indirectly holds more than 50% voting shares of the company.

(4) The Company directly or indirectly holds 90% voting shares of the company.

Note 3: According to the provision of the Company's endorsement guarantee provide to others, the amount of endorsement guarantee shall not exceed 200% of the net value of the current period, and the limit of endorsement guarantee for a single corporate shall not exceed 100% of the net value of the current period.

Note 4: According to the provision of the subsidiary 168 Investment Ltd.'s endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

Note 5: According to the provision of the subsidiary Fast's endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

Note 6: According to the provision of the subsidiary Qingdao Dinglin International Business Management Co., Ltd's endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

Note 7: According to the provision of the subsidiary Billion's endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

Note 8: According to the provision of the subsidiary Billion's endorsement guarantee provide to others, the amount of the endorsement guarantee and the guarantee for a single corporate shall not exceed 100% of the net value of the current period, and the limit of the single corporate and guarantee for the parent company and its subsidiaries shall not exceed 1,200% of the net value of the current period.

C. Marketable securities held (not including subsidiaries, associates, and joint ventures) :

Amounts in Thousands of New Taiwan Dollars/Thousand shares

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Ending balance				Remark
				Number of shares	Carrying Value	Ownership	Fair value	
The Company	Lalu Network Technology Co., Ltd.	The chairman of the Company is also the chairman of this company	Financial assets based on fair value through other comprehensive gains and losses	75,000	-	15.00%	-	

D. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.

E. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital:

In Thousands of New Taiwan Dollars/Foreign currency thousand dollars

Company name	Types of properties	Transaction date	Transaction amount	Payment term	Counterparty	Nature of relationships	Prior transaction of related counterparty				Price reference	Purpose of acquisition	Other terms
							Owner	Relationships	Transfer date	Amount			
The Company	Six parcels of land, including land lot numbers 411-9 in the Haifonglun subsection of Douliu City, Yunlin County	May 18, 2023	422,768	Fully paid	Four people including Hsu, etc.	None	-	-	-	-	According to the appraisal report by the CHINA PROPERTY APPRAISING CENTER CO., LTD., the amount is subject to mutual agreement between the parties.	Land for construction	None

F. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		(Notes/Accounts Payable) Or Receivable		Remarks
			Purchases/Sales	Amount	% to Total	Payment Terms	Price	Payment terms	Amount	% to Total	
The Company	Taiyu Construction	Transactions between parent and subsidiary companies	Construction procurements	This period: 611,210	48.01 %	Collection under contract	-	-	309,966	73.75 %	-
Taiyu Construction	The Company	Transactions between parent and subsidiary companies	Construction procurements	Engineering income 662,809	98.87 %	Collection under contract	-	-	309,966	100.00 %	-
Taiyu Construction	Xianglin Hydropower	The Company's substantial related party	Construction procurements	This period: 103,694	28.73 %	Collection under contract	-	The Company is in accordance with the project procurement contract procedures.	7,448	3.21 %	-

H. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Amounts in Thousands of New Taiwan Dollars									
I. (In Thousands of New Taiwan Dollars)									
Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	Remark
					Amount	in Subsequent Period			
Taiyu Construction Fast	The Company	Subsidiary	309,966	-	-		-	-	-
	Billion	The same parent company	577,963 (USD 18,820)	-	-		-	-	-
	168	The same parent company	268,119 (USD 8,731)	-	-		-	-	-
	168	The same parent company	493,132 (USD 16,058)	-	-		-	-	-
Qingdao Dinglin International	Chengdu Dingkang Real Estate	The same parent company	2,582,869 (CNY 596,914)	-	-		-	-	-
Qingdao Xiangdu Investment	Qingdao Dinglin International	The same parent company	254,300 (CNY 58,770)	-	-		-	-	-
Nanjing Dingzheng Real Estate	Qingdao Dinglin International	The same parent company	1,158,963 (CNY 267,842)	-	-		-	-	-
Nanjing Dingzheng Hotel	Nanjing Dingzheng Real Estate	The same parent company	1,372,843 (CNY 317,272)	-	-		-	-	-
Qingdao Dinglin Hotel	Qingdao Dinglin International	The same parent company	319,349 (CNY 73,803)	-	-		-	-	-

II. Information about the derivative financial instruments transaction: None.

J. The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them:

Amounts in Thousands of New Taiwan Dollars							
No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 4)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Taiyu Construction	The Company	2	Operating income-construction	662,809	-	17.54%
2	Fast	Billion	3	Other receivables	577,965	-	1.41%
3	168	Billion	3	Other receivables	493,132	-	1.20%
4	Qingdao Dinglin International	Chengdu Dingkang Real Estate	3	Other receivables	2,582,869	-	6.29%
5	Nanjing Dingzheng Real Estate	Qingdao Dinglin International	3	Other receivables	1,158,965	-	2.82%
	Nanjing Dingzheng Real Estate	Nanjing Dingzheng Hotel	3	Operating income-rental	55,571	-	1.47%
7	Nanjing Dingzheng Hotel	Nanjing Dingzheng Real Estate	3	Other receivables	1,372,848	-	3.34%

Note 1: the number is as follows:

(1) Parent company fill in 0.

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

Note 2: there are three types of relationships with traders:

(1) Parent company to a subsidiary.

(2) Subsidiary to the parent company.

(3) Subsidiary to subsidiary.

Note 3: For the calculation of the ratio of the transaction amount to the individual's total revenue or total assets, if it belongs to the asset-liability account, it shall be calculated in the way that the ending balance accounts for the individual's total assets; If it belongs to the profit and loss account, it shall be calculated by the way that the cumulative amount in the interim accounts for the individual's total revenue.

(2) Information on investees(excluding Mainland China invested companies):

Amounts in Thousands of New Taiwan Dollars/Foreign currency thousand / thousand shares											
Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Shares Held as at the End of the Period			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Remark
				End of the current period	End of the prior year	Number of shares	Ratio	Carrying amount			
The Company	Taiyu Construction	Taiwan	Engineering and construction business	176,800	176,800	18,633	92.70%	118,177	(2,105)	11,771	Subsidiary
The Company	Headway	Samoa	Investment	284,791	248,791	9,643	66.67%	279,945	8,097	5,398	Subsidiary
The Company	Baihuang Investment	Taiwan	Investment	9,000	9,000	-	100.00%	1,020	3	3	Subsidiary
The Company	Dinglin international enterprise	Taiwan	Residential and building development lease and sale business	255	255	26	51.00%	394	2	1	Subsidiary
The Company	168	Samoa	Investment	6,692,803	6,447,629	216,897	95.59%	4,994,142	(482,307)	(458,808)	Subsidiary
The Company	Quantum	Samoa	Investment	1,817,289	1,712,616	58,385	85.38%	1,122,384	(210,371)	(177,186)	Subsidiary
The Company	Diamond	Samoa	Investment	12,252	12,252	386	100.00%	360	(49)	(49)	Subsidiary
The Company	Fast	Samoa	Investment	3,728,275	3,285,890	117,930	100.00%	2,137,008	(255,033)	(255,033)	Subsidiary
Taiyu Construction	Worldwide	Samoa	Engineering Consultant	32	32	-	100.00%	447	(28)	(28)	Subsidiary
Baihuang Investment	Dinglin international enterprise	Taiwan	Residential and building development lease and sale business	245	245	25	49.00%	379	2	1	Subsidiary
Headway	Gold Square	Samoa	Investment	-	-	-	100.00%	654	(28)	(28)	Subsidiary
Quantum	Billion	Samoa	Investment	(USD-) 2,100,103	(USD-) 2,000,084	68,385	100.00%	(USD21) 1,314,575	(USD-1) (210,420)	(USD-1) (210,420)	Subsidiary
Fast	Century Up	Hong Kong	Investment	(USD68,385) 941,870	(USD65,128) 741,212	239,244	81.21%	(USD42,806) (326,864)	(USD-6,754) (303,899)	(USD-6,754) (241,935)	Subsidiary
				(USD30,670)	(USD24,136)			(USD-10,644)	(USD-9,754)	(USD-7,766)	

(3) Information on investments in Mainland China:

Amounts in Thousands of New Taiwan Dollars/Foreign currency thousand

Investee Company	Main Business and Products	Total Amount of Paid-in Capital	Investment method	Accumulated investment amount of remittance from Taiwan—beginning of the current period	Exported or recovered investment amount of the current period		Accumulated investment amount of remittance from Taiwan—end of the current period	Current profit or loss of the investee company	Shareholding percentage from direct or indirect investment	Investment profit or loss recognized in the current period (Note 2)	Carrying amount of investment at the end of the current period	Accumulated repatriation of investment income as of the end of the period
					Received	Remitted						
Nanjing Dingzheng Real Estate	Real estate development, operation, and management	3,746,344 (USD121,991) (Note 3)	(2) 168	1,284,000 (USD40,000) (Note 3)	-	-	1,284,000 (USD40,000) (Note 3)	(451,050)	95.59%	(431,159)	\$ 2,565,167	-
Qingdao Dinglin International	Enterprise management services, catering production and sales, accommodation services, wholesale, exhibition services, and house leasing	1,152,454 (USD37,527) (Note 3)	(2) Century Up	614,200 (USD20,000) (Note 3)	-	-	614,200 (USD20,000) (Note 3)	(380,775)	64.92%	(247,199)	(320,002)	-
Chengdu Chunya enterprise	Enterprise management services	1,535,500 (USD50,000) (Note 3)	(2) Billion	1,228,400 (USD40,000) (Note 3)	-	-	1,228,400 (USD40,000) (Note 3)	(209,483)	85.38%	(178,857)	734,507	-
Qingdao Xiangdu	Self-owned funds and private equity funds are engaged in equity investment, investment management, asset management, and other activities	307,100 (USD10,000) (Note 3)	(2) Headway	307,100 (USD10,000) (Note 3)	-	-	307,100 (USD10,000) (Note 3)	(13)	66.67%	(9)	171,841	-
Nanjing Dingzheng Hotel	Hotel operation and management	519,245 (CNY120,000) (Note 3)	(3) Nanjing Dingzheng Real Estate	-	-	-	-	(1,020)	95.59%	(975)	365,124	-
Qingdao Dinglin Hotel	Hotel operation and management	44,069 (CNY10,000) (Note 3)	(3) Qingdao Dinglin International	-	-	-	-	27,460	64.92%	17,827	(49,989)	-
Chengdu Dingkang Real Estate	Construction of hotels and real estate development	1,322,170 (CNY305,560) (Note 3)	(3) Chengdu Chunya enterprise	-	-	-	-	(209,481)	85.38%	(178,855)	736,205	-

Investor Company	Accumulated remitted investment amount from Taiwan to Mainland China—end of the current period	Investment amount approved by the Investment Committee of the Ministry of Economic Affairs	Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs
Shining Building Business Co. Ltd	\$ 4,524,044 (USD147,315) (Note 3)	\$ 4,799,973 (USD156,300) (Note 3)	\$ 6,077,854 (Note 4)

Note 1: Investments are divided into the following three types:

- (1) Direct investment in the mainland.
- (2) Reinvestment in mainland companies through third regional companies.
- (3) Others.

Note 2: investment losses recognized in this period:

- (1) If there is no investment profit or loss in preparation, it shall be noted.
- (2) The recognition basis of investment profit and loss is divided into the following three types, which should be noted:
 - A. The financial statements are audited and endorsed by an international accounting firm that has a cooperative relationship with an accounting firm of the Republic of China.
 - B. The financial statements are audited and endorsed by the certified public accountant of the Taiwan parent company.
 - C. Others.

Note 3: The amount in Taiwan dollars is converted at the exchange rate on the balance sheet date (the recognized gains and losses are converted at the average exchange rate).

Note 4: the investment limit is calculated at 60% of the net value.

Details of significant transactions with Mainland invested companies directly or indirectly through third-party territories (offset in the preparation of consolidated financial statements), including their prices, payment terms, unrealized gains or losses, and other relevant information to understand the impact of Mainland investments on financial statements:

- (1) Please refer to Note 13.1 for significant transactions occurred between the Group and Mainland invested companies indirectly through third-party territories in 2023.
- (2) Unrealized (losses) gains incurred by the Group indirectly through third-party territories in 2023: None.
- (4) Information on major shareholders:

		Unit: shares
Name of Major Shareholder	Number of Shares	Percentage of Ownership (%)
Quanyang Investment Co., Ltd	98,221,964	10.04 %
Dinglin Investment Development	146,508,678	9.82 %
Dingzheng Investment Co., Ltd	143,631,799	9.62 %
Guangyu Investment Co., Ltd	66,000,854	6.75 %
Mingheng Investment Co., Ltd	56,978,163	5.82 %
Heting Investment Co., Ltd	55,510,514	5.67 %

Note 1: The information of major shareholders is 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. The share capital in the consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: As per the information above, if the shareholder delivers the shares to the trust, shares will be disclosed based on the trustee's account. Additionally, according to the Securities and Exchange Act, an internal stakeholder who holds more than 10% of the Company's share, which includes shares held by the stakeholder and parts delivered to the trust that has decision-making rights, should be declared. For information regarding internal stakeholder declaration, please refer to the Market Observation Post System website of the Taiwan Stock Exchange Corporation.

14. SEGMENT INFORMATION

Please refer to the 2023 consolidated financial statements for details.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status (Consolidated Financial Statements)

New Taiwan Dollars (In Thousands)

Item \ Year	2022	2023	Difference	
			Amount	%
Current Assets	24,651,666	21,348,225	(3,303,441)	(13.40%)
Property, Plant and Equipment	10,527,919	9,902,541	(625,378)	(5.94%)
Intangible Assets	6,304	4,638	(1,666)	(26.43%)
Other Assets	4,935,111	9,801,642	4,866,531	98.61%
Total Assets	40,121,000	41,057,046	936,046	2.33%
Current Liabilities	19,073,959	17,872,839	(1,201,120)	(6.30%)
Noncurrent Liabilities	10,083,211	12,659,982	2,576,771	25.56%
Total Liabilities	29,157,170	30,532,821	1,375,651	4.72%
Capital Stock	9,775,892	9,775,892	-	0.00%
Capital Surplus	20,351	13,755	(6,596)	(32.41%)
Retained Earnings	1,134,025	884,915	(249,110)	(21.97%)
Other Equity	(489,890)	(544,805)	(54,915)	11.21%
Treasury Stock	-	-	-	-
Equity Attributable to Shareholders of the Parent	10,440,378	10,129,757	(310,621)	(2.98%)
Non-Controlling Interests	523,452	394,468	(128,984)	(24.64%)
Total Stockholders' Equity	10,963,830	10,524,225	(439,605)	(4.01%)
<p>Note: The analysis and explanation of the changes in rate of increase or decrease reached 20% and with amount more than NT\$10 million in the most recent two years:</p> <ol style="list-style-type: none"> 1. Other assets: Mainly due to the increase in the investment property and refundable deposits comparing to the previous period. 2. Non-current liabilities: Mainly due to the increase in long-term loans. 3. Retained earnings: Mainly due to the increase in accumulated loss. 4. Non-controlling interests: Mainly due to the increase in net loss of non-controlling interests in the same period last year. 				

7.2 Analysis of Business Performance (Consolidated Financial Statements)

Review and Analysis of Business Performance

Unit: New Taiwan Dollars (In Thousands)

Item	2022	2023	Increase/ Decrease Amount	Variable Proportion (%)
Operating Revenue	1,330,284	3,778,781	2,448,497	184.06%
Gross Profit	355,146	995,088	639,942	180.19%
Operating Income	(941,438)	(279,820)	661,618	(70.28%)
Non-Operating Income and Expenses	(916,664)	(137,976)	778,688	(84.95%)
Net Income Before Tax from Operations of Continued Segments	(1,858,102)	(417,796)	1,440,306	(77.51%)
Income Tax	222,211	31,707	(190,504)	(85.73%)
Net Income After Tax for the Period from Operations of Continued Segments	(1,635,891)	(389,089)	1,246,802	(76.22%)

Note: The analysis and explanation of the changes in rate of increase or decrease reached 20% and with amount more than NT\$10 million in the most recent two years:

1. Analysis and Explanation of the Variable Proportion of Increase or Decrease Amount:

- (1) Operating Revenue: Mainly because of the recognized amount of completed houses in the current period is different from that of last year.
- (2) Gross Profit: Mainly because of the recognized amount of completed houses in the current period is different from that of last year.
- (3) Operating Income: Mainly because of the recognized amount of completed houses in the current period is different from that of last year.
- (4) Non-Operating Income and Expenses: Mainly due to the the greater fair value adjustments of the investment property in the same period last year than in the current period.
- (5) Net Income Before Tax from Operations of Continued Segments: Mainly because of the reduction in operating income for the current period in comparison with the same period last year.
- (6) Income Tax: Mainly because of the reduction in net loss before income tax for the current period in comparison with the same period last year.
- (7) Net Income After Tax for the Period from Operations of Continued Segments: Mainly because the recognized amount of the readily available houses is different from last year.

2. The Sales Volume Forecast and the Measures to be Taken in Response on the Basis of the Possible Effect upon the Company's Future Financial and Sales Performance

For sales volume forecast and the basis, please refer to page 1 of "I. Letter to Shareholders". All projects are implemented in accordance with the schedule plan. Hence, there is no material effect upon the Company's financial and sales performance.

7.3 Analysis of Cash Flow (Consolidated Financial Statements)

7.3.1 Analysis of Cash Flow Changes in the Most Recent Year

Unit: New Taiwan Dollars (In Thousands)

Item \ Year	2022	2023	Increase(Decrease)
Net Cash Inflow (Outflow) of Operating Activities	(1,600,109)	(711,728)	888,381
Net Cash Inflow (Outflow) of Investment Activities	(485,037)	(1,395,971)	(910,934)
Net Cash Inflow (Outflow) of Financing Activities	1,126,409	1,778,075	651,666
Increase and Decrease Amount of Cash and Cash Equivalents of the Current Period, Net	(611,726)	(116,421)	495,305

- 7.3.1.1 Decrease in Net Cash Inflow (Outflow) of Operating Activities: Mainly due to the decrease in the current period compared to the same period last year.
- 7.3.1.2 Increase in Net Cash Inflow (Outflow) of Investment Activities: Mainly due to the increase in refundable deposits in the current period compared with the same period last year.
- 7.3.1.3 Increase in Net Cash Inflow (Outflow) of Financing Activities: Mainly due to the increase in repayment of loans to financial institutions in the current period compared to the same period last year
- 7.3.1.4 Decrease in the Amount of Cash and Cash Equivalents of the Current Period: Mainly due to the decrease of the balance at the end in the current period compared to the same period last year.

7.3.2 Remedies for Insufficient Liquidity

The Company does not have insufficient liquidity issue since all the construction and sales of projects are supported by our own working capital together with banking financing.

7.3.3 Analysis of Cash Liquidity in the Incoming Year (Consolidated Financial Statements)

Unit: New Taiwan Dollars (In Thousands)

Estimated Cash, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities for the Whole Year (2)	Estimated Cash Outflow for the Whole Year (3)	Estimated Cash Surplus (Deficit) (1)+(2)-(3)	Remedies of Estimated Cash Deficits	
				Investment Plans	Financing Plans
363,635	1,011,653	586,480	1,205,575	-	-
<p>(1) Analysis of Changes in Cash Flow in This Year:</p> <ul style="list-style-type: none">● Operating Activities: Carry on project sales and construction engineering in accordance with the Company's operating objectives.● Investment Activities: There is no new overseas investment for the moment.● Financing Activities: Conduct in accordance with the financing plan of construction projects. <p>(2) Remedies of Estimated Cash Deficits and Liquidity Analysis: Nil</p>					

7.4 The Effect upon Financial Operations of any Major Capital Expenditures in the Most Recent Years

The substantial capital expenditure of the Company this year is \$28,500 thousand, mainly the public facilities maintenance construction of the investment property, and does not cause huge financial impact.

7.5 The Company's Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits and Losses Generated from Reinvestments, and the Plan for Improving Re-Investment Profitability in the Incoming Year

Shining Building Business Co., Ltd. has been expanding its horizons in Taiwan and arranging the layout in China. Since the practice of "1030 Plan", to set up 30 hotels within 10 years, other than the investment in Lalu Hotel in China, the Company has also developed comprehensive development projects of commercial and residential buildings, etc., and reinvested in Qingdao for the projects of Lalu Hotel and Villa Ocean View Villas as well as in Nanjing for the Lalu Hotel and commercial integrated projects, which all have shifted stable profits into the Company. At present, the Investment Board, Ministry of Economic Affairs has authorized the investment projects in Qingdao, Nanjing, and Chengdu of China, which are related to five major projects with approval amount as US\$156 million, including the planning and construction of international recreation and tourism hotels, shopping malls, residences, offices, and villas. Loss of associates & joint ventures accounted for using equity method in 2023 is nT\$ 873,903 thousand, mainly due to the reinvestment in hotel and real estate businesses in China of our joint ventures. It was still under the impact of the post-COVID pandemic and the housing policies of China government and the result is negative. Later, after the COVID-19 pandemic and the border control showed a sign of easing, resulting in increase of the revenue, the Company's reinvestment has improved.

7.6 The Analysis of Risk Matters

7.6.1 The Impact of the Fluctuation of Interest Rate, Exchange Rate, and Inflation Rate on the Company's Revenue, as well as Corresponding Actions

7.6.1.1 The nature and extent of each significant financial risk (exchange rate risk and interest rate risk) have not changed significantly from those described in the Consolidated Financial Statements for the fiscal year 2023. Please refer to Note 6.58 to the Consolidated Financial Statements for a description of these risks.

7.6.1.2 Inflation may bring about the price rising of land and raw materials. Generally speaking, the rising in the costs of land and construction can often be rationally shifted to housing prices. Moreover, the housing market may have a more active trading sight because of the psychological expectations of consumers or even investors. The Company adequately gathers relevant information of lands and masters the market prices of raw materials for acquiring lands at a reasonable price and rigorously controlling construction costs, which shall be helpful at upholding the well-manage advantage.

7.6.2 The Major Reasons for the Company's Policies, Profit or Loss of High-Risk, Highly-Leverage Investments, Capital Loans to Other Parties, Endorsements, Guarantees, and Derivative Commodity and Future Response Measures

The Company did not get involved in the investments of high-risk and high-leverage derivatives. In response to the operational requirements of subsidiaries, the Board of Directors has passed the resolutions on providing fund loaning, endorsement, and guarantees, which will be handled in accordance with the Company's "Operation Procedures for Loaning Funds to Other Parties" and "Procedures for Endorsement and Guarantee".

7.6.3 Research and Development Work to be Carried Out in the Future, and Further Expenditures Expected for Research and Development Work

As for the land development plan and strategy in the prior period, the main direction is to acquire capacities and develop and integrate cultivated lands in Taipei City. The long-term plan is to expand the operating range of urban renewal and set up a land database to meet the requirements of annual development. Since the land supply in central Taiwan has attained saturation, there is no appropriate target in the short term, and the northern Taiwan will be the main force of development. As for the research and development of new construction methods, we continue to introduce the latest domestic and international construction techniques, cut down construction time, reinforce construction quality, decrease construction costs, and continuously research and innovate for enhancing the design concepts of space, function and safety in each project, and increase the additional value and market competitiveness of buildings. No research and development project is planned for the future, but in 2023, the group has set aside NT\$2.42 million as the expenses of continual education and training for employee and research and development of new methods of construction.

7.6.4 The Impact of Important Domestic and Overseas Policies and Legal Changes on the Financial Position of the Company and Future Countermeasures Please refer to page 1 of "I. Letter to Shareholders".

7.6.5 The impact of changes in technologies and industry on the financial position of the Company and future countermeasures

The price fluctuation of building materials has a considerable impact on the construction time and benefits of the real estate industry. Since the floor area ratio was implemented, the land use intensity has universally reduced and the difficulties of land purchase have heightened. Hence, the countermeasures of the Company are to have land development department watch over the dynamics of lands and the shift direction of floor area ratios at all times, to request the dedicated department of the Company's subsidiary, Tai Yu Construction Co., Ltd., to be on the alert for the relevant trends of building materials at all times, to apply the online marketing model on the promotion of construction product information, and to increase the supply of communication channels to customers for cutting down operating costs.

7.6.6 The Impact of Changes in Corporate Image on the Risk Management of the Company and Future Countermeasures

The Company has always placed value upon corporate image and organized charitable events one by one. Over a long period of time, it has been well known for its commitment on "Persistence, Perseverance, and Quality Assurance" without any change for the past few years and has maintained a consistently excellent corporate image. In the most recent years, it has proactively push forward the "Year of Brand Emozione" to enhance the story of Shining brand, reinforce emotion marketing, and plan the story gallery for every project in the designated area inside the construction project for having house buyers empathize with the value.

7.6.7 The Expected Resultant Benefits, Potential Risks, and Countermeasures of Implementation of Mergers and Acquisitions: Nil

7.6.8 The Expected Benefits and Potential Risks of Plant Expansion and Countermeasures: Nil

7.6.9 Risks and Countermeasures for the Concentration of Purchase and Sales

In consideration of the characteristics of construction industry, the major suppliers of the Company are construction companies and landlords. Most of the land acquisitions are from the foreclosure bidding of individuals or banks and the construction companies are the Company's reinvested subsidiaries. Although the purchases are concentrated, the risks are lower and the project quality can be controlled better. The source of customers is the general public and no risk for the concentration of sales accordingly.

7.6.10 The impacts, risks, and countermeasures of a large number of shares transferred or replaced by directors, supervisors, or shareholders holding more than 10% of the shares of the Company:

For the past few years, there has been no large number of shares transferred or replaced by directors, supervisors, or shareholders holding more than 10% of the shares of the Company.

7.6.11 Impacts and Risks Associated with the Change of Management Rights, and Countermeasures: No such a condition.

7.6.12 Litigation or Non-Litigation Events



Major litigation, non-litigation, or administrative arbitration event which involves the Company and the Company's directors, supervisors, presidents, persons in charge, major shareholders holding more than 10% of the shares and its subsidiaries with judgment confirmed or still in litigation, and its consequence may have material impact on the interests of shareholders or security prices: The cases still in litigation have no material impact on the interests of the Company's shareholders or security prices.

7.6.13 Other Important Risks and Countermeasures



The Company's Board of Directors approved the "Risk Management Policy" on September 30, 2020 and established the "Risk Management Group" for the purpose of strengthening the Company's governance and establishing sound risk management practices. the Company regularly evaluates various risks in accordance with its overall operating policies to effectively identify, measure and control risk factors, prevent possible losses within the tolerable risk range, and report annually to the Board of Directors on the implementation of the risk management policy.

Based on the principle of materiality, the Company integrates and manages all potential strategic, operational, financial, and hazard risks that may affect the Company's operations and profits, and identifies potential risks through risk categories, with the aim of providing appropriate risk management for all stakeholders. Based on the three major aspects of environment, society and corporate governance, we propose eight major risk items, including "environmental risk", "climate change risk", "operation and privacy risk", "construction design risk", "raw material risk", "financial risk", "human resources management risk" and "information security risk", and propose risk control and management measures respectively.

:

Major Issues	Risk Item	Risk Control and Management Countermeasures
Environment	 Environmental Risk	Facing the changes in the general environment, government policies, price indices, etc., the development process of the company takes considerable amount of time from land acquisition, planning and design to the sales stage, It requires more time cost and in some cases, the development process is lengthy and needs to be reviewed for obsolescence, etc. , confirm whether it has complied with current laws, regulations, policies or market trends, and constantly cross review it over and over again to prevent businesses impacts caused by the environment.
	 Climate Change Risk	As extreme climate aggravates year after year, to confront with the more harsh threats of typhoons and floods than before and avoid making an effect on operating conditions, resulting in financial burdens, or giving rise to other risks, more costs shall be invested in the prevention of natural disasters and floods, the maintenance of post-disaster facilities, and the acquisition of operational capabilities, and shall incorporate the design concept of natural disaster prevention into the Company's construction projects. At present, flood control drills are one of the regular exercises for the internal staff. During the rainy and typhoon season, we recruit relevant staff to operate flood control equipment and observe the drainage condition of the surrounding external ditches and drains, and contact the chief by phone to help dredge the mud during the typhoon season to maintain the smooth drainage of the surrounding areas to avoid unnecessary damage and loss caused by poor drainage of the ditches.

Major Issues	Risk Item	Risk Control and Management Countermeasures
Society	 Operational and Privacy Risks	<p>We strictly set the approval authority for each work item and strictly control the use of confidential information for customers, suppliers or employees' personal information to prevent leakage.</p> <p>The sales content in the pre-sale stage is easy to fall behind the customers' cognition when delivering the houses. The publicity content is also part of the delivery content. Therefore, the fundamental solution is to strictly review the publicity and select and train the sales personnel. For the procurement of building materials for the pre-sale houses, if the manufacturer needs to purchase products of the same grade in case of supply there is any shortage, it shall notify the buyers in writing to avoid disputes.</p>
	 Construction Design Risk	<p>During the planning and design phase of a project, regulatory assessments are reviewed in conjunction with timely draft ordinances and regulations from the public sector. The professional knowledge and skills of our internal staff are enhanced over time. The annual building regulations briefing and related regulatory correspondence is an integral part of the in-house staff's training. Applications for building licenses are entrusted to architects' offices. The professional engineering part is entrusted to a professional industrial technician. The architects are also jointly and severally responsible for the effective handling of regulatory risks.</p>
	 Raw Material Risk	<p>In terms of building materials, Taiwan's steel prices are affected by fluctuations in the international raw material situation. In order to correspond to the market price, we have cultivated mutual trust and tacit cooperation with our suppliers and implemented the supply in accordance with the agreed contract content. It is also for us to spread the risk of market fluctuations, and in order to achieve sustainable management, the raw materials are based on environmentally friendly materials as a consideration.</p> <p>Pay attention to the market changes and industry trends of professional market reporting websites every week, and at the same time, through daily interaction with third-party manufacturers, pay attention to the supply of raw materials or market changes at any time, in order to avoid the risk of raw materials out of stock and sudden price spikes. In addition, due to the comprehensive effects of the new crown pneumonia, the increase in wages and the congestion of international maritime traffic have led to the extension of the shipping period. Therefore, perform the following response:</p> <ul style="list-style-type: none"> • Propose alternatives that can reduce costs, and review them in close consultation with the planning and design department. • In line with the needs of planning, design and business sales, confirm the unit price or negotiate the price before placing the sample. <p>Seek manufacturers with good quality, reasonable prices, and good cooperation to respond together.</p>
Corporate Governance	 Financial Risk	<p>In response to the revised financial standards of the Stock Exchange, the relevant professional knowledge of accounting personnel is strengthened every year, and accounting supervisors and agents receive 12 hours of certified class hours every year. The financial reporting staff also receives 6 hours of certified classroom hours per year. The Board of Directors has three independent directors and set up an Audit Committee to oversee corporate governance practices from an independent standpoint. Strictly standardize the ethical behavior of the company's management, and strengthen control and audits for information security and internal control to prevent fraud.</p>

Major Issues	Risk Item	Risk Control and Management Countermeasures
Corporate Governance	 Human Resources Management Risk	<p>The fault risk of human resources, personnel health risk, attendance rates and salary positions of employees, whether there are potential labor disputes, department leadership and employee communication, and employee equality issues may all become human resources risks. Hence, the Company uses internal talent training, education and training, and project management as the internal control mechanism of the department, and the heads of various departments actively cultivate succession plans, and use internal organization and professional re-entrustment methods to face various crises.</p>
	 Information Security Risk	<p>In order to improve information security management, the company has established an inter-departmental "Information security team" in 2020. The management team of the General Management Office coordinates and formulates the company's information security management policy and implementation policy. The system reviews and improves the information security system every quarter, tracks and reviews the improvement measures, and regularly reports the implementation to the board of directors to ensure the smooth operation of the Company, the integrity of information and data, and the security of corporate secrets to protect the company's own reputation. Information security management is divided into seven major programs, and the implementation items are as follows:</p> <ul style="list-style-type: none"> • Computer equipment security management • Network security management • Virus protection and management • System access control • Ensure the sustainable operation of the system • System development and maintenance management mechanism <p>Information security promotion and education and training</p>

7.7 Other Important Matters

Employees Involved in Financial Transparency and the Status of Their Relevant Licenses Specified by the Competent Authority

Department	Name	Relevant Studies and Licenses
Accounting Department	Liao, Pei-Chi	Professional Certification of Financial and Accounting Supervisors of Public Company

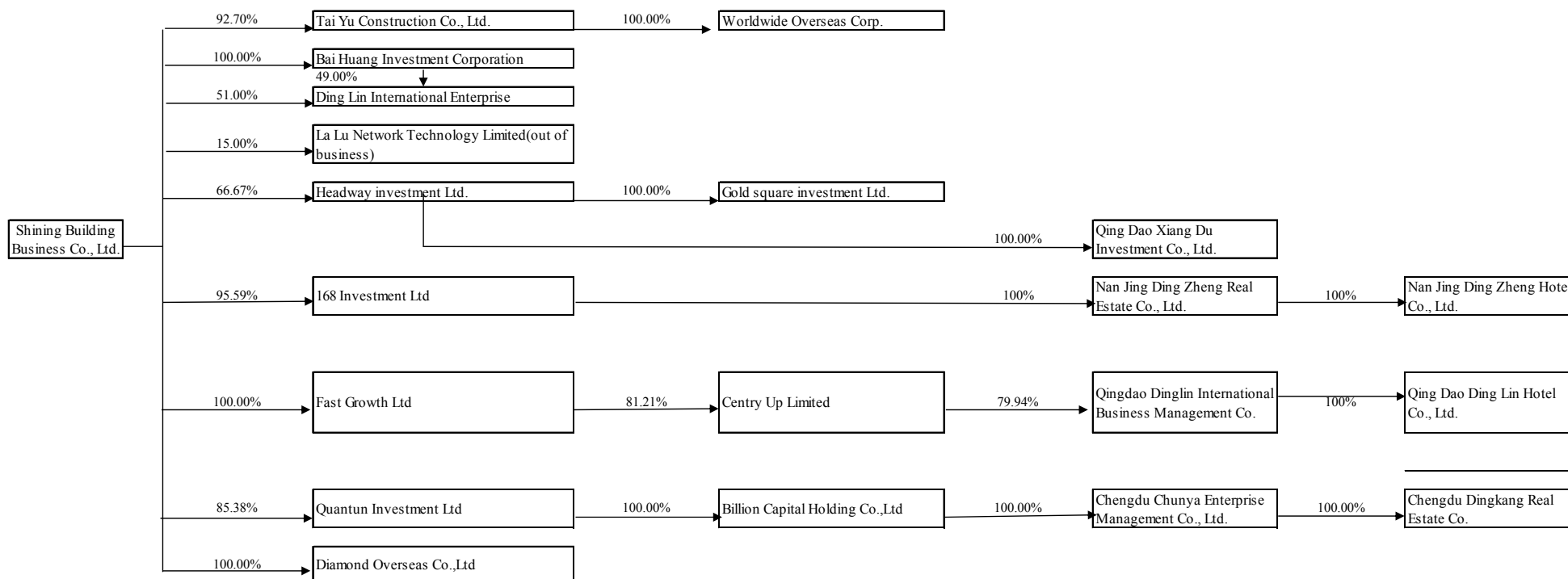
VIII. SPECIAL DISCLOSURE

8.1 Information on Affiliated Companies

8.1.1 Overview of Affiliated Companies

8.1.1.1 Chart of Affiliated Companies

2023.12.31



8.1.1.2 Basic Information of Affiliated Company

December 31, 2023 Unit: In Thousands

Name of Affiliated Company	Date of Incorporation	Address	Paid-In Capital (NT\$)	Business Activities
Tai Yu Construction Co., Ltd.	October 1990	2nd Floor, No. 408, Section 2, Taiwan Boulevard, Taichung City	201,000	Mainly Engaged in Construction and Civil Engineering Businesses
Bai Huang Investment Co., Ltd.	January 2008	2nd Floor, No. 408, Section 2, Taiwan Boulevard, Taichung City	9,000	Engaged in Investment Services
Ding Lin International Enterprise Co., Ltd.	February 2008	2nd Floor, No. 408, Section 2, Taiwan Boulevard, Taichung City	500	Housing and Building Development and Rental Businesses
Headway Investment Ltd.	August 2007	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	444,187	Engaged in Investment Services
Gold Square Investment Ltd.	August 2007	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	-	Engaged in Investment Services
Fast Growth Ltd	April 2012	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	3,621,623	Engaged in Investment Services
168 Investment Ltd.	September 2011	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	6,968,011	Engaged in Investment Services
Quantum Investment Ltd	110/4	Maystar Chambers, P.O.Box 3269, Apia, Samoa	2,100,103	Engaged in Investment Services
Billion Capital Holding Co., Ltd.	November 2011	TMF Chambers, P.O. Box 3269, Apia, Samoa	2,100,103	Engaged in Investment Services
Diamond Overseas Co., Ltd	December 2011	TMF Chambers, P.O. Box 3269, Apia, Samoa	11,849	Engaged in Investment Services
Worldwide Overseas Corp.	January 2013	TMF Chambers, P.O. Box 3269, Apia, Samoa	31	Engineering Consulting
Century Up Limited	December 2007	Rm.1611, 16/F., Wealth Commercial Centre, 42-56 Kwong Wa St., Mong Kok, Kowloon, Hong Kong	1,159,942	Engaged in Investment Services
Qing Dao Ding Lin Business Management Co., Ltd.	September 2009	No. 277, Jiu Long Shan Road, Huang Dao District, Qing Dao City, Shandong Province	1,152,454	Business Management Services, Catering Production and Sales,

Name of Affiliated Company	Date of Incorporation	Address	Paid-In Capital (NT\$)	Business Activities
				Accommodation Services, Wholesale and Retail, Exhibition Services, and House Leasing, etc.
Qing Dao Ding Lin Hotel Co., Ltd.	November 2015	Building 41, No. 277, Jiu Long Shan Road, Huang Dao District, Qing Dao City, Shandong Province	43,270	Hospitality Operations Management
Nan Jing Ding Zheng Real Estate Co., Ltd.	January 2012	Building 2, No. 208, Yang Z Jiang Boulevard, Jian Ye District, Nanjing City	3,746,344	Engaged in Hotel Construction and Real Estate Development
Nan Jing Ding Zheng Hotel Co., Ltd.	November 2019	Building 2, No. 208, Yang Z Jiang Boulevard, Jian Ye District, Nanjing City	519,245	Hospitality Operations Management
Chengdu Chunya Business Management Co., Ltd.	December 2020	No. 450, 4th Floor, Building 5, No. 118, Weijiayan 1st Road, Jinniu District, Chengdu City, Sichuan Province	1,535,500	Business Management Services
Cheng Du Ding Kang Real Estate Co., Ltd.	July 2013	No. 8, Feng Tai Road, Jin Niu District, Cheng Du City, Sichuan Province	1,346,568	Engaged in Hotel Construction and Real Estate Development
Qing Dao Xiang Du Investment Co., Ltd.	December 2014	No. 277, Jiu Long Shan Road, Huang Dao District, Qing Dao City, Shandong Province	307,100	Construction and Business Management of Real Estate and Using Self-Owned Funds and Private Funds to Engage in Equity Investment, Investment Management, and Asset Management

8.1.1.3 The Same Shareholder Information of Those Companies Presumed to Have a Relationship of Control or Subordination: Nil

8.1.1.4 The Industries Covered by the Businesses of Overall Affiliated Companies: Construction Industry, Investment Services, Housing and Building Development and Rental, Hotel Construction, Hospitality Operation, Real Estate Development, Investment Management, and Asset Management, etc.

8.1.1.5 Names of Directors, Supervisors and Presidents of Affiliated Companies

March 31, 2024

Company	Title	Name or Representative	Shareholding (Shares)	Shareholding Ratio (%)
Shining Building Business Co., Ltd.	Chairman	Ding Lin Investment & Development Co., Ltd. — Lai, Cheng-I	146,508,678	9.82%
	Director	Ding Zheng Investment Co., Ltd.	143,631,799	9.63%
	Director	Zheng Kee Investment Co., Ltd.	42,824,268	4.38%
	Director	Yi Yang Investment Co., Ltd.	18,695,522	1.91%
	Independent Director	Chiu, Wen-Jui	12,426	0.00%
	Independent Director	Huang, Jian-Ji	-	-
	Independent Director	Yang, Chih-Chung	-	-
	Director		-	-
Tai Yu Construction Co., Ltd.	Chairman	Shining Building Business Co., Ltd. — Hung, Sheng Yi	18,633,334	92.70%
	Director	Shining Building Business Co., Ltd. — Lai, Cheng-I	-	-
	Director	Ding Lin Investment & Development Co., Ltd. — Chen, Shu Fen	110,000	0.55%
	Supervisor	Ding Zheng Investment Co., Ltd. — Lin, Ching-Feng	110,000	0.55%
Bai Huang Investment Co., Ltd.	Person In Charge	Shining Building Business Co., Ltd. — Lai, Cheng-I	-	100%
Ding Lin International Enterprise Co., Ltd.	Chairman	Shining Building Business Co., Ltd. — Lai, Cheng-I	25,500	51.00%
	Director	Shining Building Business Co., Ltd. — Hung, Sheng Yi	-	-
	Director	Shining Building Business Co., Ltd. — Chang, Ying-Yin	-	-
	Supervisor	Bai Huang Investment Co., Ltd. — Lin, Ching-Feng	24,500	49.00%
Headway Investment Ltd.	Person In Charge	Shining Building Business Co., Ltd. — Liao, Pei-Chi	9,642,586	66.67%
Gold Square Investment Ltd.	Person In Charge	Headway Investment Ltd. — Liao, Pei-Chi	1	100.00%
FAST GROWTH Ltd.	Person In Charge	Shining Building Business Co., Ltd. — Chen, Yu-Chuan	117,929,751	100.00%
168 Investment Ltd.	Person In Charge	Shining Building Business Co., Ltd. — Lee, Chao-Chang	218,897,130	95.56%
Quantun Investment Ltd	Person In Charge	Shining Building Business Co., Ltd. — Chang, Ying-Yin	58,384,987	85.38%

Company	Title	Name or Representative	Shareholding (Shares)	Shareholding Ratio (%)
Billion Capital Holding Co., Ltd.	Person In Charge	Quantum Investment Ltd. — Chang, Ying-Yin	68,384,987	100.00%
Diamond Overseas Co., Ltd.	Person In Charge	Shining Building Business Co., Ltd. — Lee, Chao-Chang	385,835	100.00%
Worldwide Overseas Corp.	Person In Charge	Tai Yu Construction Co., Ltd. — Hung, Sheng Yi	1,000	100.00%
Century Up Limited	Person In Charge	Wang, Zhi-Jie	39,125	0.01%
Qing Dao Ding Lin International Business Management Co., Ltd.	Chairman	Century Up Limited — Lin, Xian-Zhe	-	79.94%
	Director	Century Up Limited — Wang, Zhi-Jie	-	
	Director	Kun Shan Mei Shing Enterprise Management Co., Ltd. — Lee, Chao-Chang	-	20.06%
	Supervisor	Century Up Limited — Liao, Pei-Chi	-	
Qing Dao Ding Lin Hotel Co., Ltd.	Chairman	Qing Dao Ding Lin International Business Management Co., Ltd. — Lin, Xian-Zhe	-	100.00%
	Supervisor	Qing Dao Ding Lin International Business Management Co., Ltd. — Liao, Pei-Chi	-	
Nan Jing Ding Zheng Real Estate Co., Ltd.	Chairman	168 Investment Ltd. — Chang, Xiu-Quan	-	100.00%
	Director	168 Investment Ltd. — Chang, Ying-Yin	-	
	Director	168 Investment Ltd. — Lin, Ching-Feng	-	
	Supervisor	168 Investment Ltd. — Liao, Pei-Chi	-	
Nan Jing Ding Zheng Hotel Co., Ltd.	Executive Director	Nan Jing Ding Zheng Real Estate Co., Ltd. — Chang, Xiu-Quan	-	100.00%
	Supervisor	Nan Jing Ding Zheng Real Estate Co., Ltd. — Xiao, Shih-Nong	-	
Chengdu Chunya Enterprise Management Co., Ltd.	Chairman	Billion Capital Holding Co., Ltd-Shieh Shang-tan	-	100%
Cheng Du Ding Kang Real Estate Co., Ltd.	Chairman	Chengdu Chunya Enterprise Management Co. -Shieh Shang-tan	-	100.00%
	Director	Jiaxing Yuet Wing Corporate Management Partnership - Sun Bing	-	
	Director	Jiaxing Yuet Wing Enterprise Management Partnership - Xu, Ya-Feng	-	
	Supervisor	Jiaxing Yuet Wing Enterprise Management Partnership - Dujuan	-	
Qing Dao Xiang Du Real Estate Co., Ltd.	Chairman	Headway Investment Ltd. — Lin, Xian-Zhe	-	100.00%
	Director	Headway Investment Ltd. — Liao, Pei-Chi	-	

Company	Title	Name or Representative	Shareholding (Shares)	Shareholding Ratio (%)
	Director	Headway Investment Ltd. — Chen, Chong-Yuan	-	
	Supervisor	Headway Investment Ltd. — Chang, Ying-Yin	-	

8.1.1.6 Operational Highlights of Affiliated Companies

December 31, 2023 Unit: New Taiwan Dollars (In Thousands)

Company	Paid-In Capital	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings (Loss) Per Share
Shining Building Business Co., Ltd.	9,775,892	18,772,488	8,642,731	10,129,758	2,312,679	246,147	(195,190)	(0.20)
Tai Yu Construction Co., Ltd.	201,000	538,265	360,042	178,222	670,365	(18,488)	(2,105)	(0.10)
Bai Huang Investment Co., Ltd.	9,000	1,020	-	1,020	-	(2)	(3)	0.00
Ding Lin International Enterprise Co., Ltd.	500	773	-	773	-	(2)	(2)	(0.05)
Worldwide Overseas Corp.	31	2,063	2,172	447	-	(11)	(28)	(0.00)
Headway Investment Ltd.	444,187	439,751	19,833	419,918	-	(28)	8,097	0.00
Gold Square investment Ltd.	-	654	-	654	-	(28)	(28)	(0.00)
Fast Growth Ltd.	3,621,623	2,367,502	230,493	2,137,008	-	(72)	(255,033)	(0.00)
168 INVESTMENT Ltd.	6,968,011	5,695,717	471,172	5,224,544	-	(51)	(482,307)	(0.00)
Quantum Investment Ltd	2,100,103	1,314,575	-	1,314,575	-	0	(210,371)	(0.00)
Billion Capital Holding Co., Ltd.	2,100,103	2,428,420	1,113,845	1,314,575	-	(233)	(210,420)	(0.00)
Diamond Overseas Co., Ltd.	11,849	360	-	360	-	(53)	(49)	(0.00)
Century Up Limited	1,159,942	(393,050)	9,461	(402,510)	-	(45)	(303,899)	(0.00)
Qing Dao Ding Lin International Business Management Co., Ltd.	1,152,454	8,552,629	9,045,546	(96,161)	154,472	(304,893)	(380,775)	NA
Qing Dao Ding Lin Hotel Co., Ltd.	43,270	542,635	619,495	(100,61)3	352,570	18,403	27,460	NA
Qing Dao Xiang Du Investment Co., Ltd.	307,100	257,749	-	257,749	-	(13)	(13)	NA
Nan Jing Ding Zheng Real Estate Co., Ltd.	3,746,344	10,285,977	7,602,467	2,683,510	647,707	(112,400)	(102,605,953)	NA

Company	Paid-In Capital	Assets	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings (Loss) Per Share
Nan Jing Ding Zheng Hotel Co., Ltd.	519,245	1,477,089	1,095,120	381,969	391,255	(7,963)	(1,020)	NA
Cheng Du Chun Ya Business Management CO., Ltd.	1,535,500	870,924	10,645	860,280	-	0	(209,483)	NA
Cheng Du Ding Kang Real Estate Co., Ltd.	1,346,568	11,712,324	10,850,056	862,269	-	(52,264)	(209,481)	NA

8.1.2 Consolidated Business Reports of Affiliated Companies: Nil

8.1.3 Relationship Reports of Affiliated Companies: Nil

8.1.4 Consolidated Financial Statements of Affiliated Companies

DECLARATION

The entities that are required to be included in the consolidated financial statements of the Company as of and for the year 2023 (from January 1 to December 31 2023), under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Shining Building Business Co. Ltd. and its subsidiaries did not prepare a separate set of combined financial statements.

Very truly yours

Company: Shining Building Business Co. Ltd.

Chairman: Lai, Cheng-I

March 13, 2024

8.2 The Status of Private Placement of Securities in the Most Recent Year and as of the Date of Publication of the Annual Report:

Item	2023 First Private Placement Issue Date: July 25, 2023				
Types of Marketable Securities Placed	Preferred Stocks				
Date and Amount Approved by Shareholders' Meeting	May 22, 2023 Extraordinary Shareholders' Meeting The maximum number of shares issued shall not exceed 200,000 thousand shares, to be conducted in two installments within one year from the date of the shareholders' meeting resolution. A total of 100,000 thousand shares were issued on July 25, 2023.				
Basis and Rationality for Pricing	<p>1.The pricing of the preferred stocks in this private placement shall be based on no less than 80% of the theoretical price, calculated based on an appropriate pricing model considering the various rights in the issuance conditions. Any rights not considered in the model shall be excluded from the issuance conditions. The actual pricing date and the actual issuance price shall be determined within the range of the resolution adopted at the first Extraordinary Shareholders' Meeting of 2023, authorized by the Board of Directors.</p> <p>2.The pricing of preferred stocks in private placement shall be in accordance with the "Directions for Public Companies Conducting Private Placements of Securities", considering the restrictions on the timing, recipients, and quantity of future transfers of the company, as well as the inability to apply for listing, and the relatively poor liquidity, etc. Therefore, the pricing method shall be considered reasonable and shall not have a significant impact on shareholders' equity.</p>				
Method Chosen by Specific Individuals	The recipients of this private placement of preferred stocks shall be limited to specific individuals as defined in Article 43-6 of the Securities Exchange Act and the Order of the (91) Taiwan-Finance-Securities-0910003455 issued by the original Ministry of Finance Securities and Futures Commission on June 13, 2002.				
Necessity for Conducting Private Placement	Considering the timeliness, feasibility, issuance costs, and transfer restrictions of raising capital, it can ensure a long-term equity relationship between the company and the subscribers, enhance the stability of the company's operations, and thus raise funds through private placement.				
Completion Date for Payment of Price	June 13, 2023				
Applicant Information	Private Placement Target	Qualifications	Subscription Quantity	Related to the Company	Involvement in Company Operations
	1. Ding-Cheng Investment Co., Ltd. 2.Ding-Lin Investment & Development Corp.	All in accordance with Article 43-6 of the Securities Exchange Act and the Order of the (91) Taiwan-Finance-Securities-0910003455 issued by the original Ministry of Finance Securities and Futures Commission on June 13, 2002.	1.49,500,000 shares 2.50,500,000 shares	All are corporate directors/major shareholders of the Company.	None
Actual Subscription Price	NT\$10 per share				
Discrepancy Between Actual Subscription Price and Reference (or Theoretical) Price	The actual subscription price is 97.75% of the theoretical price of NT\$10.23 per share.				

Item	2023 First Private Placement Issue Date: July 25, 2023
Impact of Private Placement on Shareholders' Equity	To be used for replenishing domestic operating funds and repaying domestic bank loans. This can enhance operational performance and strengthen the company's competitiveness, benefiting the overall shareholders' equity.
Utilization of Private Placement Funds and Progress in Plan Execution	As of the end of the first quarter of 2024, NT\$700,000 thousand has been utilized to replenish domestic operating funds, representing 100% execution. Additionally, domestic bank loans amounting to NT\$300,000 thousand have been repaid, representing 100% execution.
Manifestation of Plan Benefits	The entirety of funds raised in this round has been allocated to bolster domestic operating funds and repay domestic bank loans, thereby improving the financial structure. An issuance quota of 100,000 thousand shares remains unissued, with no plans for further issuance.

8.3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Year and as of the Date of Publication of the Annual Report: Nil

8.4 Other Necessary Supplement: Nil

8.5 The Significant Impacts on Shareholders' Right or Share Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act in the Most Recent Year and as of the Date of Publication of the Annual Report: Nil

8.6 In Case the Company and its Affiliated Companies have Financial Difficulties in the Most Recent Year and as of the Date of Publication of the Annual Report, the Impact on the Company's Financial Status: Nil

Shining Building Business Co., Ltd.

Chairman: Lai, Cheng-I